Summary of Consolidated Financial Results

(In millions of dollars, except margins and per share amounts)	Three months ended September 30			Nine months ended September 30		
	2015	2014	% Chg	**2015**	2014	% Chg
Operating revenue						
Wireless	**1,973**	1,880	5	**5,670**	5,407	5
Cable	**871**	864	1	**2,610**	2,596	1
Business Solutions	**94**	96	(2)	**282**	285	(1)
Media	**473**	440	8	**1,519**	1,282	18
Corporate items and intercompany eliminations	**(27)**	(28)	(4)	**(119)**	(86)	38
Operating revenue	**3,384**	3,252	4	**9,962**	9,484	5
Adjusted operating profit						
Wireless	**879**	888	(1)	**2,485**	2,521	(1)
Cable	**416**	409	2	**1,232**	1,241	(1)
Business Solutions	**31**	32	(3)	**86**	88	(2)
Media	**58**	23	152	**116**	53	119
Corporate items and intercompany eliminations	**(39)**	(40)	(3)	**(113)**	(117)	(3)
Adjusted operating profit [1]	**1,345**	1,312	3	**3,806**	3,786	1
Adjusted operating profit margin [1]	**39.7%**	40.3%	(0.6 pts)	**38.2%**	39.9%	(1.7 pts)
Net income	**464**	332	40	**1,082**	1,044	4
Basic earnings per share	**$ 0.90**	$ 0.64	41	**$ 2.10**	$ 2.03	3
Adjusted net income [1]	**472**	405	17	**1,159**	1,177	(2)
Adjusted basic earnings per share [1]	**$ 0.92**	$ 0.79	16	**$ 2.25**	$ 2.29	(2)
Additions to property, plant and equipment	**571**	638	(11)	**1,667**	1,702	(2)
Free cash flow [1]	**660**	370	78	**1,402**	1,162	21
Cash provided by operating activities	**1,456**	1,057	38	**2,797**	2,667	5

[1] Adjusted operating profit, adjusted operating profit margin, adjusted net income, adjusted basic earnings per share, and free cash flow are non-GAAP measures and should not be considered as a substitute or alternative for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about these measures, including how we calculate them.

Results of our Business Segments

WIRELESS

Wireless Financial Results

	Three months ended September 30			Nine months ended September 30		
(In millions of dollars, except margins)	**2015** [1]	2014	% Chg	**2015** [1]	2014	% Chg
Operating revenue						
Network revenue	**1,776**	1,732	3	**5,155**	5,042	2
Equipment sales	**197**	148	33	**515**	365	41
Operating revenue	**1,973**	1,880	5	**5,670**	5,407	5
Operating expenses						
Cost of equipment [2]	**460**	361	27	**1,276**	991	29
Other operating expenses	**634**	631	-	**1,909**	1,895	1
Operating expenses	**1,094**	992	10	**3,185**	2,886	10
Adjusted operating profit	**879**	888	(1)	**2,485**	2,521	(1)
Adjusted operating profit margin as a % of network revenue	**49.5%**	51.3%	(1.8 pts)	**48.2%**	50.0%	(1.8 pts)
Additions to property, plant and equipment	**195**	285	(32)	**631**	720	(12)

[1] The operating results of Mobilicity are included in the Wireless results of operations from the date of acquisition on July 2, 2015.
[2] Includes the cost of equipment sales and direct channel subsidies.

Wireless Subscriber Results [1]

	Three months ended September 30			Nine months ended September 30		
(In thousands, except churn, ARPA, and ARPU)	**2015**	2014	Chg	**2015**	2014	Chg
Postpaid						
Gross additions	**399**	336	63	**989**	941	48
Net additions	**77**	17	60	**75**	57	18
Total postpaid subscribers [2,3]	**8,240**	8,131	109	**8,240**	8,131	109
Churn (monthly)	**1.31%**	1.31%	-	**1.25%**	1.21%	0.04 pts
ARPA (monthly)	**$ 113.34**	$ 108.97	$ 4.37	**$ 110.27**	$ 105.86	$ 4.41
Prepaid						
Gross additions	**218**	165	53	**498**	369	129
Net additions (losses)	**77**	41	36	**48**	(63)	111
Total prepaid subscribers [3,4]	**1,579**	1,366	213	**1,579**	1,366	213
Churn (monthly)	**3.08%**	3.12%	(0.04 pts)	**3.55%**	3.53%	0.02 pts
Blended ARPU	**$ 61.02**	$ 60.96	$ 0.06	**$ 59.86**	$ 59.23	$ 0.63

