UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

[Check one]

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

ý **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2018

Commission File Number 001-10805

Rogers Communications Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English (if applicable))

British Columbia
(Province or other jurisdiction of incorporation or organization)

4812, 4813, 4822, 4832, 4833, 4841
(Primary Standard Industrial Classification Code Number (if applicable))

Not Applicable
(I.R.S. Employer Identification Number (if applicable))

333 Bloor Street East, 10th Floor
Toronto, Ontario M4W 1G9
(416) 935-7777
(Address and telephone number of Registrant's principal executive offices)

CT Corporation System
111 Eighth Avenue, 13th Floor
New York, New York 10011
(212) 894-8940
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Class B Non-Voting	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Not Applicable
(Title of Class)

SEC 2285 (09-18)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

Class B Non-Voting Shares
(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

ý Annual information form ý Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

111,155,637 Class A Voting shares; 403,657,038 Class B Non-Voting shares.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

ý Yes **o** No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

ý Yes **o** No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company **o**

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

o

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

DISCLOSURE CONTROLS AND PROCEDURES

The disclosure provided in Management's Discussion and Analysis under the heading *Disclosure Controls and Procedures* on page 67 of Exhibit 99.2: Management's Discussion and Analysis, is incorporated by reference herein.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The disclosure provided in Management's Discussion and Analysis under the heading *Management's Report on Internal Control over Financial Reporting* on page 67 of Exhibit 99.2: Management's Discussion and Analysis, is incorporated by reference herein.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

The *Report of Independent Registered Public Accounting Firm* on the Company's internal control over financial reporting as of December 31, 2018 on page 3 of Exhibit 99.3: Annual Audited Consolidated Financial Statements is incorporated by reference herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The disclosure provided in Management's Discussion and Analysis under the heading *Changes in Internal Control over Financial Reporting and Disclosure Controls and Procedures* on page 67 of Exhibit 99.2: Management's Discussion and Analysis, is incorporated by reference herein.

AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors of Rogers Communications Inc. has determined that the Company has at least one "audit committee financial expert" (as defined in paragraph 8(b) of General Instruction B of Form 40-F) serving on its Audit and Risk Committee. The audit committee financial expert is John H. Clappison. Mr. Clappison has been determined by the Board to be an independent director as such term is defined under the Canadian Securities Administrators' National Instrument 52-110 (Audit Committees), which is the Canadian corporate governance rule that applies to the Company. Under the standards of the U.S. Securities and Exchange Commission and the New York Stock Exchange relating to the independence of audit committee members Mr. Clappison is deemed to be a non-independent director as his son-in-law is a partner at KPMG LLP, the auditors of the Company. Mr. Clappison's son-in-law has no involvement in the audit of the Company. Under the rules of the U.S. Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States), such relationship does not impair the independence of KPMG LLP. The Board's designation of Mr. Clappison as audit committee financial expert does not impose on him any duties, obligations or liability that are greater than the duties, obligations and liability imposed on him as a member of the Audit and Risk Committee and Board of Directors in the absence of such designation or identification. In addition, the designation of Mr. Clappison as "audit committee financial expert" does not affect the duties, obligations or liability of any other member of the Audit and Risk Committee or Board of Directors. See also *Item 17 - Audit and Risk Committee* on page 26 of the Company's Annual Information Form, attached as Exhibit 99.1 and incorporated by reference herein.

CODE OF CONDUCT AND ETHICS AND BUSINESS CONDUCT POLICY

The Company has adopted a Directors Code of Conduct and Ethics that applies to all directors and Business Conduct Policy that apply to all directors, officers and employees (the Codes). The Codes have been posted on the Rogers website under the Corporate Governance section at investors.rogers.com. A copy of the Codes will also be provided upon request to Investor Relations, 333 Bloor Street East, 10th Floor, Toronto, Ontario, M4W 1G9.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table presents fees for professional services rendered by KPMG LLP to the Company for the audit of the Company's annual financial statements for 2018 and 2017, and fees billed for other services rendered by KPMG LLP, during the period from January 1, 2017 to December 31, 2018.

	2018		2017	
Auditors' Fees	($)	%	($)	%
Audit Fees(1)	6,324,754	87.9	6,417,346	89.2
Audit-Related Fees(2)	797,575	11.1	687,875	9.6
Tax Fees(3)	71,606	1.0	78,352	1.1
All Other Fees(4)	—	—	8,694	0.1
Total	7,193,935	100.0	7,192,267	100.0

NOTES:

(1) Consist of fees related to audits, prospectuses, registration statements and other filings with various regulatory authorities, quarterly reviews of interim financial statements, audit procedures on new accounting standards not yet effective, audits and reviews of subsidiaries for statutory or regulatory reporting, and consultations related to accounting matters impacting the consolidated financial statements.

(2) Consist primarily of pension plan audits, French translation of certain filings with regulatory authorities, other assurance engagements, due diligence services in respect of potential acquisitions and divestitures, and consultations regarding accounting standards not yet effective.

(3) Consist of fees for tax consultation and compliance services, including indirect taxes.

(4) Consist mainly of fees for information technology and operational advisory services.

For the year ended December 31, 2018, none of the Company's audit-related fees, tax fees or all other fees described in the table above made use of the de minimis exception to pre-approval provisions contained in Rule 2-01 (c)(7)(i)(C) of U.S. Securities and Exchange Commission Regulation S-X or Section 2.4 of the Canadian Securities Administrators' National Instrument 52-110 (Audit Committees).

The following is the pre-approval process:

1. Annually, the Company will provide the Audit and Risk Committee with a list of the audit-related and non-audit services that may be provided by the auditor during the year to the Company. The Audit and Risk Committee will review the services with the auditor and management, considering whether the provision of the service is compatible with maintaining the auditor's independence.
2. Management may engage the auditor for specific engagements that are included in the list of pre-approved services referred to above if the estimated fees do not exceed $500,000 per engagement per quarter.
3. The Audit and Risk Committee delegates authority to the Chairman of the Audit and Risk Committee to approve requests for services not included in the pre-approved list of services or for services not previously pre-approved by the Audit and Risk Committee. Any services approved by the Chairman will be reported to the full Audit and Risk Committee at the next meeting.
4. A listing of all audit and non-audit services and fees rendered to the Company and its subsidiaries by KPMG LLP will be reviewed each quarter by the Audit and Risk Committee.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements other than those described in Management's Discussion and Analysis under the heading *Off-Balance Sheet Arrangements* on page 55 of Exhibit 99.2: Management's Discussion and Analysis , which is incorporated by reference herein.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The information provided in Management's Discussion and Analysis under the heading *Commitments and Contractual Obligations* on page 55 of Exhibit 99.2: Management's Discussion and Analysis , is incorporated by reference herein.

IDENTIFICATION OF THE AUDIT AND RISK COMMITTEE

Our Board of Directors has established an Audit and Risk Committee. The Audit and Risk Committee consists of four directors: Messrs. Burgess, Clappison, Gemmell, and MacDonald, who are appointed annually by our Board of Directors. Further disclosure is provided under *Item 17.2 — Composition of the Audit and Risk Committee* of the Company's Annual Information Form, attached as Exhibit 99.1 and incorporated by reference herein.

DISCLOSURE PURSUANT TO REQUIREMENTS OF THE NEW YORK STOCK EXCHANGE

The disclosure provided under the headings "*Composition of the Board*", "*Controlled Company Exemption*", "*Foreign Private Issuer Status*", "*Corporate Governance Practices*" and "*Conflicts of Interest*" beginning on page 22 of the Company's Annual Information Form, attached as Exhibit 99.1, is incorporated by reference herein.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

Rogers Communications Inc. undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

Rogers Communications Inc. has previously filed with the Commission a Form F-X in connection with its securities. Any change to the name or address of the Company's agent for service of process shall be communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Registrant: Rogers Communications Inc.

By:	*"Joe Natale"*	*"Anthony Staffieri"*
	Joe Natale	Anthony Staffieri, FCPA, FCA
	President and Chief Executive Officer	Chief Financial Officer

Date: March 6, 2019

Subsidiary Guarantor/Co-Obligor: Rogers Communications Canada Inc.

By:	*"Joe Natale"*	*"Anthony Staffieri"*
	Joe Natale	Anthony Staffieri, FCPA, FCA
	President and Chief Executive Officer	Chief Financial Officer

Date: March 6, 2019

EXHIBIT INDEX

Exhibit Number	Description
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 †
99.1	Annual Information Form for the fiscal year ended December 31, 2018
99.2	Management's Discussion and Analysis for the fiscal year ended December 31, 2018, filed with the Securities and Exchange Commission ("SEC") under cover of a Form 6-K dated March 6, 2019
99.3	Annual Audited Consolidated Financial Statements, together with the reports of independent registered public accounting firm, for the fiscal year ended December 31, 2018

† This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference on any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Rogers Communications Inc.

We consent to the use of:

- our report dated March 6, 2019 on the consolidated financial statements of Rogers Communications Inc. (the "Company") which comprise the consolidated statements of financial position of the Company as at December 31, 2018 and December 31, 2017, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes; and

- our report dated March 6, 2019 on the effectiveness of the Company's internal control over financial reporting as of December 31, 2018,

each of which is included in this annual report on Form 40-F of the Company for the fiscal year ended December 31, 2018.

Our report dated March 6, 2019 on the consolidated financial statements referred to above contains an explanatory paragraph indicating the Company has changed its method of accounting for revenue from contracts with customers and financial instruments during 2018 due to the adoption of IFRS 15, Revenue from Contracts with Customers and IFRS 9, Financial Instruments, respectively.

We also consent to the incorporation by reference of such reports in Registration Statement No. 333-224400 on Form F-10 and Registration Statement No. 333-170234 on Form F-3D of the Company.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants

March 6, 2019
Toronto, Canada

Exhibit 31.1

Section 302 Certification

Rogers Communications Inc.

CERTIFICATIONS

I, Joe Natale, President and Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 40-F of Rogers Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit and risk committee of the issuer's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 6, 2019

"Joe Natale"

Joe Natale

President and Chief Executive Officer

Rogers Communications Canada Inc.

