



Rogers Communications Inc.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)**

Three months ended March 31, 2016 and 2015

Rogers Communications Inc.
Interim Condensed Consolidated Statements of Income

(In millions of Canadian dollars, except per share amounts, unaudited)

		Three months ended March 31	
	Note	2016	2015
Operating revenue		3,245	3,175
Operating expenses:			
Operating costs	4	2,156	2,063
Depreciation and amortization		574	559
Restructuring, acquisition and other	5	44	9
Finance costs	6	196	210
Other income	7	(34)	(3)
Income before income taxes		309	337
Income taxes		61	82
Net income for the period		248	255
Earnings per share:			
Basic	8	\$ 0.48	\$ 0.50
Diluted	8	\$ 0.48	\$ 0.48

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Rogers Communications Inc.
Interim Condensed Consolidated Statements of Comprehensive Income
(In millions of Canadian dollars, unaudited)

		Three months ended March 31	
	Note	2016	2015
Net income for the period		248	255
Other comprehensive income (loss):			
Items that may subsequently be reclassified to income:			
Change in fair value of available-for-sale investments:			
Increase (decrease) in fair value		123	(74)
Reclassification to net income for gain on sale of investment		(39)	-
Related income tax (expense) recovery		(11)	10
Change in fair value of available-for-sale investments		73	(64)
Cash flow hedging derivative instruments:			
Unrealized (loss) gain in fair value of derivative instruments		(651)	741
Reclassification to net income of loss (gain) on debt derivatives		530	(650)
Reclassification to net income for loss on repayment of long-term debt	9	-	7
Reclassification to net income or property, plant and equipment of gain on expenditure derivatives		(28)	(33)
Reclassification to net income for accrued interest		(21)	(13)
Related income tax recovery (expense)		73	(44)
Cash flow hedging derivative instruments		(97)	8
Share of other comprehensive (loss) income of equity-accounted investments, net of tax		(17)	8
Other comprehensive loss for the period		(41)	(48)
Comprehensive income for the period		207	207

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Rogers Communications Inc.
Interim Condensed Consolidated Statements of Financial Position
(In millions of Canadian dollars, unaudited)

		As at March 31 2016	As at December 31 2015
	Note		
Assets			
Current assets:			
Cash and cash equivalents		-	11
Accounts receivable		1,792	1,792
Inventories		320	318
Other current assets		429	303
Current portion of derivative instruments	9	116	198
Total current assets		2,657	2,622
Property, plant and equipment		10,999	10,997
Intangible assets		7,206	7,243
Investments	10	2,381	2,271
Derivative instruments	9	1,536	1,992
Other long-term assets		124	150
Deferred tax assets		9	9
Goodwill		3,891	3,891
Total assets		28,803	29,175
Liabilities and shareholders' equity			
Current liabilities:			
Bank advances		72	-
Short-term borrowings	11	1,005	800
Accounts payable and accrued liabilities		2,479	2,708
Income tax payable		118	96
Current portion of provisions		27	10
Unearned revenue		441	388
Current portion of long-term debt	12	1,250	1,000
Current portion of derivative instruments	9	65	15
Total current liabilities		5,457	5,017
Provisions		31	50
Long-term debt	12	15,188	15,870
Derivative instruments	9	195	95
Other long-term liabilities		445	455
Deferred tax liabilities		1,782	1,943
Total liabilities		23,098	23,430
Shareholders' equity	13	5,705	5,745
Total liabilities and shareholders' equity		28,803	29,175
Subsequent events	9, 12		
Contingent liabilities	16		

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Rogers Communications Inc.
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

(In millions of Canadian dollars, except number of shares, unaudited)

	Class A Voting shares		Class B Non-voting shares		Retained earnings	Available- for-sale financial assets reserve	Hedging reserve	Equity investment hedging reserve	Total shareholders' equity
	Amount	Number of shares (000s)	Amount	Number of shares (000s)					
Three months ended March 31, 2016									
Balances, January 1, 2016	72	112,439	402	402,308	4,583	598	57	33	5,745
Net income for the period	-	-	-	-	248	-	-	-	248
Other comprehensive income (loss):									
Available-for-sale investments, net of tax	-	-	-	-	-	73	-	-	73
Derivative instruments accounted for as hedges, net of tax	-	-	-	-	-	-	(97)	-	(97)
Share of equity-accounted investments, net of tax	-	-	-	-	-	-	-	(17)	(17)
Total other comprehensive income (loss)	-	-	-	-	-	73	(97)	(17)	(41)
Comprehensive income for the period	-	-	-	-	248	73	(97)	(17)	207
Transactions with shareholders recorded directly in equity:									
Dividends declared	-	-	-	-	(247)	-	-	-	(247)
Share class exchange	-	(24)	-	24	-	-	-	-	-
Total transactions with shareholders	-	(24)	-	24	(247)	-	-	-	(247)
Balances, March 31, 2016	72	112,415	402	402,332	4,584	671	(40)	16	5,705