[1] Subscriber counts, subscriber churn, ARPA, and ARPU are key performance indicators. See "Key Performance Indicators".
[2] Effective January 1, 2015 and on a prospective basis, our Wireless postpaid subscriber results included Wireless Home Phone subscribers resulting in a base adjustment of approximately 92,000 cumulative subscribers, which are not included in net additions, but do appear in the ending total balance for September 30, 2015.
[3] As at end of period.
[4] On July 2, 2015, we acquired approximately 154,000 Wireless prepaid subscribers as a result of our acquisition of Mobilicity, which are not included in net additions, but do appear in the ending total balance for September 30, 2015.

Network revenue

The 3% increase in network revenue this quarter and 2% increase year to date were a result of:

- continued adoption of customer-friendly Rogers Share Everything plans, which generate higher ARPU and ARPA, bundle in various calling features and long distance, provide the ability to pool data usage across multiple devices, and grant access to our other offerings, such as Roam Like Home, Rogers NHL GameCentre LIVE, Spotify, shomi, and Texture by Next Issue;
- our acquisition of Mobilicity; and
- an adjustment pertaining to the Rogers First Rewards loyalty program reflecting anticipated usage; partially offset by
- a 10% decrease in roaming revenue this quarter and a 14% decrease year to date as a result of changes to roaming plans, including the introduction of Roam Like Home in the US, Caribbean, Mexico, Latin America, and Europe, which simplify the customer experience and provide greater value to the customer. Roaming usage continues to increase, partially offsetting the declines in roaming rates.

CABLE

Cable Financial Results

(In millions of dollars, except margins)	Three months ended September 30			Nine months ended September 30		
	2015 [1]	2014	% Chg	**2015** [1]	2014	% Chg
Operating revenue						
Internet	**344**	311	11	**995**	928	7
Television	**415**	433	(4)	**1,266**	1,301	(3)
Phone	**110**	118	(7)	**343**	360	(5)
Service revenue	**869**	862	1	**2,604**	2,589	1
Equipment sales	**2**	2	-	**6**	7	(14)
Operating revenue	**871**	864	1	**2,610**	2,596	1
Operating expenses						
Cost of equipment	**-**	1	(100)	**2**	4	(50)
Other operating expenses	**455**	454	-	**1,376**	1,351	2
Operating expenses	**455**	455	-	**1,378**	1,355	2
Adjusted operating profit	**416**	409	2	**1,232**	1,241	(1)
Adjusted operating profit margin	**47.8%**	47.3%	0.5 pts	**47.2%**	47.8%	(0.6 pts)
Additions to property, plant and equipment	**244**	274	(11)	**722**	764	(5)

[1] The operating results of Source Cable Ltd. (Source Cable) are included in the Cable results of operations from the date of acquisition on November 4, 2014.

Cable Subscriber Results [1]

(In thousands)	Three months ended September 30			Nine months ended September 30		
	2015	2014	Chg	**2015**	2014	Chg
Internet						
Net additions	**24**	16	8	**21**	38	(17)
Total Internet subscribers [2,3]	**2,032**	1,999	33	**2,032**	1,999	33
Television						
Net losses	**(31)**	(30)	(1)	**(104)**	(83)	(21)
Total television subscribers [2,3]	**1,920**	2,044	(124)	**1,920**	2,044	(124)
Phone						
Net (losses) additions	**(14)**	(7)	(7)	**(45)**	4	(49)
Total phone subscribers [2,3]	**1,105**	1,157	(52)	**1,105**	1,157	(52)
Cable homes passed [2,3]	**4,130**	4,025	105	**4,130**	4,025	105
Total service units [4]						
Net losses	**(21)**	(21)	-	**(128)**	(41)	(87)
Total service units [2,3]	**5,057**	5,200	(143)	**5,057**	5,200	(143)

[1] Subscriber counts are key performance indicators. See "Key Performance Indicators".
[2] On November 4, 2014, we acquired approximately 16,000 Internet subscribers, 16,000 Television subscribers and 11,000 Phone subscribers from our acquisition of Source Cable. The acquisition also increased homes passed by 26,000.
[3] As at end of period.
[4] Includes Internet, Television, and Phone subscribers.