CERTIFICATIONS

I, Joe Natale, President and Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 40-F of Rogers Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit and risk committee of the issuer's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 6, 2019

"Joe Natale"

Joe Natale

President and Chief Executive Officer

Exhibit 31.2

Section 302 Certification

Rogers Communications Inc.

CERTIFICATIONS

I, Anthony Staffieri, FCPA, FCA, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 40-F of Rogers Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit and risk committee of the issuer's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 6, 2019

"Anthony Staffieri"

Anthony Staffieri, FCPA, FCA

Chief Financial Officer

Rogers Communications Canada Inc.

CERTIFICATIONS

I, Anthony Staffieri, FCPA, FCA, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 40-F of Rogers Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit and risk committee of the issuer's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 6, 2019

"Anthony Staffieri"

Anthony Staffieri, FCPA, FCA
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to

18 U.S.C. Section 1350

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Rogers Communications Inc.

In connection with the Annual Report on Form 40-F of Rogers Communications Inc., a corporation organized under the laws of British Columbia (the "Company"), for the period ending December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 6, 2019

"Joe Natale"

Joe Natale
President and Chief Executive Officer

Date: March 6, 2019

"Anthony Staffieri"

Anthony Staffieri, FCPA, FCA
Chief Financial Officer

Certification Pursuant to

18 U.S.C. Section 1350

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Rogers Communications Canada Inc.

In connection with the Annual Report on Form 40-F of Rogers Communications Inc., a corporation organized under the laws of British Columbia (the "Company"), for the period ending December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of Rogers Communications Canada Inc. certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 6, 2019

"Joe Natale"

Joe Natale
President and Chief Executive Officer

Date: March 6, 2019

"Anthony Staffieri"

Anthony Staffieri, FCPA, FCA
Chief Financial Officer

Exhibit 99.1



ROGERS COMMUNICATIONS INC.
ANNUAL INFORMATION FORM
(for the fiscal year ended December 31, 2018)

March 6, 2019

Annual Information Form Index

The following is an index of the Annual Information Form (AIF) of Rogers Communications Inc. referencing the requirements of Form 51-102F2 and Form 52-110F1 of the Canadian Securities Administrators. Certain parts of this Annual Information Form are contained in Rogers Communications Inc.'s Management's Discussion and Analysis (MD&A) for the fiscal year ended December 31, 2018 (2018 MD&A) and Rogers Communications Inc.'s 2018 Annual Audited Consolidated Financial Statements, each of which is filed on SEDAR at sedar.com and incorporated herein by reference as noted below. All dollar amounts are in Canadian dollars unless otherwise stated.

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ITEM 3 – Corporate Structure

ITEM 3.1 – NAME, ADDRESS, AND INCORPORATION

Rogers Communications Inc. is a leading diversified Canadian communications and media company. RCI was amalgamated under the Business Corporations Act (British Columbia). The registered office is located at 2900-550 Burrard Street, Vancouver, British Columbia, V6C 0A3 and the head office is located at 333 Bloor Street East, 10th Floor, Toronto, Ontario, M4W 1G9.

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. Rogers also holds interests in various investments and ventures.

THREE REPORTABLE SEGMENTS

For the purposes of this AIF, we report our results of operations in three reportable segments as at December 31, 2018:

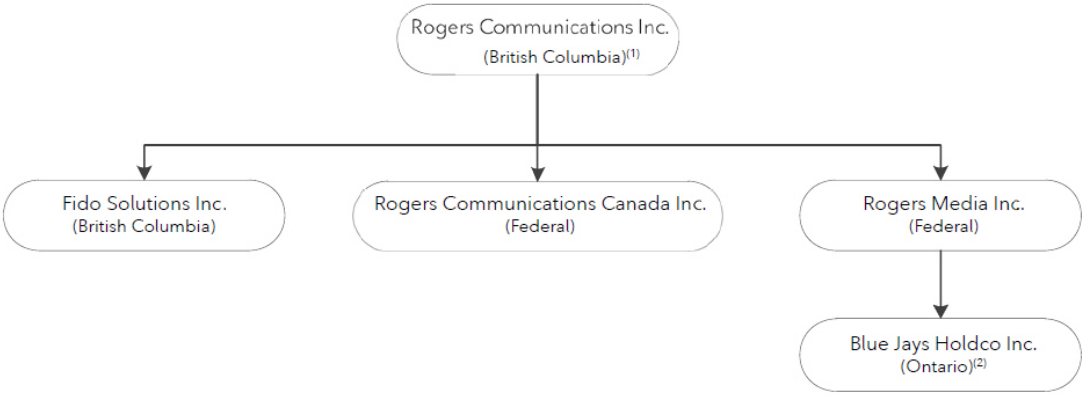
Segment	Principal activities
Wireless	Wireless telecommunications operations for Canadian consumers and businesses.
Cable	Cable telecommunications operations, including Internet, television, telephony (phone), and smart home monitoring services for Canadian consumers and businesses, and network connectivity through our fibre network and data centre assets to support a range of voice, data, networking, hosting, and cloud-based services for the enterprise, public sector, and carrier wholesale markets.
Media	A diversified portfolio of media properties, including sports media and entertainment, television and radio broadcasting, specialty channels, multi-platform shopping, digital media, and publishing.

Effective January 1, 2018, we redefined our reportable segments as a result of technological evolution and the increased overlap between the various product offerings within our legacy Cable and legacy Business Solutions reportable segments, as well as how we allocate resources amongst, and the general management of, our reportable segments. The results of our legacy Cable segment, legacy Business Solutions segment, and our Smart Home Monitoring products are presented within a redefined Cable segment. Financial results related to our Smart Home Monitoring products were previously reported within Corporate items and intercompany eliminations. We have retrospectively amended our 2017 comparative segment results to account for this redefinition.

Additionally, effective January 1, 2018, we commenced using adjusted EBITDA as the key measure of profit for the purpose of assessing performance for each segment and to make decisions about the allocation of resources. This measure replaced our previous adjusted operating profit non-GAAP measure. We believe adjusted EBITDA more fully reflects segment and consolidated profitability. The difference between adjusted operating profit and adjusted EBITDA is that adjusted EBITDA includes stock-based compensation expense. Use of this measure changed our definition of free cash flow. Adjusted EBITDA and free cash flow are non-GAAP measures and should not be considered substitutes or alternatives 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" in our 2018 MD&A for information about these measures, including how we calculate them.

ITEM 3.2 – INTERCORPORATE RELATIONSHIPS

The following summary organization chart illustrates the structure of the principal subsidiaries of RCI and indicates the jurisdiction of organization of each entity shown as at January 1, 2019.



(1) Ownership percentages are 100%
(2) Blue Jays Holdco Inc., together with its subsidiaries, holds a 100% interest in the Toronto Blue Jays Baseball Club (Toronto Blue Jays) and Rogers Centre.

OVERVIEW

Rogers is Canada's Largest Provider of Wireless Communications Services
As at December 31, 2018, we had:
- approximately 10.8 million subscribers; and
- approximately 33% subscriber and revenue share of the Canadian wireless market.

One of Canada's Leading Providers of High-Speed Internet, Cable Television, and Phone Services
As at December 31, 2018, we had:
- approximately 2.4 million high-speed Internet subscribers;
- approximately 1.7 million Television subscribers - approximately 27% of Canadian cable television subscribers;
- approximately 1.1 million Phone subscribers; and
- a network passing approximately 4.4 million homes in Ontario, New Brunswick, and on the island of Newfoundland.

Diversified Canadian Media Company
We have a broad portfolio of media properties, which most significantly includes:
- sports media and entertainment, such as Sportsnet and the Toronto Blue Jays;
- our exclusive national 12-year National Hockey League (NHL) Agreement;
- category-leading television and radio broadcasting properties;
- multi-platform televised and online shopping;
- digital media; and
- publishing.

PRODUCTS AND SERVICES

Wireless
Rogers is a Canadian leader in delivering a range of innovative wireless network technologies and services. Our postpaid and prepaid wireless services are offered under the Rogers, Fido, and chatr brands, and provide consumers and businesses with the latest wireless devices, services, and applications including:
- mobile and fixed high-speed Internet access;
- wireless voice and enhanced voice features;
- wireless home phone;
- device protection;
- text messaging;
- e-mail;
- global voice and data roaming, including Roam Like Home and Fido Roam;

- bridging landline phones with wireless phones through products like Rogers Unison;
- machine-to-machine solutions and Internet of Things (IoT) solutions; and
- advanced wireless solutions for businesses.

Cable
Our cable network provides an innovative and leading selection of high-speed broadband Internet access, digital television and online viewing, phone, and advanced home Wi-Fi services to consumers in Ontario, New Brunswick, and on the island of Newfoundland. We also provide services to businesses and enterprises across Canada that aim to meet the increasing needs of today's critical business applications.

In 2018, we launched our new all-IP television product, Ignite TV, to our entire Ontario Cable footprint. Ignite TV, which is licensed from Comcast Corporation (Comcast), delivers a high-value, premium service with advanced features and video experiences and is the foundation to a robust product roadmap of innovation leading to a truly connected home service.

We intend to adopt Comcast's new Digital Home solution as a first step on our innovation roadmap. This whole-home networking solution will provide customers with a simple, fast, and intuitive way to control and manage their connected devices. The cloud-based platform will link to the new Data Over Cable Service Interface Specifications (DOCSIS) 3.1 Wi-Fi gateway devices to deliver fast, reliable connectivity in the home and will allow customers to easily add and control devices, pair Wi-Fi extenders that boost signal strength, and use voice controls to see who is on the network, all in a safe and secure manner.

Internet services include:
- Internet access (including basic and unlimited usage packages), security solutions, and e-mail;
- access speeds of up to one gigabit per second (Gbps), covering our entire Cable footprint;
- Rogers Ignite and Fido Internet unlimited packages, combining fast and reliable speeds with the freedom of unlimited usage and options for self-installation; and
- Rogers Smart Home Monitoring, offering services such as monitoring, security, automation, energy efficiency, and smart control through a smartphone app.