	Class A Voting shares		Class B Non-voting shares		Retained earnings	Available- for-sale financial assets reserve	Hedging reserve	Equity investment hedging reserve	Total shareholders' equity
	Amount	Number of shares (000s)	Amount	Number of shares (000s)					
Three months ended March 31, 2015									
Balances, January 1, 2015	72	112,448	402	402,298	4,172	721	104	10	5,481
Net income for the period	-	-	-	-	255	-	-	-	255
Other comprehensive (loss) income:									
Available-for-sale investments, net of tax	-	-	-	-	-	(64)	-	-	(64)
Derivative instruments accounted for as hedges, net of tax	-	-	-	-	-	-	8	-	8
Share of equity-accounted investments, net of tax	-	-	-	-	-	-	-	8	8
Total other comprehensive (loss) income	-	-	-	-	-	(64)	8	8	(48)
Comprehensive income for the period	-	-	-	-	255	(64)	8	8	207
Transactions with shareholders recorded directly in equity:									
Dividends declared	-	-	-	-	(247)	-	-	-	(247)
Share class exchange	-	(5)	-	5	-	-	-	-	-
Total transactions with shareholders	-	(5)	-	5	(247)	-	-	-	(247)
Balances, March 31, 2015	72	112,443	402	402,303	4,180	657	112	18	5,441

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Rogers Communications Inc.
Interim Condensed Consolidated Statements of Cash Flows
(In millions of Canadian dollars, unaudited)

		Three months ended March 31	
	Note	2016	2015
Operating activities:			
Net income for the period		248	255
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization		574	559
Program rights amortization		21	22
Finance costs	6	196	210
Income taxes		61	82
Stock-based compensation	14	12	12
Post-employment benefits contributions, net of expense		10	(95)
Gain on sale of investment		(39)	-
Other		10	(10)
Cash provided by operating activities before changes in non-cash working capital items, income taxes paid, and interest paid		1,093	1,035
Change in non-cash operating working capital items		(120)	(350)
Cash provided by operating activities before income taxes paid and interest paid		973	685
Income taxes paid		(137)	(195)
Interest paid		(238)	(263)
Cash provided by operating activities		598	227
Investing activities:			
Additions to property, plant and equipment		(552)	(475)
Changes in non-cash working capital related to property, plant and equipment		(137)	(92)
Additions to program rights		(10)	(12)
Other		(40)	(12)
Cash used in investing activities		(739)	(591)
Financing activities:			
Proceeds received on short-term borrowings	11	250	208
Repayment of short-term borrowings	11	(45)	(15)
Issuance of long-term debt	12	688	1,658
Repayment of long-term debt	12	(569)	(1,609)
Proceeds on settlement of debt derivatives and forward contracts	9	455	1,059
Payments on settlement of debt derivatives and forward contracts	9	(474)	(905)
Dividends paid		(247)	(235)
Cash provided by financing activities		58	161
Change in cash and cash equivalents		(83)	(203)
Cash and cash equivalents, beginning of period		11	176
Bank advances, end of period		(72)	(27)

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NOTE 1: NATURE OF THE BUSINESS

Rogers Communications Inc. is a diversified Canadian communications and media company. Substantially all of our operations and sales are in Canada. RCI is incorporated in Canada and its registered office is located at 333 Bloor Street East, Toronto, Ontario, M4W 1G9. RCI's shares are publicly traded on the Toronto Stock Exchange (TSX: RCI.A and RCI.B) and on the New York Stock Exchange (NYSE: RCI).

We, us, our, Rogers, Rogers Communications, and the Company refer to Rogers Communications Inc. and its subsidiaries. *RCI* refers to the legal entity Rogers Communications Inc., not including its subsidiaries. In addition to the business segments discussed above, RCI also holds interests in various investments and ventures.

We report our results of operations in four segments. Each segment and the nature of its business are as follows:

Segment	Principal activities
Wireless	Wireless telecommunications operations for Canadian consumers and businesses.
Cable	Cable telecommunications operations, including Internet, television, and telephony (phone) services for Canadian consumers and businesses.
Business Solutions	Network connectivity through our fibre network and data centre assets to support a range of voice, data, networking, hosting, and cloud-based services for small, medium, and large Canadian businesses, governments, and on a wholesale basis to other telecommunications providers.
Media	A diversified portfolio of media properties, including television and radio broadcasting, specialty channels, multi-platform shopping, publishing, sports media and entertainment, and digital media.

During the three months ended March 31, 2016, Wireless, Cable, and Business Solutions were operated by our wholly-owned subsidiary, Rogers Communications Canada Inc. (2015 - Rogers Communications Partnership), and certain other wholly-owned subsidiaries. Media was operated by our wholly-owned subsidiary, Rogers Media Inc., and its subsidiaries.