Operating revenue

The 1% increases in Cable revenue this quarter and year to date were primarily a result of:

- the movement of Internet customers to higher speed and usage tiers, combined with a higher subscriber base for our Internet products; and
- the impact and timing of pricing changes implemented over the past year; and
- an adjustment pertaining to the Rogers First Rewards loyalty program reflecting anticipated usage; partially offset by
- Television and Phone subscriber losses over the past year.

BUSINESS SOLUTIONS

Business Solutions Financial Results

	Three months ended September 30			Nine months ended September 30		
(In millions of dollars, except margins)	**2015**	2014	% Chg	**2015**	2014	% Chg
Operating revenue						
Next generation	**71**	69	3	**214**	200	7
Legacy	**22**	26	(15)	**65**	82	(21)
Service revenue	**93**	95	(2)	**279**	282	(1)
Equipment sales	**1**	1	-	**3**	3	-
Operating revenue	**94**	96	(2)	**282**	285	(1)
Operating expenses	**63**	64	(2)	**196**	197	(1)
Adjusted operating profit	**31**	32	(3)	**86**	88	(2)
Adjusted operating profit margin	**33.0%**	33.3%	(0.3 pts)	**30.5%**	30.9%	(0.4 pts)
Additions to property, plant and equipment	**41**	28	46	**122**	93	31

Operating revenue
The 2% decrease in service revenue this quarter and 1% decrease year to date were a result of:
- the continued decline in the legacy off-net voice and data business, a trend we expect to continue as we focus the business on on-net and near-net opportunities and customers move to more advanced and cost-effective IP-based services and solutions; partially offset by
- continued execution of our plan to grow higher-margin on-net and near-net next generation IP-based services revenue; and
- higher revenue from data centre operations.

Next generation services, which include our data centre operations, represented 76% (2014 - 73%) of total service revenue in the quarter and 77% (2014 - 71%) of total service revenue year to date.

Operating expenses
The 2% decrease in operating expenses this quarter and 1% decrease year to date were a result of:
- lower legacy service costs related to planned lower usage volumes and customer levels; and
- ongoing initiatives to reduce costs and increase productivity; partially offset by
- higher on-net next generation service costs associated with higher volumes.

Adjusted operating profit
The 3% decrease in adjusted operating profit this quarter and 2% decrease year to date were a result of the revenue and expense changes discussed above.

MEDIA

Media Financial Results

(In millions of dollars, except margins)	Three months ended September 30			Nine months ended September 30		
	2015	2014	% Chg	**2015**	2014	% Chg
Operating revenue	**473**	440	8	**1,519**	1,282	18
Operating expenses	**415**	417	-	**1,403**	1,229	14
Adjusted operating profit	**58**	23	152	**116**	53	119
Adjusted operating profit margin	**12.3%**	5.2%	7.1 pts	**7.6%**	4.1%	3.5 pts
Additions to property, plant and equipment	**12**	23	(48)	**32**	66	(52)

Operating revenue
The 8% increase in operating revenue this quarter was a result of:

- higher subscription and advertising revenue generated by our Sportsnet properties; and
- higher Toronto Blue Jays revenue; partially offset by
- continued softness in conventional broadcast TV and print advertising.

In addition to the above, the 18% year to date increase in Media operating revenue was a result of our nationwide exclusive NHL licensing agreement that became effective for the 2014-2015 season. The third quarter of 2015 was not significantly impacted by the NHL licensing agreement as the NHL season ends in the second quarter.

Operating expenses
The stable operating expenses this quarter were a result of:

- lower conventional broadcast TV programming costs;
- lower publishing costs; and
- operating efficiencies realized across various Media divisions; offset by
- higher sports related programming and production and other operating costs; and
- higher costs related to the Toronto Blue Jays.

In addition to the above, the 14% year to date increase in Media operating expenses was a result of higher programming and production costs related to the national and regional NHL licensing agreements.

Adjusted operating profit
The 152% increase in adjusted operating profit this quarter and 119% increase year to date reflect the revenue and expense changes described above.