Television services include:
- local and network TV, made available through traditional digital or IP-based Ignite TV, including starter and premium channel packages along with à la carte channels;
- on-demand television;
- cloud-based digital video recorders (DVRs) available with Ignite TV services;
- voice-activated remote controls, restart features, and integrated apps such as YouTube and Netflix on Ignite TV;
- personal video recorders (PVRs), including Whole Home PVR and 4K PVR capabilities;
- Download and Go, the ability to download recorded programs onto your smartphone or tablet to watch at a later time using the Ignite TV app;
- linear and time-shifted programming;
- digital specialty channels;
- 4K television programming, including regular season Toronto Blue Jays home games and select marquee National Hockey League (NHL) and National Basketball Association (NBA) games; and
- televised content delivered on smartphones, tablets, and personal computers through the Ignite TV or Rogers Anyplace TV apps.

Phone services include:
- residential and small business local telephony service; and
- calling features such as voicemail, call waiting, and long distance.

Enterprise services include:
- voice, data networking, Internet protocol (IP), and Ethernet services over multi-service customer access devices that allow customers to scale and add services, such as private networking, Internet, IP voice, and cloud solutions, which blend seamlessly to grow with their business requirements;
- optical wave, Internet, Ethernet, and multi-protocol label switching services, providing scalable and secure metro and wide area private networking that enables and interconnects critical business applications for businesses that have one or many offices, data centres, or points of presence (as well as cloud applications) across Canada;
- simplified information technology and network technologies with security-embedded, cloud-based, professionally-managed solutions; and
- extensive wireless and cable access networks services for primary, bridging, and back-up connectivity.

Media
Our portfolio of Media assets reaches Canadians from coast to coast.

In Sports Media and Entertainment, we own the Toronto Blue Jays, Canada’s only Major League Baseball (MLB) team, and the Rogers Centre event venue, which hosts the Toronto Blue Jays’ home games, concerts, trade shows, and special events.

Our NHL Agreement, which runs through the 2025-2026 NHL season, allows us to deliver unprecedented coverage of professional hockey, with more than 1,200 regular season games per season streamed across television, smartphones, tablets, and the Internet, both through traditional streaming services as well as Rogers NHL LIVE (formerly Rogers NHL GameCentre LIVE). It also grants Rogers national rights on those platforms to the Stanley Cup Playoffs and Stanley Cup Final, all NHL-related special events and non-game events (such as the NHL All-Star Game and the NHL Draft), rights to sublicense broadcasting rights to Groupe TVA and the Canadian Broadcasting Corporation (CBC), and rights to use the Hockey Night In Canada brand through a sublicense agreement.

In Television, we operate several conventional and specialty television networks:
- Sportsnet's four regional stations along with Sportsnet ONE, Sportsnet 360, and Sportsnet World;
- City network, which, together with affiliated stations, has broadcast distribution to approximately 83% of Canadian individuals;
- OMNI multicultural broadcast television stations, including OMNI Regional, which provide multilingual newscasts nationally to all digital basic television subscribers;
- specialty channels that include FX (Canada), FXX (Canada), and Outdoor Life Network (OLN); and
- TSC, Canada's only nationally televised shopping channel, which generates a significant and growing portion of its revenue from online sales.

In Radio, we operate 55 AM and FM radio stations in markets across Canada, including popular radio brands such as 98.1 CHFI, 680 NEWS, Sportsnet The FAN, KiSS, JACK FM, and SONiC.

We also offer a range of digital services and products, including:
- our digital sports-related assets, including Rogers NHL LIVE, Sportsnet NOW, and Sportsnet NOW+;
- many well-known consumer brands, such as Maclean's, Chatelaine, Today's Parent, and Hello! Canada; and
- a range of other websites, apps, podcasts, and digital products associated with our various brands and businesses.

Other
We offer the Rogers World Elite Mastercard, Rogers Platinum Mastercard, and the Fido Mastercard, credit cards that allow customers to earn cashback rewards points on credit card spending.

Other Investments
We hold interests in a number of associates and joint arrangements, some of which include:
- our 37.5% ownership interest in Maple Leaf Sports & Entertainment Ltd. (MLSE), which owns the Toronto Maple Leafs, the Toronto Raptors, Toronto FC, the Toronto Argonauts, and the Toronto Marlies, as well as various associated real estate holdings; and
- our 50% ownership interest in Glentel Inc. (Glentel), a large provider of multicarrier wireless and wireline products and services with several hundred Canadian retail distribution outlets.

We also hold a number of interests in marketable securities of publicly traded companies, including Cogeco Inc. and Cogeco Communications Inc.

WIDESPREAD PRODUCT DISTRIBUTION

Wireless
We distribute our wireless products nationally using various channels, including:
- company-owned Rogers, Fido, and chatr retail stores;
- customer self-serve using rogers.com, fido.ca, chatrwireless.com, and e-commerce sites;
- an extensive independent dealer network;
- major retail chains and convenience stores;
- other distribution channels, such as WOW! mobile boutique, as well as Wireless Wave and TBooth Wireless through our ownership interest in Glentel;
- our call centres; and
- outbound telemarketing.

Cable
We distribute our residential cable products using various channels, including:
- company-owned Rogers and Fido retail stores;
- customer self-serve using rogers.com and fido.ca;
- our call centres, outbound telemarketing, and door-to-door agents; and
- major retail chains.

Our sales team and third-party retailers sell services to the enterprise, public sector, and carrier wholesale markets. An extensive network of third-party channel distributors deals with IT integrators, consultants, local service providers, and other indirect sales relationships. This diverse approach gives greater breadth of coverage and allows for strong sales growth for next generation services.

ITEM 4 – General Development of the Business

ITEM 4.1 – THREE-YEAR HISTORY

RECENT DEVELOPMENTS

2019 Highlights to Date

- Declared a quarterly dividend of $0.50 per each outstanding Class A Voting Share and Class B Non-Voting Share in January 2019.

2018 Highlights

For revenue and other financial information on the two most recently completed financial years, see the section entitled 2018 Financial Results" in our 2018 MD&A.

- Declared a quarterly dividend of $0.48 per each outstanding Class A Voting Share and Class B Non-Voting Share during 2018.
- Issued US$750 million 30-year 4.3% senior notes and fully hedged the foreign exchange risk. We received net proceeds of $938 million from the issuance.
- Ended the year with approximately $2.4 billion of available liquidity, including $1.6 billion available under our bank and letter of credit facilities, $0.4 billion available under our $1.05 billion accounts receivable securitization program, and $0.4 billion in cash and cash equivalents.

Create best-in-class customer experiences by putting our customers first in everything we do

- Attracted our highest number of Wireless postpaid net additions and realized our lowest annual Wireless postpaid churn rate since 2009.
- Invested in the modernization of our Fido and Rogers retail stores.
- Renewed our focus on digital self-serve, growing our customer digital adoption rate and allowing our customers to access their accounts and purchase new products with ease.
- Increased customer experience metrics to account for 50% of our 2018 company-wide bonus plan.

Invest in our networks and technology to deliver leading performance and reliability

- Invested in LTE Advanced network technology for wireless network capacity and performance.
- Worked with Ericsson, the North American 5G partner of choice, to densify our network with small and macro cell sites and upgrade our 4.5G network with the latest 5G-ready technology.
- Launched a three-year partnership with the University of British Columbia (UBC) to create Canada's first real-world 5G hub on UBC's campus, facilitating research and developing 5G applications.
- Received the 2018 Speedtest® Award for Canada's Fastest Internet by Ookla®, a global leader in fixed broadband and mobile network testing, following ongoing investment in our network.

Deliver innovative solutions and compelling content that our customers will love

- Launched Ignite TV to our Cable footprint in Ontario and launched employee trials in our Atlantic Canada Cable footprint.
- Invested almost $700 million to produce and create Canadian entertainment, news, and sports programming during the 2018 broadcast year.
- For the fourth consecutive year, Sportsnet was ranked Canada's number-one sports media brand.
- Celebrated 50 years of local programming through Rogers TV.
- Expanded our presence in local markets with the introduction of CityNews in Vancouver, Montreal, and Calgary, the acquisition of 102.1 CJCY in Medicine Hat, and the launch of hyper-local news sites in Ottawa and Kitchener in partnership with Village Media.

- Successfully completed the fourth year of our exclusive 12-year national NHL Agreement, reaching an audience of 24.6 million during the 2018 Stanley Cup Playoffs, including the most watched Stanley Cup Final since 2014.

Drive profitable growth in all the markets we serve
- Achieved our 2018 guidance targets after raising our adjusted EBITDA guidance in the third quarter. See "Financial and Operating Guidance" in our 2018 MD&A for more information.

- Grew total revenue by 5% and adjusted EBITDA by 9%.

- Delivered total shareholder return of 12.5% in 2018, 21 percentage points above the TSX Composite Index return.

Develop our people and a high performance culture
- Achieved a best-in-class employee engagement score.

- Recognized as one of Canada's Top 100 Employers for 2018, for the 6th year in a row, including recognition as one of the Greater Toronto Area's Top Employers, a Top Employer for Young People, a Best Diversity Employer, and one of Canada's Greenest Employers, in reports released by Mediacorp Inc.

- Recognized as one of Canada's 50 Most Engaged Workplaces for 2018 by Achievers.

- Achieved female representation of 30% for executive positions of Vice President and above.

- Named to the 2018 Bloomberg Gender-Equality Index (GEI) in January 2018, which shared data on over 100 companies who lead in gender equality around the world. The GEI looks at our internal statistics, policies, engagement, and other gender-conscious programs that reflect our commitment to advancing women in the workplace and marketplace.

Be a strong, socially responsible leader in our communities across Canada
- Invested over $60 million in our communities through cash and in-kind donations to various charitable organizations and causes.

- Awarded 313 scholarships through our community partners and to dependents of our hard-working employees. Additionally, this program provided 105 grants to community organizations across the country that provide innovative and educational programs for youth.

- Volunteered over 20,000 hours to local charities across Canada, including through our first-ever Give Together Volunteer Days, where team members gave over 10,000 hours of support to over 50 charitable organizations.

- Raised over $2.5 million from our second annual employee giving campaign, Give Together Month, where Rogers matched employee donations to the charity of their choice, up to $1,000 each.

- Released Rogers' 2018 Transparency Report, which outlines how we share customer information in response to requests from legal authorities as part of our obligation to contribute to public safety while protecting our customers' privacy.

- Expanded access to Connected for Success, a program offering access to affordable, high-speed Internet to over 200,000 low-income Canadian households through 300 subsidized housing partners across our cable footprint.