Statement of Compliance

We prepared our interim condensed consolidated financial statements for the three months ended March 31, 2016 (first quarter 2016 interim financial statements) in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) following the same accounting policies and methods of application as those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2015 (2015 financial statements) with the exception of those new accounting policies that were adopted on January 1, 2016 as described in note 2. These first quarter 2016 interim financial statements were approved by the Audit and Risk Committee of our Board of Directors on April 18, 2016.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The notes presented in these first quarter 2016 interim financial statements include only significant transactions and changes occurring since our last year-end of December 31, 2015 and do not include all disclosures required by International Financial Reporting Standards (IFRS) for annual financial statements. These first quarter 2016 interim financial statements should be read in conjunction with the 2015 financial statements.

Our operating results are subject to seasonal fluctuations that materially impact quarter-to-quarter operating results and thus, one quarter's operating results are not necessarily indicative of a subsequent quarter's operating results. All dollar amounts are in Canadian dollars unless otherwise stated.

New Accounting Pronouncements Adopted in 2016

We adopted the following new accounting standards and amendments; they are effective for our interim and annual consolidated financial statements commencing January 1, 2016. These changes did not have a material impact on our financial results.

- Amendments to IAS 1, *Presentation of Financial Statements*
- Amendments to IAS 16, *Property, Plant and Equipment* and IAS 38, *Intangible Assets*
- Amendments to IFRS 11, *Joint Arrangements*

Recent Accounting Pronouncements Not Yet Adopted

The IASB has issued new standards and amendments to existing standards. These changes are not yet adopted by us and could have an impact on future periods. These changes are described in our 2015 financial statements.

- IFRS 9, *Financial Instruments* (effective January 1, 2018)
- IFRS 15, *Revenue from Contracts with Customers* (effective January 1, 2018)
- IFRS 16, *Leases* (effective January 1, 2019)

We are assessing the impact of these standards on our consolidated financial statements.

NOTE 3: SEGMENTED INFORMATION

Our reportable segments are Wireless, Cable, Business Solutions, and Media. All four segments operate substantially in Canada. Corporate items and eliminations include our interests in businesses that are not reportable operating segments, corporate administrative functions, and eliminations of inter-segment revenues and costs. We follow the same accounting policies for our segments as those described in our 2015 financial statements. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. We account for transactions between reportable segments in the same way we account for transactions with external parties and eliminate them on consolidation.

The Chief Executive Officer and Chief Financial Officer of RCI are the chief operating decision makers and regularly review our operations and performance by segment. They review adjusted operating profit as the key measure of profit for the purpose of assessing performance for each segment and to make decisions about the allocation of resources. Adjusted operating profit is defined as income before stock-based compensation, depreciation and amortization, restructuring, acquisition and other, finance costs, other (income) expense, and income taxes.

Information by Segment

Three months ended March 31, 2016 (In millions of dollars)	Note	Wireless	Cable	Business Solutions	Media	Corporate items and eliminations	Consolidated totals
Operating revenue		1,890	856	96	448	(45)	3,245
Operating costs ¹		1,127	463	65	497	(8)	2,144
Adjusted operating profit (loss)		763	393	31	(49)	(37)	1,101
Stock-based compensation ¹	14						12
Depreciation and amortization							574
Restructuring, acquisition and other	5						44
Finance costs	6						196
Other income							(34)
Income before income taxes							309

¹ Included in Operating costs on the interim condensed consolidated financial statements.

Three months ended March 31, 2015 (In millions of dollars)	Note	Wireless	Cable	Business Solutions	Media	Corporate items and eliminations	Consolidated totals
Operating revenue		1,794	870	94	464	(47)	3,175
Operating costs ¹		1,029	468	66	496	(8)	2,051
Adjusted operating profit (loss)		765	402	28	(32)	(39)	1,124
Stock-based compensation ¹	14						12
Depreciation and amortization							559
Restructuring, acquisition and other	5						9
Finance costs	6						210
Other income							(3)
Income before income taxes							337

¹ Included in Operating costs on the interim condensed consolidated financial statements.

NOTE 4: OPERATING COSTS

(In millions of dollars)	Three months ended March 31	
	2016	2015
Cost of equipment sales and direct channel subsidies	461	394
Merchandise for resale	49	47
Other external purchases	1,170	1,158
Employee salaries and benefits and stock-based compensation	476	464
Total operating costs	2,156	2,063

NOTE 5: RESTRUCTURING, ACQUISITION AND OTHER

During the three months ended March 31, 2016, we incurred \$44 million (2015 - \$9 million) in restructuring, acquisition and other expenses. These expenses in 2016 primarily consisted of severance costs associated with the targeted restructuring of the employee base. In 2015, these expenses were incurred primarily as a result of reorganization changes.