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

	Three months ended September 30			Nine months ended September 30		
(In millions of dollars, except capital intensity)	**2015**	2014	% Chg	**2015**	2014	% Chg
Additions to property, plant and equipment						
Wireless	**195**	285	(32)	**631**	720	(12)
Cable	**244**	274	(11)	**722**	764	(5)
Business Solutions	**41**	28	46	**122**	93	31
Media	**12**	23	(48)	**32**	66	(52)
Corporate	**79**	28	182	**160**	59	171
Total additions to property, plant and equipment [1]	**571**	638	(11)	**1,667**	1,702	(2)
Capital intensity [2]	**16.9%**	19.6%	(2.7 pts)	**16.7%**	17.9%	(1.2 pts)

[1] Additions to property, plant and equipment do not include expenditures on spectrum licences.
[2] Capital intensity is a key performance indicator. See "Key Performance Indicators".

Wireless
The decreases in additions to property, plant and equipment in Wireless this quarter and year to date were a result of the timing of capital purchases, partially offset by higher software and information technology costs as a result of the spectrum acquisitions made earlier this year. Deployment of our LTE network has reached approximately 92% of Canada's population as at September 30, 2015 (December 31, 2014 - 84%).

Cable
The decreases in additions to property, plant and equipment in Cable this quarter and year to date were a result of lower purchases of our next generation NextBox digital set-top boxes compared to the same quarter last year partially offset by greater investment in network and information technology infrastructure.

We also made investments this quarter to improve the capacity of our Internet platform, further improve the reliability and quality of the network, and continue the development of our next-generation IP-based video service.

Business Solutions
The increases in additions to property, plant and equipment in Business Solutions this quarter and year to date were a result of data centre investments and network expansion to reach additional customers and sites.

Media
The decreases in additions to property, plant and equipment in Media this quarter and year to date were a result of greater prior year investments made to our digital, IT infrastructure, and broadcast facilities.

Corporate
The increases in additions to property, plant and equipment in Corporate this quarter and year to date were a result of higher spending on premise improvements at our various offices as well as higher information technology costs.

Capital Intensity
Capital intensity decreased this quarter and year to date as a result of changes in additions to property, plant and equipment as described above, as well as the increases in revenue described previously in this MD&A.

Depreciation and amortization

(In millions of dollars)	Three months ended September 30			Nine months ended September 30		
	2015	2014	% Chg	**2015**	2014	% Chg
Depreciation	**536**	492	9	**1,576**	1,460	8
Amortization	**40**	41	(2)	**121**	124	(2)
Total depreciation and amortization	**576**	533	8	**1,697**	1,584	7

Total depreciation and amortization increased this quarter and year to date as a result of:

- significant recent investment and rollout of new customer equipment at Cable in recent years, mostly in next generation NextBox digital TV set-top boxes which are depreciated over three years; and
- the overall increase in additions to property, plant and equipment over the last several years, which has resulted in more depreciable assets.

Finance costs

(In millions of dollars)	Three months ended September 30			Nine months ended September 30		
	2015	2014	% Chg	**2015**	2014	% Chg
Interest on borrowings [1]	**189**	199	(5)	**571**	584	(2)
Interest on post-employment benefits liability	**3**	2	50	**8**	5	60
Loss on repayment of long-term debt	**-**	-	-	**7**	29	(76)
Loss on foreign exchange	**3**	4	(25)	**9**	6	50
Capitalized interest	**(9)**	(7)	29	**(24)**	(20)	20
Other	**4**	4	-	**11**	11	-
Total finance costs	**190**	202	(6)	**582**	615	(5)

[1] Borrowings include interest on long-term debt and short-term borrowings associated with our accounts receivable securitization program.

Interest on borrowings

The decreases in interest on borrowings this quarter and year to date were a result of a decrease in the weighted average interest rate on our outstanding debt, partially offset by an increase in our outstanding debt. As at September 30, 2015, our borrowings had a weighted average cost of financing of 4.62% (December 31, 2014 - 5.20%) and a weighted average term to maturity of 10.0 years (December 31, 2014 - 10.8 years).

Loss on repayment of long-term debt

We recognized a $7 million loss on repayment of long-term debt year to date (2014 - $29 million loss) related to debt derivatives associated with the repayment or repurchase of certain senior notes in March 2015 and March 2014. These losses were deferred in the hedging reserve until maturity of the notes and were then recognized in net income. The 2015 and 2014 losses relate to transactions in 2008 and 2013 wherein foreign exchange rates on the related debt derivatives were updated to then-current rates. See “Managing our Liquidity and Financial Resources” for more information about our debt and related finance costs.