- Became a participating partner in Connecting Families, a low-cost Government of Canada Internet initiative.

2017 Highlights

Effective January 1, 2018, we adopted IFRS 15, *Revenue from contracts with customers* (IFRS 15), and IFRS 9, *Financial instruments* (IFRS 9). We adopted these standards retrospectively and restated our 2017 financial results accordingly. The financial highlights included below for 2017 and 2016 have not been restated in accordance with IFRS 15 or IFRS 9.

- Declared a quarterly dividend of $0.48 per each outstanding Class A Voting Share and Class B Non-Voting Share during 2017.

- Ended the year with approximately $2.7 billion of available liquidity, including $2.3 billion available under our bank and letter of credit facilities and $0.4 billion available under our $1.05 billion accounts receivable securitization program.

Create best-in-class customer experiences by putting our customers first in everything we do
- Attracted our highest number of postpaid net additions and realized our lowest annual postpaid churn rate since 2010.

- Introduced Data Bytes for Fido mobile, giving new and existing Fido Pulse plan customers an additional hour of data, five times per billing cycle, at no extra charge. With this feature, customers can activate their data session and start streaming, searching, and sharing, worry-free.

- Launched Stream Saver, part of our worry-free data management objective that allows users to get more out of their data plan by switching video streaming settings between high definition and standard definition.

- Launched Social Media Security by Rogers, a cloud-based solution that allows Canadian businesses to better safeguard their social media accounts.

Invest in our networks and technology to deliver leading performance and reliability
- Augmented sections of our existing LTE network with 4.5G technology investments that are designed to migrate to a 5G environment.

- Initiated a program to upgrade our hybrid fibre-coaxial infrastructure with additional fibre deployments and further DOCSIS technology enhancements. This program will lower the number of homes passed per node, will incorporate the latest technologies to help deliver more bandwidth and an even more reliable customer experience, and will lay the foundation to evolve to fibre-to-the-home.

- Launched LTE-Advanced (LTE-A) service in many communities in Manitoba, including Winnipeg, Brandon, Portage La Prairie, Churchill, and more. We also expanded other cellular services in Manitoba.

- Expanded LTE wireless service in Alberta; expanded LTE wireless service and implemented network improvements in several communities across British Columbia.

- Extended our 700 MHz LTE network reach to 92% of Canada’s population and extended our overall LTE coverage to 96% of the population.

- Recognized as the fastest ISP in both Ontario and Canada between July 2016 and May 2017, according to PCMag's Speed Index.

Deliver innovative solutions and compelling content that our customers will love
- For the third consecutive year, Sportsnet was ranked Canada's number-one sports media brand and Canada’s number-one specialty network.

- Successfully completed the third year of our exclusive 12-year national NHL Agreement while bringing the NHL to more Canadians than ever before with our 2016-2017 NHL season being our most successful NHL season to date.

- Extended, for seven additional years, our sublicensing arrangement with CBC for English broadcasts of Hockey Night in Canada and the Stanley Cup playoffs, beginning with the 2019-2020 season. CBC will continue to broadcast nationally-televised regular season games on Saturday night, plus all four rounds of the Stanley Cup playoffs.

- Achieved excellent radio ratings across Canada, including 98.1 CHFI and 680 NEWS in Toronto, where they were the city's number-one radio and news stations, respectively, for the key demographic between ages 25 and 54.

- Added four new 4K services to our lineup, allowing our customers to watch some of the world’s biggest artists, concerts, movies, and events in 4K, in addition to more than 100 Toronto Blue Jays, NHL, and NBA games.

- Launched OMNI Regional across the country, a new television service providing Canada’s diverse language communities with access to vital news and information programming.

- Launched CityNews in Edmonton and Winnipeg, and announced upcoming CityNews launches in Vancouver, Calgary, and Montreal, offering a fresh approach to local news that provides viewer-based content with original stories that reflect these communities.

Drive profitable growth in all the markets we serve
- 100% achievement of our 2017 guidance on selected full-year metrics.

- Adjusted EBITDA margin expansion of 90 basis points. This increase was primarily driven by Wireless, with a 130 basis point expansion, and Cable, with a 90 basis point expansion.

- Achieved our best annual Wireless service revenue growth and adjusted EBITDA growth since 2009.

Develop our people and a high performance culture
- Achieved an employee engagement score of 79%.

- Recognized in November 2017, for the fifth year in a row, as one of Canada's Top 100 Employers for 2018, and in January 2017, for the eighth year in a row, as a Top Employer for Young People, by the editors of Canada's Top 100 Employers.

- Selected as one of Canada's Best Diversity Employers for 2017, for the fifth year in a row, in a report released by Mediacorp Inc. in March 2017, in recognition of our efforts to promote diversity and inclusion in the workplace.

- Named one of Canada's Greenest Employers for 2017, for the fifth year in a row, by the editors of Canada's Top 100 Employers in April 2017.

- Named one of the 50 Best Corporate Citizens in Canada by Corporate Knights in June 2017, an award that recognizes employers that incorporate social, economic, and ecological benefits and costs in their normal course of business.

Be a strong, socially responsible leader in our communities across Canada

- Invested $64 million in our communities through cash and in-kind donations to various charitable organizations and causes.

- Launched the Ted Rogers Scholarship Fund and awarded 307 scholarships through our community partners and to dependents of our hard-working employees. This program also included 65 grants to community organizations across the country that provide innovative and educational programs for youth.

- Released Rogers' 2017 Transparency Report, which outlines how we share customer information in response to requests from legal authorities. We are committed to protecting our customers' privacy and fulfilling our obligation as a good corporate citizen to follow the law and contribute to public safety.

- Launched a new annual employee giving campaign, Give Together Month, where Rogers matched employee donations to the charity of their choice, up to $1,000 each. In total, $2.2 million was raised.

- Expanded Connected for Success, a program offering access to affordable, high-speed Internet to 150,000 low-income Canadian households through 200 subsidized housing partners across our cable footprint.

2016 Highlights

- Declared a quarterly dividend of $0.48 per each outstanding Class A Voting Share and Class B Non-Voting Share during 2016.

- Issued and fully hedged the foreign exchange risk on US$500 million ($671 million) ten-year 2.9% senior notes.

- Ended the year with approximately $2.7 billion of available liquidity, including $2.4 billion available under our bank credit facilities and $0.25 billion available under our $1.05 billion accounts receivable securitization program.

Be a Strong Canadian Growth Company

- 100% achievement of our 2016 guidance on selected full-year metrics and achieved our best subscriber metrics in recent years.

Overhaul the Customer Experience

- Launched a number of tools and offerings with a focus on becoming a leader in self-serve options. We saw a 56% increase in self-serve transactions on the Rogers brand and a 9% increase on the Fido brand this year.

- Expanded Roam Like Home to over 100 destinations in Europe, Asia, Mexico, South America, and Latin America, further simplifying how Wireless consumers use the Internet, make calls, and send texts and e-mails. Customers have access to their Canadian plan features while traveling, all at a relatively low cost. Furthermore, we broadened the availability of Roam Like Home by making it available on most consumer Wireless plans.

- Introduced Fido Roam, allowing customers to use existing data, talk, and text from their Fido Pulse plans while traveling, for a low daily price. Fido Roam covers all of the US along with destinations in Europe, the Caribbean, South and Central America, the Middle East, Oceania, South Africa, and Asia.

- Launched Data Manager, a new tool that gives families the ability to manage their wireless data in real-time and provide worry-free control.

- Launched Rogers EnRoute and Fido EnRoute, tools that save our customers time by giving them the ability to track, in real-time, when a technician will arrive for an installation or service call.

- Launched DeviceAdvice and Message Me for our Fido customers. DeviceAdvice is a tool allowing customers to self-diagnose device issues and receive quick, personalized advice so they can maximize the performance of their device.

Message Me allows customers to contact Fido customer representatives via Facebook Messenger on their mobile or desktop device.

- Launched Rogers Assist, an app that allows all Rogers employees to submit an issue to customer care on behalf of their friends, family, and acquaintances.

- Collaborated with a Canadian app creator that helps people with cognitive special needs, to create how-to videos for using a wireless device. Rogers.com now features five videos with easy-to-follow instructions and closed-captioning that explain how to perform key functions related to your Rogers wireless device like sending a text or picture, connecting to a Wi-Fi network, and making a phone call.

- Expanded our Connected for Success program to more communities across Ontario, New Brunswick, and the island of Newfoundland. This program provides affordable Internet services to people that live in non-profit housing. This expansion more than doubled the number of eligible households across the country to up to 150,000.

- Released Rogers' 2016 Transparency Report, our annual report on how we share customer information in response to requests from legal authorities. We are committed to protecting our customers' privacy and fulfilling our obligation as a good corporate citizen to follow the law and contribute to public safety.

Drive Growth in the Business Market

- Launched Rogers Unison, a new mobile solution that brings the features of a traditional landline office phone to one's mobile phone. We were the first telecommunications provider in North America to launch such a solution. This solution allows our customers to stay connected across multiple devices regardless of their location, allowing them to better serve their customers.

- Launched Rogers Public Cloud, a new data sovereign, cloud infrastructure as-a-service solution that lets businesses securely manage critical data, applications, servers, systems software, and network resources over the Internet.

- Launched Rogers Ignite Gigabit Internet to small business customers in Ontario, enabling them to leverage blazing-fast Internet speeds and unlimited data usage to improve productivity with faster file transfers, real-time data backup for business continuity, and high-quality video conferencing. The increased bandwidth also means businesses can connect more users online simultaneously, without compromising Internet performance.

- Announced certain Internet of Things (IoT) as-a-service offerings to simplify the process of managing complex IoT solutions. Two of the first solutions being offered as a service include Farm & Food Monitoring and Level Monitoring.

- Launched Business App Market, a new platform for small businesses to manage multiple cloud-based applications.

Invest in and Develop Our People

- Recognized again as a Top Employer for 2017 in November 2016 and as a Top Employer for Young People in January 2017 by the editors of Canada's Top 100 Employers.

- Selected as one of Canada's Best Diversity Employers for 2016 in a report released by Mediacorp Inc. in March 2016 for recognition of our efforts to promote diversity and inclusion in the workplace.