NOTE 6: FINANCE COSTS

(In millions of dollars)	Note	Three months ended March 31	
		2016	2015
Interest on borrowings		196	196
Interest on post-employment benefits liability		2	3
Loss on repayment of long-term debt	9	-	7
(Gain) loss on foreign exchange		(25)	7
Change in fair value of derivative instruments		24	2
Capitalized interest		(4)	(8)
Other		3	3
Total finance costs		196	210

NOTE 7: OTHER INCOME

(In millions of dollars)	Three months ended March 31	
	2016	2015
Losses from associates and joint ventures	14	2
Gain on sale of investment	(39)	-
Other investment income	(9)	(5)
Total other income	(34)	(3)

NOTE 8: EARNINGS PER SHARE

(In millions of dollars, except per share amounts)	Three months ended March 31	
	2016	2015
Numerator (basic) - Net income for the period	248	255
Denominator - Number of shares (in millions):		
Weighted average number of shares outstanding - basic	515	515
Effect of dilutive securities (in millions):		
Employee stock options and restricted share units	2	2
Weighted average number of shares outstanding - diluted	517	517
Earnings per share:		
Basic	\$ 0.48	\$ 0.50
Diluted	\$ 0.48	\$ 0.48

For the three months ended March 31, 2015, the accounting for stock-based compensation using the equity-settled method was determined to be more dilutive than using the cash-settled method. As a result, net income for the three months ended March 31, 2015 was reduced by \$7 million in the diluted earnings per share calculation to account for these awards as if they were equity-settled. There was no such impact for the three months ended March 31, 2016.

A total of 1,054,530 options were out of the money for the three months ended March 31, 2016 (2015 - 2,325,902). These options were excluded from the calculation of the effect of dilutive securities because they were anti-dilutive.

NOTE 9: FINANCIAL INSTRUMENTS**Derivative Instruments**

We use derivative instruments from time to time to manage financial risks related to our business activities. These include debt derivatives, bond forwards, expenditure derivatives, and equity derivatives. We only use derivatives to manage risk and not for speculative purposes.

All of our currently outstanding debt derivatives related to our senior notes, bond forwards, and expenditure derivatives have been designated as hedges for accounting purposes.

Debt derivatives

We use cross-currency interest exchange agreements (debt derivatives) to manage risks from fluctuations in foreign exchange rates associated with our US dollar-denominated debt instruments. We designate the debt derivatives related to our senior notes as hedges for accounting purposes against the foreign exchange risk associated with specific debt instruments.

During the three months ended March 31, 2016, we entered into debt derivatives related to our credit facility borrowings to offset the foreign exchange and interest rate risk on our US dollar-denominated credit facility borrowings (see note 12). We have not designated these debt derivatives related to our credit facility borrowings as hedges for accounting purposes. We did not enter into any debt derivatives related to our credit facility borrowings during the three months ended March 31, 2015.

During the three months ended March 31, 2016, we settled debt derivatives related to our credit facility borrowings with a notional value of \$474 million (US\$342 million) for net cash payments of \$19 million.

As at March 31, 2016, we had US\$6.2 billion (December 31, 2015 - US\$6.2 billion) in US dollar-denominated senior notes and debentures, of which all of the associated foreign exchange risk had been hedged using debt derivatives. We did not enter into any debt derivatives related to senior notes during the three months ended March 31, 2016 or 2015.

Bond forwards

We use bond forward derivatives (bond forwards) to hedge interest rate risk on the senior notes we expect to issue in the future. We did not enter into any new bond forwards or settle any existing bond forwards during the three months ended March 31, 2016 or 2015. As at March 31, 2016, we had \$1.4 billion (December 31, 2015 - \$1.4 billion) notional amount of bond forwards outstanding, all of which were designated as hedges for accounting purposes.

Expenditure derivatives

We use foreign currency forward contracts (expenditure derivatives) to manage the foreign exchange risk in our operations, designating them as hedges for accounting purposes for certain of our forecasted operational and capital expenditures.

During the three months ended March 31, 2016, we entered into US dollar-denominated foreign currency forward contracts to fix the exchange rate on US\$420 million of Rogers' US dollar-denominated gross forecasted expenditures for 2017. The US\$420 million of anticipated expenditures was hedged at an average rate of \$1.39/US\$, which fixes the cost in Canadian dollars for these expenditures over the term of the contracts to \$584 million. We did not enter into any new expenditure derivatives during the three months ended March 31, 2015.

During the three months ended March 31, 2016, we settled US\$210 million (2015 - US\$180 million) of expenditure derivatives for \$256 million (2015 - \$199 million).

As at March 31, 2016, we had US\$1,350 million of expenditure derivatives outstanding (December 31, 2015 - US\$1,140 million) with terms to maturity ranging from April 2016 to December 2017 (December 31, 2015 - January 2016 to December 2017), at an average rate of \$1.29/US\$ (December 31, 2015 - \$1.24/US\$).