Other (income) expense

The increases in other income this quarter and year to date are a result of:

- a $102 million gain on acquisition of Mobilicity; partially offset by
- lower equity income pertaining to our various investments and joint ventures, which included a $72 million loss related to our share of an obligation to purchase at fair value the non-controlling interest in one of our joint ventures, partially offset by a gain related to tax recoveries in one of our joint ventures.

Overview of Financial Position

Consolidated statements of financial position

(In millions of dollars)	As at September 30 **2015**	As at December 31 2014	$ Chg	% Chg	Explanation of significant changes
Assets					
Current assets:					
Cash and cash equivalents	**-**	176	(176)	(100)	See "Managing our Liquidity and Financial Resources" for more information.
Accounts receivable	**1,648**	1,591	57	4	Reflects higher subscriber receivables as a result of increased subscriber levels, business seasonality, and timing of collections.
Inventories	**269**	251	18	7	Reflects higher Wireless handset inventory as a result of business seasonality.
Other current assets	**240**	191	49	26	Reflects an increase in prepaid expenses.
Current portion of derivative instruments	**178**	136	42	31	Reflects changes in market values of debt and expenditure derivatives primarily as a result of the depreciation of the Cdn$ relative to the US$, offset by the settlement and maturity of other derivatives discussed in "Financial Risk Management".
Total current assets	**2,335**	2,345	(10)	-	
Property, plant and equipment	**10,758**	10,655	103	1	Reflects additions to property, plant and equipment, partially offset by depreciation. See "Additions to Property, Plant and Equipment" for more information.
Intangible assets	**7,274**	6,588	686	10	Reflects spectrum licence additions from Mobilicity, Shaw, and the 2500 MHz auction; partially offset by amortization of other intangible assets.
Investments	**2,274**	1,898	376	20	Reflects the investment addition of Glentel Inc, partially offset by unrealized mark-to-market losses on available for sale investments.
Derivative instruments	**1,742**	788	954	121	See "Current portion of derivative instruments" for more information.
Other long-term assets	**211**	356	(145)	(41)	Primarily reflects the utilization of $250 million of deposits for the Shaw spectrum licences.
Deferred tax assets	**9**	9	-	-	n/m
Goodwill	**3,887**	3,883	4	-	n/m
Total assets	**28,490**	26,522	1,968	7	
Liabilities and shareholders' equity					
Current liabilities:					
Bank advances	**11**	-	11	n/m	See "Managing our Liquidity and Financial Resources" for more information.
Short-term borrowings	**859**	842	17	2	Reflects net funding received under the accounts receivable securitization program.
Accounts payable and accrued liabilities	**2,337**	2,578	(241)	(9)	Reflects a decrease in trade payables as a result of business seasonality and lower accrued interest on long-term debt as a result of the timing of scheduled payments.
Income tax payable	**86**	47	39	83	Reflects the excess of income tax payable over tax installments paid to date.
Current portion of provisions	**12**	7	5	71	n/m
Unearned revenue	**410**	443	(33)	(7)	Reflects decreases pertaining to our loyalty programs and the realization of other customer deposits; partially offset by increases in customer deposits at the Toronto Blue Jays.
Current portion of long-term debt	**1,000**	963	37	4	n/m
Current portion of derivative instruments	**52**	40	12	30	See "Financial Risk Management" for more information.
Total current liabilities	**4,767**	4,920	(153)	(3)	
Provisions	**51**	55	(4)	(7)	n/m
Long-term debt	**15,487**	13,824	1,663	12	Reflects an additional $1 billion of borrowings from our non-revolving credit facility obtained in April 2015 as well as the appreciation of the US$ relative to the Cdn$. See "Financial Risk Management" for more information.
Derivative instruments	**76**	11	65	n/m	See "Current portion of derivative instruments" for more information.
Other long-term liabilities	**530**	462	68	15	Reflects the liability related to our planned divestiture of Glentel's international operations partially offset by a decrease in long-term pension obligations.
Deferred tax liabilities	**1,831**	1,769	62	4	n/m
Total liabilities	**22,742**	21,041	1,701	8	
Shareholders' equity	**5,748**	5,481	267	5	Reflects changes in retained earnings and equity reserves.
Total liabilities and shareholders' equity	**28,490**	26,522	1,968	7	