- Named one of Canada's Greenest Employers for 2016 by the editors of Canada's Top 100 Employers in April 2016, an award that recognizes employers with innovative environmental programs and earth-friendly policies that actively involve their employees.

- Named one of the 50 Best Corporate Citizens in Canada by Corporate Knights in June 2016, an award that recognizes employers that incorporate social, economic, and ecological benefits and costs in their normal course of business.

- Launched an intensive leadership program for more than 160 executives.

- Expanded our national onboarding program to include 1,400 call centre employees and launched a mobile onboarding solution for part-time employees.

- Continued to modernize our workplace to help us be more productive to better serve our customers.

Drive Compelling Content Everywhere

- For the second consecutive year, Sportsnet solidified its position as the destination for Canadian sports fans by closing out 2016 as Canada's number-one sports media brand. Sportsnet won eight months in 2016 and has widened the gap from its closest competitor with a 42% lead in average minute audience and a 39% lead in audience share. Sportsnet.ca reached an all-time high with 4.25 million unique visitors in October 2016, which beats our closest English-language competitor, and marks a 7% increase year on year. The 2016 Blue Jays regular season was the most-watched Blue Jays

season in network history, reaching 20 million Canadians. In November 2016, Sportsnet delivered its largest World Series audience ever, with an average audience of 2.66 million viewers, which more than doubled Sportsnet's previous all-time most-watched World Series game. Furthermore, Sportsnet achieved great success with the World Cup of Hockey, with an average audience of 1.1 million viewers for the entire tournament, and reached 15.5 million Canadians throughout the tournament.

- Launched Sportsnet NOW, one of the first mainstream sports TV channels in North America to be available direct to consumers, as well as Sportsnet 4K, which delivered all regular season Toronto Blue Jays home games in 4K.
- Broadcast the first live NBA, NHL, and MLB games in 4K.
- Introduced the new NextBox 4K PVR, giving customers the ability to record up to eight 4K programs at one time and store up to 90 hours of 4K entertainment.
- Successfully completed the second year of our exclusive 12-year national NHL Agreement while bringing the NHL to more Canadians than ever before. Rogers Hometown Hockey returned for a third season during the 2016-2017 NHL season with hockey festivities and entertainment.
- Continued our commitment to deliver world-class Canadian content by adding two new original scripted series to our City lineup, with the millennial-focused comedy *Second Jen* and drama *Bad Blood: The Vito Rizzuto Story.*

Focus on Innovation and Network Leadership

- Extended our Ignite Gigabit Internet coverage to cover Rogers' entire cable footprint, such that we offer the fastest widely available Internet speeds in our marketplace.
- Announced the long-term strategic partnership with Comcast to bring our customers a world-class IPTV service with the most advanced features available in the market today by deploying Comcast's X1 IP-based video platform.
- Extended our 700 MHz LTE network reach to 91% of Canada's population in 2016, compared to 78% in 2015. Extended our overall LTE network reach to 95% of Canada's population in 2016, compared to 93% in 2015.
- Installed a new suite of technology and enterprise solutions to enable the most connected arena in Canada, the Rogers Place in Edmonton.

Go to Market as One Rogers

- Successfully worked as one company, showing we can bring our entire team together to achieve our goals. We demonstrated this by bringing Rogers Hometown Hockey to 150,000 Canadians, introducing low-cost Internet for more community housing residents, and bringing viewers our strongest primetime lineup ever, while delivering a strong year of NHL and Sportsnet.

ITEM 4.2 – SIGNIFICANT ACQUISITIONS

N/A

ITEM 5 – Narrative Description of the Business

ITEM 5.1 – GENERAL – BUSINESS OVERVIEW

This section incorporates by reference the following sections contained in our2018 MD&A:

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PROPERTIES, TRADEMARKS, ENVIRONMENTAL, AND OTHER MATTERS

In most instances, the Company, through its subsidiaries, owns the assets essential to its operations. Our major fixed assets are:

- transmitters; microwave systems; antennae; buildings; electronic transmission, receiving, and processing accessories; and other wireless network equipment (including switches, radio channels, base station equipment, microwave facilities, and cell equipment);
- coaxial and fibre optic cables; set-top terminals, cable modems, and home monitoring equipment; electronic transmission, receiving, processing, digitizing, and distributing equipment; IP routers; data storage servers and network management equipment; and microwave equipment and antennae; and
- radio and television broadcasting equipment (including television cameras and television and radio production facilities and studios).

We either own or license the operating systems and software related to these assets. We also lease various distribution facilities from third parties, including space on utility poles and underground ducts for the placement of some of the cable distribution system. We either own or lease land or premises for the placement of hub sites, head-ends, switches, and space for other portions of the cable distribution system. We also lease premises and space on buildings for the placement of antenna towers. We have highly clustered and technologically advanced broadband cable networks in the provinces of Ontario, New Brunswick, and on the island of Newfoundland.

We operate a North American transcontinental fibre-optic network extending72,000 kilometres, providing a significant North American geographic footprint connecting Canada's largest markets while also reaching key US markets for the exchange of data and voice traffic, also known as peering.

We own or have licensed various brands and trademarks used in our businesses. Certain of our trade names and properties are protected by trademark and/or copyright. We maintain customer lists for our businesses. Our intellectual property, including our trade names, brands, properties, and customer lists, is important to our operations.

I n 2018, we spent approximately $0.3 million relating to environmental protection and management requirements. Environmental protection and management requirements applicable to our operations are not expected to have a significant effect on our capital expenditures, earnings, or competitive position in the current or future fiscal years.

ITEM 5.2 – RISK FACTORS

The following section is incorporated by reference herein: “Risks and Uncertainties Affecting Our Business” contained on pages 60 to 66 of our 2018 MD&A.

ITEM 6 – Dividends

ITEM 6.1 – DIVIDENDS

In January 2019, the RCI Board of Directors (the Board) declared a quarterly dividend of $0.50 per Class A Voting Share and Class B Non-Voting Share, to be paid on April 1, 2019, to shareholders of record on March 12, 2019.

The table below shows when dividends have been declared and paid on the Class A Voting Shares and Class B Non-Voting Shares for the three most recently completed financial years.

Declaration date	Record date	Payment date	Dividend per share (dollars)	Dividends paid (in millions of dollars)
January 25, 2018	March 12, 2018	April 3, 2018	0.48	247
April 19, 2018	June 11, 2018	July 3, 2018	0.48	247
August 15, 2018	September 14, 2018	October 3, 2018	0.48	247
October 19, 2018	December 11, 2018	January 3, 2019	0.48	247
January 26, 2017	March 13, 2017	April 3, 2017	0.48	247
April 18, 2017	June 12, 2017	July 4, 2017	0.48	247
August 17, 2017	September 15, 2017	October 3, 2017	0.48	247
October 19, 2017	December 11, 2017	January 2, 2018	0.48	247
January 27, 2016	March 13, 2016	April 1, 2016	0.48	247
April 18, 2016	June 12, 2016	July 4, 2016	0.48	247
August 11, 2016	September 11, 2016	October 3, 2016	0.48	247
October 20, 2016	December 12, 2016	January 3, 2017	0.48	247

ITEM 7 – Description of Capital Structure

ITEM 7.1 – GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The information required under the heading General Description of Capital Structure is contained in the2018 Audited Consolidated Financial Statements, Note 23, and is incorporated herein by reference.

Each Class A Voting Share of RCI carries the right to fifty votes on a poll and may be voted at the meetings of shareholders of RCI. Holders of Class B Non-Voting Shares of RCI and any series of preferred shares of RCI are entitled to receive notice of and to attend meetings of shareholders of RCI, but except as required by law or stipulated by stock exchanges, are not entitled to vote at such meetings. If an offer is made to purchase outstanding Class A Voting Shares, there is no requirement under applicable law or RCI's constating documents that an offer be made for the outstanding Class B Non-Voting Shares and there is no other protection available to holders of Class B Non-Voting Shares under RCI's constating documents. If an offer is made to purchase both Class A Voting Shares and Class B Non-Voting Shares, the offer for the Class A Voting Shares may be made on different terms than the offer made to the holders of Class B Non-Voting Shares.

ITEM 7.2 – CONSTRAINTS

RESTRICTIONS ON THE TRANSFER, VOTING, AND ISSUE OF SHARES

We have ownership interests in several Canadian entities licensed or authorized to operate under applicable communications laws (the Laws) including the:

- Broadcasting Act (Canada);
- Telecommunications Act (Canada); and
- Radiocommunication Act (Canada).

The Laws have foreign ownership limits (the Limits) for various classes of licensed or authorized entities. You can obtain a copy of the Limits from our Secretary. The Laws also impose a number of restrictions on changes in effective control of licensees or authorized entities, and the transfer of licences held by them. RCI's Articles of Amalgamation therefore impose restrictions on the issue and transfer of its shares and the exercise of voting rights to ensure that we, and any corporation existing in a Canadian jurisdiction in which we have an interest, are:

- qualified to hold or obtain any cable television, broadcasting, or telecommunications licence or authorized to operate a similar entity under the Laws; and
- not in breach of the Laws or any licences issued to us or to any of our Canadian subsidiaries, associates, or affiliates under the Laws.

If the Board considers that its or its subsidiaries' ability to hold and obtain licences, or to remain in compliance with the Laws, may be in jeopardy, the Board may invoke the restrictions in our Articles of Amalgamation on transfer, voting, and issue of our shares.

ITEM 7.3 – RATINGS

Credit ratings provide an independent measure of credit quality of an issue of securities and can affect our ability to obtain short-term and long-term financing and the terms of the financing. If rating agencies lower the credit ratings on our debt, particularly a downgrade below investment-grade, it could adversely affect our cost of financing and access to liquidity and capital.

We have engaged, and compensated, each of S&P Global Ratings Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch) to rate certain of our public debt issues. Below is a summary of the credit ratings on RCI's outstanding senior notes and debentures (long-term) and US CP (short-term) as at December 31, 2018.