Equity derivatives

We use total return swaps (equity derivatives) to hedge the market price appreciation risk of the RCI Class B shares granted under our stock-based compensation programs. The equity derivatives have not been designated as hedges for accounting purposes.

As at March 31, 2016, we had equity derivatives for 5.7 million (December 31, 2015 - 5.7 million) RCI Class B shares with a weighted average price of \$50.37 (December 31, 2015 - \$50.37).

In April 2016, we executed extension agreements for each of our equity derivative contracts under substantially the same terms and conditions with revised expiry dates to April 2017 (from April 2016).

During the three months ended March 31, 2016, we recognized a recovery of stock-based compensation expense of \$26 million, (2015 - expense of \$14 million) related to the change in fair value of our equity derivative contracts net of interest receipts (see note 14).

Fair Values of Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable, bank advances, short-term borrowings, and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

We determine the fair value of each of our publicly traded investments using quoted market values. We determine the fair value of our private investments by using implied valuations from follow-on financing rounds, third party sale negotiations, or market-based approaches. These are applied appropriately to each investment depending on its future operating and profitability prospects.

The fair values of each of our public debt instruments are based on the period-end estimated market yields. We determine the fair values of our debt derivatives and expenditure derivatives using an estimated credit-adjusted mark-to-market valuation by discounting cash flows to the measurement date. In the case of debt derivatives and expenditure derivatives in an asset position, the credit spread for the financial institution counterparty is added to the risk-free discount rate to determine the estimated credit-adjusted value for each derivative. For those debt derivatives and expenditure derivatives in a liability position, our credit spread is added to the risk-free discount rate for each derivative.

The fair value of each of our bond forwards is determined by discounting cash flows to the measurement date that result from comparing the difference between the period-end market forward yields to the forward yield in each bond forward multiplied by its notional amount.

The fair values of our equity derivatives are based on the quoted market value of RCI's Class B Non-Voting shares.

Our disclosure of the three-level fair value hierarchy reflects the significance of the inputs used in measuring fair value:

- financial assets and financial liabilities in Level 1 are valued by referring to quoted prices in active markets for identical assets and liabilities;
- financial assets and financial liabilities in Level 2 are valued using inputs based on observable market data, either directly or indirectly, other than the quoted prices; and
- Level 3 valuations are based on inputs that are not based on observable market data.

There were no material financial instruments categorized in Level 3 as at March 31, 2016 and 2015 and there were no transfers between Level 1, Level 2, or Level 3 during the respective periods.

The table below shows the financial instruments carried at fair value.

(In millions of dollars)	Carrying value		Fair Value (Level 1)		Fair Value (Level 2)	
	As at Mar. 31 2016	As at Dec. 31 2015	As at Mar. 31 2016	As at Dec. 31 2015	As at Mar. 31 2016	As at Dec. 31 2015
Financial assets						
Available-for-sale, measured at fair value:						
Investments in publicly traded companies	1,080	966	1,080	966	-	-
Held-for-trading:						
Debt derivatives accounted for as cash flow hedges	1,587	2,032	-	-	1,587	2,032
Expenditure derivatives accounted for as cash flow hedges	56	158	-	-	56	158
Equity derivatives not accounted for as cash flow hedges	9	-	-	-	9	-
Total financial assets	2,732	3,156	1,080	966	1,652	2,190
Financial liabilities						
Held-for-trading:						
Debt derivatives accounted for as cash flow hedges	78	4	-	-	78	4
Debt derivatives not accounted for as hedges	6	-	-	-	6	-
Bond forwards accounted for as cash flow hedges	132	91	-	-	132	91
Expenditure derivatives accounted for as cash flow hedges	44	-	-	-	44	-
Equity derivatives not accounted for as cash flow hedges	-	15	-	-	-	15
Total financial liabilities	260	110	-	-	260	110

The fair value of our long-term debt as at March 31, 2016 and December 31, 2015 is as follows:

(In millions of dollars)	Carrying amount	As at March 31, 2016	As at December 31, 2015	
		Fair value (Level 2)	Carrying amount	Fair value (Level 2)
Long-term debt (including current portion)	16,438	18,332	16,870	18,252

We did not have any non-derivative held-to-maturity financial assets during the three months ended March 31, 2016 and 2015.

NOTE 10: INVESTMENTS

(In millions of dollars)	As at March 31 2016	As at December 31 2015
Investments in:		
Publicly traded companies	1,080	966
Private companies	174	212
Investments, available-for-sale	1,254	1,178
Investments, associates and joint ventures	1,127	1,093
Total investments	2,381	2,271

NOTE 11: SHORT-TERM BORROWINGS

	As at March 31 2016	As at December 31 2015
(In millions of dollars)		
Trade accounts receivable sold to buyer as security	1,239	1,359
Short-term borrowings from buyer	(1,005)	(800)
Overcollateralization	234	559

During the three months ended March 31, 2016, we received an additional \$250 million (2015 - \$208 million) of funding under the accounts receivable securitization program and repaid \$45 million (2015 - \$15 million), which changed our total funding under the program to \$1,005 million as at March 31, 2016 (December 31, 2015 - \$800 million).

We incurred interest costs relating to the securitization program of \$4 million during the three months ended March 31, 2016 (2015 - \$4 million), which we recorded in finance costs.

NOTE 12: LONG-TERM DEBT

(In millions of dollars, except interest rates)	Due date	Principal amount	Interest rate	As at March 31 2016	As at December 31 2015
Bank credit facilities			Floating	-	500
Bank credit facilities		US 457	Floating	594	-
Senior notes	2016	1,000	5.800%	1,000	1,000
Senior notes	2017	500	3.000%	500	500
Senior notes	2017	250	Floating	250	250
Senior notes	2018	US 1,400	6.800%	1,818	1,938
Senior notes	2019	400	2.800%	400	400
Senior notes	2019	500	5.380%	500	500
Senior notes	2020	900	4.700%	900	900
Senior notes	2021	1,450	5.340%	1,450	1,450
Senior notes	2022	600	4.000%	600	600
Senior notes	2023	US 500	3.000%	649	692
Senior notes	2023	US 850	4.100%	1,104	1,176
Senior notes	2024	600	4.000%	600	600
Senior notes	2025	US 700	3.625%	909	969
Senior debentures ¹	2032	US 200	8.750%	260	277
Senior notes	2038	US 350	7.500%	454	484
Senior notes	2039	500	6.680%	500	500
Senior notes	2040	800	6.110%	800	800
Senior notes	2041	400	6.560%	400	400
Senior notes	2043	US 500	4.500%	649	692
Senior notes	2043	US 650	5.450%	844	900
Senior notes	2044	US 1,050	5.000%	1,364	1,453
Deferred transaction costs and discounts				16,545	16,981
Less current portion				(107)	(111)
				(1,250)	(1,000)
Total long-term debt				15,188	15,870

¹ Senior notes and debentures originally issued by Rogers Cable Inc. which are unsecured obligations of RCI and for which RCCI was an unsecured guarantor as at March 31, 2016 and for which RCP was an unsecured guarantor as at December 31, 2015.

Bank Credit and Letter of Credit Facilities

During the three months ended March 31, 2016, we borrowed \$688 million (US\$507 million) (2015 - \$1,660 million) under our revolving and non-revolving credit facilities and repaid \$569 million (\$500 million and US\$50 million) (2015 - \$550 million).

As at March 31, 2016, we had \$594 million (US\$ 457 million) outstanding under our revolving and non-revolving credit facilities (December 31, 2015 - \$500 million). We have entered into debt derivatives related to these borrowings to convert all the interest and principal payment obligations to Canadian dollars (see note 9).

As at March 31, 2016, we had available liquidity of \$2.8 billion (December 31, 2015 - \$3.0 billion) under our \$3.6 billion of revolving and non-revolving credit and letter of credit facilities (December 31, 2015 - \$3.6 billion), of which we had utilized approximately \$0.1 billion (December 31, 2015 - \$0.1 billion) related to outstanding letters of credit and \$0.7 billion of borrowings (December 31, 2015 - \$0.5 billion).

Effective April 1, 2016, we amended our \$2.5 billion revolving credit facility to, among other things, extend the maturity date from July 2019 to September 2020. At the same time, we also amended the \$1.0 billion non-revolving credit facility to, among other things, extend the maturity date from April 2017 to April 2018.

Senior Notes

Interest is paid on our senior notes as follows:

- semi-annually on all of our fixed-rate senior notes and debentures; and
- quarterly on our floating-rate senior notes.

We have the option to redeem each of our fixed-rate senior notes and debentures, in whole or in part, at any time, if we pay the premiums specified in the corresponding agreements.

Issuance of senior notes

We did not issue any senior notes during the three months ended March 31, 2016 and 2015.

Repayment of senior notes and related derivative settlements

We did not repay any senior notes or settle any related debt derivatives during the three months ended March 31, 2016.

During the three months ended March 31, 2015, we repaid our US\$550 million (\$702 million) and US\$280 million (\$357 million) senior notes that were due in March 2015. At the same time, the associated debt derivatives were settled at maturity for net proceeds received of \$154 million (see note 9), resulting in a net repayment of \$905 million, including settlement of the associated debt derivatives.