Issuance	S&P	Moody's	Fitch
Corporate credit issuer default rating [1]	BBB+ with a stable outlook	Baa1 with a stable outlook	BBB+ with a stable outlook
Senior unsecured debt [1]	BBB+ with a stable outlook	Baa1 with a stable outlook	BBB+ with a stable outlook
US commercial paper [1]	A-2	P-2	N/A [2]

1 Unchanged for the year.
2 We have not sought a rating from Fitch for our short-term obligations .

Ratings for long-term debt instruments across the universe of composite rates range from AAA (S&P and Fitch) or Aaa (Moody's), representing the highest quality of securities rated, to D (S&P), Substantial Risk (Fitch), and C (Moody's) for the lowest quality of securities rated. Investment-grade credit ratings are generally considered to range from BBB- (S&P and Fitch) or Baa3 (Moody's) to AAA (S&P and Fitch) or Aaa (Moody's).

Ratings for short-term debt instruments across the universe of composite rates ranges from A-1+ (S&P), F1+ (Fitch), or P-1 (Moody's), representing the highest quality of securities rated, to C (S&P and Fitch), and not prime (Moody's) for the lowest quality of securities rated. Investment-grade credit ratings are generally considered to be ratings of at least A-3 (S&P), F3 (Fitch), or P-3 (Moody's) quality or higher.

Credit ratings are not recommendations to purchase, hold, or sell securities, nor are they a comment on market price or investor suitability. There is no assurance that a rating will remain in effect for a given period, or that a rating will not be revised or withdrawn entirely by a rating agency if it believes circumstances warrant it. The ratings on our senior debt provided by S&P, Fitch, and Moody's are investment-grade ratings.

ITEM 8 – Market for Securities

Class B Non-Voting Shares (CUSIP # 775109200) are listed in Canada on the Toronto Stock Exchange under the symbol RCI.B and in the United States on the New York Stock Exchange under the symbol RCI. Class A Voting Shares (CUSIP # 775109101) are listed on the Toronto Stock Exchange under the symbol RCI.A.

ITEM 8.1 – TRADING PRICE AND VOLUME

The following table sets forth, for the periods indicated, the reported high, low, and close prices and volume traded on the Toronto Stock Exchange for Class B Non-Voting Shares and Class A Voting Shares.

RCI.B

Month	High ($)	Low ($)	Close ($)	Volume
2018/01	64.00	59.05	60.03	21,037,655
2018/02	60.08	55.67	57.82	20,096,698
2018/03	59.31	55.63	57.54	19,828,820
2018/04	62.20	56.08	60.61	21,114,102
2018/05	63.00	59.77	60.85	19,737,368
2018/06	63.02	60.54	62.44	16,555,144
2018/07	68.00	61.86	66.32	16,366,237
2018/08	69.84	65.63	67.62	15,691,090
2018/09	68.68	65.89	66.43	15,401,343
2018/10	68.50	64.25	67.79	23,388,068
2018/11	71.30	66.13	70.87	20,575,033
2018/12	72.45	68.03	69.96	19,969,779

RCI.A

Month	High ($)	Low ($)	Close ($)	Volume
2018/01	64.20	59.35	60.10	45,065
2018/02	60.71	57.00	58.50	24,619
2018/03	60.50	56.00	56.90	8,928
2018/04	62.45	57.00	61.55	16,049
2018/05	63.55	60.40	61.10	13,062
2018/06	63.98	58.00	62.65	7,417
2018/07	68.34	62.40	65.20	16,432
2018/08	70.18	65.15	68.00	13,596
2018/09	69.50	66.39	66.67	7,276
2018/10	68.25	64.88	67.78	15,159
2018/11	71.18	66.44	71.09	16,249
2018/12	72.99	68.15	70.11	33,939

ITEM 8.2 – PRIOR SALES

In February 2018, we issued US$750 million ($938 million) 30-year 4.3% senior notes.

ITEM 9 – Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

N/A

ITEM 10 – Directors and Officers

ITEM 10.1 - Name, Occupations and Security Holding

Set forth below is information regarding the directors and senior executive officers of RCI as atMarch 6, 2019, including their city, province or state, and country of residence, and their principal occupation(s) within the five preceding years. Each director is elected at the annual meeting of shareholders to serve until the next annual meeting or until a successor is duly elected unless, prior thereto, he or she resigns or his or her office becomes vacant by death or other cause under applicable law. Officers are appointed by, and serve at the discretion of, the Board.

Name	Position
Directors	
Edward S. Rogers (2)(3)(7)(8)(9)	Director, Chair of RCI, and Chair of the Rogers Control Trust
Philip B. Lind, C.M. (9)	Director, Vice Chair of RCI, and member of the Advisory Committee of the Rogers Control Trust
Melinda M. Rogers (3)(6)(7)(8)(9)	Director, Deputy Chair of RCI, and Vice Chair of the Rogers Control Trust
Joe Natale	Director, President and Chief Executive Officer
Bonnie R. Brooks, C.M. (5)(6)	Director
Robert K. Burgess (1)(10)	Director
John H. Clappison, FCPA, FCA (1)(2)(4)	Lead Director
Robert Dépatie (3)(4)(5)	Director
Robert J. Gemmell (1)(7)	Director
Alan D. Horn, CPA, CA (2)(6)(7)(9)	Director and member of the Advisory Committee of the Rogers Control Trust
John A. MacDonald (1)(3)(5)(11)	Director
Isabelle Marcoux (4)(5)	Director
The Hon. David R. Peterson, PC, QC (3)(6)	Director
Loretta A. Rogers (8)(9)	Director and member of the Advisory Committee of the Rogers Control Trust
Martha L. Rogers (8)(9)	Director and member of the Advisory Committee of the Rogers Control Trust
Senior Executive Officers	
Joe Natale	Director, President and Chief Executive Officer
Rick A. Brace	President, Media
Lisa L. Durocher	Chief Digital Officer
Jorge Fernandes	Chief Technology and Information Officer
Philip J. Hartling	President, Residential
Brent R. Johnston	President, Wireless
Graeme McPhail	Chief Legal and Regulatory Officer and Secretary
Dean Prevost	President, Rogers for Business
James M. Reid	Chief Human Resources Officer
Anthony Staffieri, FCPA, FCA	Chief Financial Officer

(1) Denotes member of Audit and Risk Committee
(2) Denotes member of Executive Committee
(3) Denotes member of Nominating Committee
(4) Denotes member of Corporate Governance Committee
(5) Denotes member of Human Resources Committee
(6) Denotes member of Pension Committee
(7) Denotes member of Finance Committee
(8) Each of Edward S. Rogers, Loretta A. Rogers, Martha L. Rogers, and Melinda M. Rogers are immediate family members of each other and members of the family of the late Ted Rogers. For additional information, please see "Outstanding Shares and Main Shareholders" in RCI's 2018 Information Circular available on SEDAR at sedar.com.
(9) Voting control of RCI is held by the Rogers Control Trust. See "Outstanding Shares and Main Shareholders" in RCI's 2018 Information Circular available on SEDAR at sedar.com. Each of the individuals that are noted above as holding positions with the Rogers Control Trust have held such positions since December 2008.
(10) Mr. Burgess was a director of Syncapse Corp. ("Syncapse") prior to MNP Ltd. being appointed as a receiver of all the assets of Syncapse on July 23, 2013. A court approved sale was completed by the receiver on August 30, 2013.
(11) Mr. MacDonald was a director of Magor Corporation ("Magor") when it proactively filed a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* on November 30, 2016. On July 11, 2017, Magor completed the sale of its wholly-owned subsidiary, Magor Communications Corp. (MCC), to N. Harris Computer Corporation. The transaction was approved by the Ontario Superior Court of Justice and Magor and MCC's creditors under the *Bankruptcy and Insolvency Act*. Magor ceased operations following the transaction.

Edward S. Rogers resides in Toronto, Ontario, Canada and has been a director of RCI since May 1997. Mr. Rogers has served as Chair of the Board of RCI since January 2018. Prior to that, he served as Deputy Chair of RCI from September 2009. Mr. Rogers is also Chair of the Rogers Bank, Chair of the Toronto Blue Jays and is on the Board of Directors of Maple Leaf Sports & Entertainment, Cablelabs and the Toronto Sick Kids Foundation. He is the Rogers Control Trust Chair and a member of the Advisory Committee of the Rogers Control Trust. Mr. Rogers served in various management positions at Rogers Communications for over twenty years, including as President and Chief Executive Officer of Rogers Cable Inc. from 2003 to 2009. After graduating from the University of Western Ontario, Mr. Rogers spent three years with Comcast Corporation. Mr. Rogers was a member of the Economic Council of Canada from 2010 to 2013.

Philip B. Lind, C.M. resides in Toronto, Ontario, Canada and has been a director of RCI since February 1979. Mr. Lind is non-executive Vice Chair of the Board of RCI and was Executive Vice President, Regulatory until his retirement in December 2014. Mr. Lind joined Rogers in 1969 as Programming Chief and has served as Secretary of the Board and Senior Vice President, Programming and Planning. Mr. Lind is also a director of the Vancouver Art Gallery and the Art Gallery of Ontario. Mr. Lind is a former member of the Board of the National Cable Television Association in the US and is a former Chairman of the Canadian Cable Television Association. He is also Chairman of the Board of the CCPTA (Channel 17, WNED) and a director of the Atlantic Salmon Federation and The US Cable Center, Denver. Mr. Lind holds a B.A. in Political Science and Sociology from the University of British Columbia and a M.A. in Political Science from the University of Rochester. In 2002, Mr. Lind received a Doctor of Laws, honoris causa, from the University of British Columbia. In 2002, Mr. Lind was appointed to the Order of Canada. In 2012, Mr. Lind was inducted into the US Cable Hall of Fame, the third Canadian to be so honoured.

Melinda M. Rogers resides in Toronto, Ontario, Canada and has been a director of RCI since May 2002. Ms. Rogers has served as Deputy Chair of the Board of RCI since January 2018. Ms. Rogers is the Vice Chair of the Rogers Control Trust and was the Founder of Rogers Venture Partners from September 2011 to November 2018. Ms. Rogers was appointed a director of Rogers Bank on December 31, 2017. Ms. Rogers is Chair of the Jays Care Foundation. Ms. Rogers served as Senior Vice President, Strategy and Development from 2006 to 2014. Ms. Rogers joined RCI in 2000 as Vice President, Venture Investments and served as Vice President, Strategic Planning & Venture Investments from 2004 to 2006. She is a director of Right to Play International and is on the Advisory Council of the Rotman School of Management. Ms. Rogers holds a B.A. from the University of Western Ontario and a M.B.A. from Joseph L. Rotman School of Management at the University of Toronto. Ms. Rogers was awarded an honorary doctorate from Huron University College at Western University in November 2018.