NOTE 13: SHAREHOLDERS' EQUITY

Dividends

In 2016 and 2015, we declared and paid the following dividends on our outstanding Class A Voting and Class B Non-Voting shares:

Date declared	Date paid	Dividend per share (dollars)
January 27, 2016	April 1, 2016	0.48
		0.48
January 28, 2015	April 1, 2015	0.48
April 21, 2015	July 2, 2015	0.48
August 13, 2015	October 1, 2015	0.48
October 22, 2015	January 4, 2016	0.48
		1.92

The holders of Class A shares are entitled to receive dividends at the rate of up to five cents per share, but only after dividends at the rate of five cents per share have been paid or set aside on the Class B shares. Class A Voting and Class B Non-Voting shares therefore participate equally in dividends.

NOTE 14: STOCK-BASED COMPENSATION

The table below is a summary of our stock-based compensation expense, which is included in employee salaries and benefits expense.

(In millions of dollars)	Three months ended March 31	
	2016	2015
Stock options	13	(7)
Restricted share units (RSUs)	15	6
Deferred share units (DSUs)	10	(1)
Equity derivative effect, net of interest receipt	(26)	14
Total stock-based compensation expense	12	12

As at March 31, 2016, we had a total liability, recognized at its fair value, of \$158 million (December 31, 2015 - \$157 million) related to stock-based compensation, including stock options, RSUs, and DSUs.

During the three months ended March 31, 2016, we paid \$45 million (2015 - \$35 million) to holders of stock options, RSUs, and DSUs upon exercise using the cash settlement feature.

Stock Options*Summary of stock options*

The table below is a summary of the stock option plans, including performance options:

(In number of units, except prices)	Three months ended March 31, 2016		Three months ended March 31, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	4,873,940	\$ 41.47	5,759,786	\$ 38.71
Granted	1,054,530	\$ 49.95	1,124,670	\$ 44.97
Exercised	(572,646)	\$ 34.23	(846,067)	\$ 36.24
Forfeited	(12,252)	\$ 44.44	(20,203)	\$ 37.71
Outstanding, end of period	5,343,572	\$ 43.91	6,018,186	\$ 40.03
Exercisable, end of period	2,486,203	\$ 40.53	3,047,200	\$ 35.38

Unrecognized stock-based compensation expense as at March 31, 2016 related to stock option plans was \$13 million (December 31, 2015 - \$7 million) and will be recognized in net income over the next four years as the options vest.

Restricted Share Units*Summary of RSUs*

The table below is a summary of the RSUs outstanding, including performance RSUs.

(In number of units)	Three months ended March 31	
	2016	2015
Outstanding, beginning of period	2,484,405	2,765,255
Granted and reinvested dividends	621,798	543,780
Exercised	(614,484)	(643,403)
Forfeited	(60,438)	(62,280)
Outstanding, end of period	2,431,281	2,603,352

Unrecognized stock-based compensation expense as at March 31, 2016 related to these RSUs was \$58 million (December 31, 2015 - \$41 million) and will be recognized in net income over the next three years as the RSUs vest.

Deferred Share Units*Summary of DSUs*

The table below is a summary of the DSUs outstanding, including performance DSUs.

(In number of units)	Three months ended March 31	
	2016	2015
Outstanding, beginning of period	1,770,871	826,891
Granted and reinvested dividends	873,036	1,173,194
Exercised	(99,137)	-
Forfeited	(41,691)	(555)
Outstanding, end of period	2,503,079	1,999,530

Unrecognized stock-based compensation expense as at March 31, 2016, related to these DSUs was \$50 million (December 31, 2015 - \$26 million) and will be recognized in net income over the next three years as the executive DSUs vest. All other DSUs are fully vested.

NOTE 15: RELATED PARTY TRANSACTIONS**Controlling Shareholder**

We enter into certain transactions with private Rogers family holding companies controlled by the Rogers Control Trust. These transactions, as summarized below, were recognized at the amount agreed to by the related parties and are subject to the terms and conditions of formal agreements approved by the Audit and Risk Committee. The totals received or paid during the three months ended March 31, 2016 and 2015 were less than \$1 million, respectively.

Transactions with Key Management Personnel

We have entered into business transactions with companies whose partners or senior officers are Directors of RCI, which include:

- the non-executive chairman of a law firm that provides a portion of our legal services;
- the chairman of a company that provides printing services to the Company; and
- the chairman and chief executive officer of a firm to which the Company pays commissions for insurance coverage (ceased as a related party effective April 2015).

We recognize these transactions at the amount agreed to by the related parties, which are also reviewed by the Audit and Risk Committee. The amounts owing for these services are unsecured, interest-free, and due for payment in cash within one month from the date of the transaction. The following table summarizes related party activity for the business transactions described above.