Bonnie R. Brooks, C.M. resides in Toronto, Ontario, Canada and has been a director of RCI since April 2015. Ms. Brooks has more than 30 years of executive leadership in retail, customer service, product, and marketing in North America, Asia, and the United Kingdom. Most recently, Ms. Brooks was the Vice Chair of Hudson's Bay Company (Saks Fifth Avenue, Lord and Taylor USA, Kaufhof Galleria Germany and Hudson's Bay Canada) from February 2014 to December 2016. Ms. Brooks joined Hudson's Bay in September 2008 as CEO and President and in January 2012, was appointed President of Hudson's Bay Company for both Hudson's Bay and Lord and Taylor in the US. Ms. Brooks is a director of Chicos FAS Inc. She is also a trustee of Riocan Real Estate Investment Trust. Ms. Brooks is the former Chair of the Board of Trustees of the Royal Ontario Museum. Ms. Brooks is a recipient of the Queen Elizabeth II Diamond Jubilee Medal for her role in philanthropy and in supporting the Canadian Olympic Association and in December 2016, Ms. Brooks was appointed to the Order of Canada. Ms. Brooks holds a M.B.A. from the University of Western Ontario and three honorary Doctorate Degrees from Canadian universities.

Robert K. Burgess resides in Woodside, California, USA and has been a director of RCI since April 2016. Mr. Burgess has been an independent consultant since December 2005. He served as Chief Executive Officer of Macromedia, Inc. (Macromedia), a provider of Internet and multimedia software, from November 1996 to January 2005. Until December 2005 when Macromedia was acquired by Adobe Systems Incorporated, Mr. Burgess also served on the Board of Directors of Macromedia commencing November 1996, was Chairman of the Board commencing July 1998 and was Executive Chairman commencing January 2005. Mr. Burgess currently serves on the Board of each of Adobe Systems Incorporated and NVIDIA Corporation, and is chairman of the Boys & Girls Clubs of the Peninsula. Mr. Burgess holds a B.Com. and an honorary Doctor of Laws from McMaster University.

John H. Clappison, FCPA, FCA resides in Toronto, Ontario, Canada and has served as Lead Director since April 2018, and a director of RCI since June 2006. In addition, Mr. Clappison was appointed as a director of Rogers Bank in April 2013. Mr. Clappison joined the firm of Price Waterhouse in 1968. He became a Partner of the firm in 1980 and in 1990 became Managing Partner of the Greater Toronto Area office, a position he continued to hold after the merger of Price Waterhouse with Coopers & Lybrand to form PricewaterhouseCoopers in 1998, until he retired in 2005. Mr. Clappison serves as a director of Cameco Corporation. Mr. Clappison is a Chartered Professional Accountant, Chartered Accountant, and a Fellow of the Chartered Professional Accountants of Ontario.

Robert Dépatie resides in Rosemère, Quebec, Canada and has been a director of RCI since April 2017. Mr. Dépatie has been the strategic advisor for Robert Depatie & Associates Inc. since July 2015. Prior to that, from February 2015 to June 2015, Mr. Dépatie was President of Groupe St-Hubert. Mr. Dépatie was President and CEO of Quebecor Inc. and Quebecor Media Inc. from May 2013 to April 2014, as well as President and CEO of Vidéotron ltée from June 2003 to May 2013. He joined Vidéotron ltée in December 2001 as Senior Vice President, Sales, Marketing and Customer Service. Prior to joining Vidéotron ltée, Mr. Dépatie held many senior positions in the food distribution industry, including President of Distributions Alimentaires Le Marquis/Planters and Executive Vice President at Heinz Canada from 1993 to 1998. Mr. Dépatie is a director of Sportscene Group Inc. and Attraction média inc.

Robert J. Gemmell resides in Oakville, Ontario, Canada and has been a director of RCI since April 2017. Mr. Gemmell has spent 25 years as an investment banker in the United States and in Canada. Mr. Gemmell was President and Chief Executive Officer of Citigroup Global Markets Canada and its predecessor companies (Salomon Brothers Canada and Salomon Smith Barney Canada) from 1996 to 2008. In addition, he was a member of the Global Operating Committee of Citigroup Global Markets from 2006 to 2008. Mr. Gemmell holds a B.A. from Cornell University, a LL.B from Osgoode Hall Law School and a M.B.A. from Schulich School of Business.

Alan D. Horn, CPA, CA resides in Toronto, Ontario, Canada and is President and Chief Executive Officer of Rogers Telecommunications Limited and certain private companies that control RCI. Mr. Horn served as Chair of the Board of RCI from March 2006 to December 2017. Mr. Horn also served as Interim President and Chief Executive Officer of the Company from October 2016 to April 2017 and from October 2008 to March 2009. Mr. Horn was a director of Rogers Bank from April 2013 to December 2017. Mr. Horn served as Vice President, Finance and Chief Financial Officer of the Company from September 1996 to March 2006. He is also a director of Fairfax Financial Holdings Limited, Fairfax India Holdings Corporation, and Trilogy International Partners Inc. Mr. Horn, a Chartered Professional Accountant and Chartered Accountant, is a member of the Advisory Committee of the Rogers Control Trust. Mr. Horn received a B.Sc. with First Class Honours in Mathematics from the University of Aberdeen, Scotland.

John A. MacDonald resides in Toronto, Ontario, Canada and has been a director of RCI since April 2012. Mr. MacDonald was President, Enterprise Division of MTS Allstream when he retired in December of 2008. In November 2002, Mr. MacDonald joined AT&T Canada as President and Chief Operating Officer. The company was re-branded Allstream in 2003 and was subsequently acquired by MTS the following year. Previously, Mr. MacDonald served as President and Chief Executive Officer of Leitch Technology Corp. Prior to that, he was with Bell Canada from 1994 to 1999, serving first as Executive Vice President, Business Development and Chief Technology Officer before becoming President and COO in 1998. Mr. MacDonald began his career in 1977 at NBTel, the major supplier of telecommunications services in New Brunswick, rising to the post of President and Chief Executive Officer in 1994. Mr. MacDonald is also a director of BookJane Inc. Mr. MacDonald holds a B.Sc. in electrical engineering from Dalhousie University and a B.A. in Engineering from the Technical University of Nova Scotia.

Isabelle Marcoux resides in Montreal, Quebec, Canada and has been a director of RCI since April 2008. Ms. Marcoux was appointed Chair of the Board of Transcontinental Inc. in February 2012. Prior to being appointed Chair of the Board, Ms. Marcoux was Vice Chair from 2007 and Vice President, Corporate Development from 2004. Between 1997 and 2004, Ms. Marcoux held various senior positions at Transcontinental Inc. Prior to joining Transcontinental Inc., Ms. Marcoux was a lawyer at McCarthy Tétrault LLP. Ms. Marcoux is a member of the Board of George Weston Limited and Power Corporation of Canada. Ms. Marcoux has been a director of Montreal Children's Hospital Foundation since 2015. In 2018, Ms. Marcoux became a member of the Advisory Board of McGill University's Faculty of Law, and Chair of the Major Donors' Circle for Centraide of Greater Montreal. Ms. Marcoux joined the "Club des entrepreneurs" of the Quebec Employers Council, recognizing her exceptional contribution to Quebec's economic development. In 2017, Ms. Marcoux was inducted into the Women's Executive Network (WXN) Hall of Fame and was awarded the Visionary Award for Strategic Leadership presented by the Women Corporate Directors Foundation. In 2016, Ms. Marcoux was awarded the Medal of the National Assembly of Quebec, recognizing the impact of her continuous community involvement, and was recognized as one of Canada's 100 Most Powerful Women by the WXN. Ms. Marcoux holds a B.A. in Economics and Political Sciences and a B.A. in Civil Law, both from McGill University.

The Hon. David R. Peterson, PC, QC resides in Toronto, Ontario, Canada and has been a director of RCI since April 1991. Mr. Peterson is Chairman Emeritus of the law firm Cassels Brock & Blackwell LLP. Mr. Peterson serves as a director of Franco-Nevada Corporation. Mr. Peterson is Chancellor Emeritus of the University of Toronto, Chairman of the Organizing Committee for the 2015 Pan Am Games, is a director of St. Michael's Hospital Foundation, and is on the Board of Governors of Stratford Festival. Mr. Peterson holds a B.A. from the University of Western Ontario, a LL.B from the University of Toronto, was called to the Bar of Ontario in 1969, appointed Queen's Counsel in 1980, and summoned by Her Majesty to the Privy Council in 1992. Mr. Peterson served as Premier of the Province of Ontario from 1985 to 1990.

Loretta A. Rogers resides in Toronto, Ontario, Canada and has been a director of RCI since December 1979. Mrs. Rogers is the former President of the Canadian Lyford Cay Foundation and remains a Board member, and sits on the Board of the American Lyford Cay Foundation. Mrs. Rogers is also a member of the Toronto General & Western Hospital Foundation. Mrs. Rogers holds a B.A. from the University of Miami, an honorary Doctor of Laws from the University of Western Ontario, an honorary Doctor of Laws from Ryerson University, and an honorary Doctor of Laws from the University of Toronto.

Martha L. Rogers resides in Toronto, Ontario, Canada and has been a director of RCI since December 2008, and previously served as a director of Rogers Wireless Communications Inc. and Rogers Media Inc. Ms. Rogers holds a Doctor of Naturopathic Medicine degree from the Canadian College of Naturopathic Medicine and a B.A. from the University of Western Ontario. Ms. Rogers serves on several charitable boards, including as Chair of the Rogers Foundation, and as a director of the Canadian Lyford Cay Foundation, a member of the Advisory Board of Artists for Peace and Justice, and is Chair of Global Poverty Project Canada. Ms. Rogers also serves as a director of The Dolphin Project.