(In millions of dollars)	Three months ended Month 31	
	2016	2015
Printing, legal services, and commission paid on premiums for insurance coverage	5	10

NOTE 16: CONTINGENT LIABILITIES

We have the following contingent liabilities as at March 31, 2016:

System Access Fee - Saskatchewan

In 2004, a class action was commenced against providers of wireless communications in Canada under the Class Actions Act (Saskatchewan). The class action relates to the system access fee wireless carriers charge to some of their customers. The plaintiffs are seeking unspecified damages and punitive damages, which would effectively be a reimbursement of all system access fees collected.

In 2007, the Saskatchewan Court granted the plaintiffs' application to have the proceeding certified as a national, "opt-in" class action where affected customers outside Saskatchewan must take specific steps to participate in the proceeding. In 2008, our motion to stay the proceeding based on the arbitration clause in our wireless service agreements was granted. The Saskatchewan Court directed that its order, in respect of the certification of the action, would exclude customers who are bound by an arbitration clause from the class of plaintiffs.

In 2009, counsel for the plaintiffs began a second proceeding under the Class Actions Act (Saskatchewan) asserting the same claims as the original proceeding. If successful, this second class action would be an "opt-out" class proceeding. This second proceeding was ordered conditionally stayed in 2009 on the basis that it was an abuse of process.

In 2013, the plaintiffs applied for an order to be allowed to proceed with the second system access fee class action. However, the court denied this application and the second action remains conditionally stayed.

At the time the Saskatchewan class action was commenced in 2004, corresponding claims were filed in multiple jurisdictions across Canada, although no active steps were taken by the plaintiffs. In 2014, the Nova Scotia Supreme Court declined to stay or dismiss the corresponding claim brought by the plaintiffs in Nova Scotia as an abuse of process. In April 2015, the Nova Scotia Court of Appeal permanently stayed the Nova Scotia claim. The plaintiffs are seeking leave to appeal to the Supreme Court of Canada. The Manitoba Court of Queen's Bench unconditionally stayed the corresponding claim brought in Manitoba as an abuse of process. An appeal by the plaintiff from this decision was dismissed by the Manitoba Court of Appeal. A similar decision has been issued by the British Columbia Court of Appeal. In 2015, the Court of Queen's Bench of Alberta declined to dismiss the corresponding claim in Alberta. In October 2015, the Alberta Court of Appeal granted our appeal and dismissed the claim in Alberta. We have not recognized a liability for this contingency.

System Access Fee - British Columbia

In December 2011, a class action was launched in British Columbia against providers of wireless communications in Canada in response to the system access fee wireless carriers charge to some of their customers. The class action related to allegations of misrepresentations contrary to the Business Practices and Consumer Protection Act (British Columbia), among other things. The plaintiffs sought unspecified damages and restitution. In June 2014, the court denied the plaintiffs' certification application, concluding that there is nothing in the term "system access fee" to suggest it is a fee to be remitted to the government. An appeal by the plaintiffs was dismissed by the British Columbia Court of Appeal in 2015, finding that the conclusion of the trial judge was unassailable. The plaintiffs are seeking leave to appeal to the Supreme Court of Canada. We have not recognized a liability for this contingency.

911 Fee

In June 2008, a class action was launched in Saskatchewan against providers of wireless communications services in Canada. It involves allegations of breach of contract, misrepresentation, and false advertising, among other things, in relation to the 911 fee that had been charged by us and the other wireless telecommunication providers in Canada. The plaintiffs are seeking unspecified damages and restitution. The plaintiffs intend to seek an order certifying the proceeding as a national class action in Saskatchewan. We have not recognized a liability for this contingency.

Cellular devices

In July 2013, a class action was launched in British Columbia against providers of wireless communications in Canada and manufacturers of wireless devices. The class action relates to the alleged adverse health effects incurred by long-term users of cellular devices. The plaintiffs are seeking unspecified damages and punitive damages, effectively equal to the reimbursement of the portion of revenue the defendants have received that can reasonably be attributed to the sale of cellular phones in Canada. We have not recognized a liability for this contingency.

Outcome of proceedings

The outcome of all the proceedings and claims against us, including the matters described above, is subject to future resolution that includes the uncertainties of litigation. It is not possible for us to predict the result or magnitude of the claims due to the various factors and uncertainties involved in the legal process. Based on information currently known to us, we believe it is not probable that the ultimate resolution of any of these proceedings and claims, individually or in total, will have a material adverse effect on our business or financial results or financial condition. If it becomes probable that we will be held liable for claims against us, we will recognize a provision during the period in which the change in probability occurs, which could be material to our Consolidated Statements of Income or Consolidated Statements of Financial Position.

NOTE 17: SUPPLEMENTAL CASH FLOW INFORMATION

(In millions of dollars)	Three months ended March 31	
	2016	2015
Accounts receivable	32	150
Inventories	(2)	(129)
Other current assets	(125)	(124)
Accounts payable and accrued liabilities	(78)	(299)
Unearned revenue	53	52
Total change in non-cash working capital items	(120)	(350)