Joe Natale resides in Toronto, Ontario, Canada and has served as President and Chief Executive Officer and a director of RCI since April 2017. Previously, Mr. Natale was with TELUS Corporation from 2003 to 2015 where he held a number of senior positions, including President and CEO, Chief Commercial Officer, President Consumer Solutions, and President Business Solutions. Prior to 2003, Mr. Natale held successive senior leadership roles within KPMG, which he joined after it acquired the company he co-founded, PNO Management Consultants Inc., in 1997. Mr. Natale holds a BASc degree in Electrical Engineering from the University of Waterloo.

Rick A. Brace resides in Toronto, Ontario, Canada and has served as President, Media since August 2015. Mr. Brace is responsible for driving strategy and overseeing operations for the company's robust portfolio of media assets. Mr. Brace is an accomplished business leader and innovative pioneer with more than 40 years of experience in the media industry. Prior to joining Rogers, Mr. Brace was with Bell Media/CTVglobemedia for 13 years in senior leadership roles, including President of CTV and President of Specialty TV, and played a founding role at TSN. Mr. Brace graduated from Ryerson University in 1972 with a Bachelor of Arts in Radio & Television and currently serves as a director of the Jays Care Foundation.

Lisa L. Durocher resides in Toronto, Ontario, Canada and has served as Chief Digital Officer since June 2017. Ms. Durocher was previously Senior Vice President of Digital from August 2016 to June 2017. Ms. Durocher is responsible for the company's digital strategy, design, planning and development for all digital platforms across consumer and enterprise. Prior to joining Rogers, Ms. Durocher was at American Express in New York City, where she held several senior leadership positions from 2002 to 2016, most recently SVP of Charge and Benefits from June 2013 to August 2016. Ms. Durocher holds an HBA degree from Wilfred Laurier University.

Jorge Fernandes resides in Toronto, Ontario, Canada and has served as Chief Technology and Information Officer since June 2018, and prior to that, as Chief Technology Officer since February 2018. Mr. Fernandes is responsible for the planning, design, engineering, implementation and operations of the Rogers wireless and wireline networks. Prior to joining Rogers, Mr. Fernandes was Chief Technology Officer at Vodafone, U.K. from January 2015 to January 2018. Before that, Mr. Fernandes was Chief Technology Officer and a board member of Vodafone Turkey from November 2011 to December 2014 and Chief Technology Officer and a board member of Vodafone Portugal from November 2008 to October 2011. Between 2002 and 2008, Mr. Fernandes held various director-level positions within Vodafone's operating companies in Portugal and the U.K. Mr. Fernandes holds a Licentiate degree in Economics and Business Management from Autonomous University of Lisbon and he completed the Católica Lisbon/Kellogg School of Management Advanced Management Program.

Philip J. Hartling resides in Schomberg, Ontario, Canada and has served as President, Residential since June 2018, and prior to that, as Interim President, Consumer since December 2017. Mr. Hartling is responsible for the Company's residential business, including strategy, product development, marketing, customer experience, sales channels and customer care operations, pricing and customer base management. Between 2005 and 2017, Mr. Hartling has held various senior leadership positions within Rogers, in both operational and strategic functions. Most recently, Mr. Hartling was Senior Vice President, Commercial Strategy since November 2015, accountable for driving success in value management, pricing, and customer investment. Mr. Hartling joined the Company in 2005 when it acquired Sprint Canada, where he held a number of senior positions in marketing, sales and customer service since August 2000, including the role of SVP, Consumer Services. Mr. Hartling holds a MPA and a B.Comm from Dalhousie University.

Brent R. Johnston resides in Toronto, Ontario, Canada and has served as President, Wireless since June 2018. Mr. Johnston is responsible for leading the Company's consumer wireless business. Prior to joining Rogers, Mr. Johnston was Senior Managing Director at Apple Canada from February 2016 to May 2018. Previously, he was at TELUS Corporation for eleven years, acting in various wireless marketing roles, most recently as Senior Vice President, Consumer Marketing from May 2014 to January 2016. Mr. Johnston holds a B.Eng. from Princeton University and a M.Sc.Eng. from Stanford University.

Graeme McPhail resides in Toronto, Ontario, Canada and has served as Chief Legal and Regulatory Officer and Secretary since June 2018. Mr. McPhail oversees legal, regulatory, and government relations at Rogers. He has a breadth of experience in telecommunications, specializing in complex transactions, joint ventures, and litigation management. Mr. McPhail joined Rogers in 1991 as Legal Counsel, and held successively more senior positions, most recently Senior Vice President Legal & General Counsel from April 2017 to June 2018. He is a director of Glentel Inc. and the Canadian Wireless Telecommunications Association.

Dean Prevost resides in Calgary, Alberta, Canada and has served as President, Rogers for Business (formerly President, Enterprise) since September 2017. Mr. Prevost is responsible for delivering wireless, wireline, and data centre products and solutions to small, medium, large, and public sector businesses across Canada. Prior to joining Rogers, Mr. Prevost was at Hi-Pro Feeds, where he was CEO from 2014 to 2017. Mr. Prevost held various senior executive positions at AT&T Canada/MTS Allstream from 1997 to 2013, including five years as President from 2009 to 2013. Mr. Prevost is the Chair of the Board of Trustees for JUMP Math, a charitable organization that helps children love and succeed at math. Mr. Prevost holds a M.B.A. from Harvard University and a B.Comm with distinction from the University of Calgary.

James M. Reid resides in Toronto, Ontario, Canada and has served as Chief Human Resources Officer since August 2011. Mr. Reid is responsible for shaping the talent, culture, and engagement strategy at Rogers as well as overseeing the communications group, including corporate social responsibility. Prior to joining Rogers, Mr. Reid was Head of Global Human Resources at both Husky Injection Molding Systems and MDS Inc. He also served as an officer and pilot in the Canadian Armed Forces. Mr. Reid holds a B.Sc. from the Royal Roads Military College and a M.B.A. from McMaster University.

Anthony Staffieri, FCPA, FCA resides in Toronto, Ontario, Canada and has served as Chief Financial Officer since April 2012. Prior to joining Rogers, Mr. Staffieri was Senior Vice President, Finance for Bell Canada Enterprises (BCE). He joined BCE in 2005 from Celestica International Inc., where he served in various senior executive roles from 1999 to 2005. Mr. Staffieri was a Partner with PricewaterhouseCoopers, where he began his career, leaving the firm in 1999 to join the executive leadership team of his then-client, Celestica. Mr. Staffieri serves as a board member for several of the Company's subsidiaries and affiliates, including Rogers Bank, the Toronto Blue Jays, and MLSE. He also serves Ryerson University as Vice Chair of their Board of Governors and Chair of their Finance Committee. He is a Chartered Professional Accountant, Chartered Accountant, as well as a Fellow of the Chartered Professional Accountants of Ontario. Mr. Staffieri holds a B.B.A. from the Schulich School of Business.

As at December 31, 2018, RCI's directors and executive officers as a group owned, directly or indirectly, an aggregate of 102,664,118 Class A Voting Shares, representing approximately 92.4% of the issued and outstanding Class A Voting Shares. Certain directors have positions with, or are beneficiaries of, the Rogers Control Trust, which holds voting control of the Rogers group of companies for the benefit of successive generations of the Rogers family. See "Outstanding Shares and Main Shareholders" in RCI's 2018 Information Circular available on SEDAR at sedar.com.

COMPOSITION OF THE BOARD
The Board currently has 15 members.

Independent Directors
The Board is responsible for determining whether a director is "independent" within the meaning of National Instrument 58-101 - "Disclosure of Corporate Governance Practices" (NI 58-101). Certain directors may be principals of, partners in, or hold other positions with entities that provide legal, financial, or other services to us. The Board has adopted discretionary Director Material Relationship Standards for the purpose of assisting the Board in making determinations regarding whether or not a direct or indirect business, commercial, banking, consulting, professional, or charitable relationship a director may have with RCI or its subsidiaries is a material relationship that could, in the view of the Board, reasonably interfere with the exercise of the director's independent judgment. These standards can be reviewed in the Corporate Governance section of our website at investors.rogers.com/corporate-governance.

Based on the information provided by each director and the recommendations of the Corporate Governance Committee, the Board has determined that the following directors are independent in accordance with the requirements of NI 58-101 and the standards referred to above. In making this determination, the Board considered all of the relationships that each director has with the Company (taking the discretionary standards referred to above and other factors the Board considered relevant into account) and concluded that none of the relationships considered would likely impair the director's independent judgment.

Bonnie R. Brooks, C.M.
Robert K. Burgess
John H. Clappison, FCPA, FCA
Robert Dépatie
Robert J. Gemmell
John A. MacDonald
Isabelle Marcoux
The Hon. David R. Peterson, PC, QC

As a result, a majority of the Board consists of independent directors.

Lead Director
Pursuant to the Board Charter, the Board has appointed John H. Clappison as Lead Director. The Lead Director facilitates the functioning of the Board independently of management of the Company and provides independent leadership to the Board. Shareholders wishing to contact the lead director may write to the Lead Director, in care of the Corporate Secretary, at the head office of the Company, 333 Bloor Street East, 10th Floor, Toronto, Ontario M4W 1G9, Canada.

BOARD COMMITTEES
The Board has seven permanent (or standing) committees. The Board may appoint special committees to deal with specific matters. A special committee might, for example, consider proposed material transactions between the significant shareholder and us or between our subsidiaries and us. In those cases, the committee would consist entirely of independent directors who have no relationship to us or to the significant shareholder other than as a director. Charters for the various Board committees can be reviewed in the Corporate Governance section of our website at investors.rogers.com/corporate-governance.

CONTROLLED COMPANY EXEMPTION
The NYSE listing standards require a listed company to have, among other things, a nominating committee consisting entirely of independent directors. The rules permit a "controlled company" to be exempt from this requirement. A "controlled company" is a company of which more than 50% of the voting power is held by an individual, group, or other company. The Board has determined that it is appropriate for directors affiliated with the controlling shareholder to serve on the Board committees apart from the Audit and Risk Committee because of the alignment of interests between our controlling shareholder and our minority shareholders, namely the creation of value and long-term growth. Accordingly, the Board has approved the Company's reliance on the controlled company exemption.

FOREIGN PRIVATE ISSUER STATUS
Under the NYSE listing standards, a "foreign private issuer", such as the Company, is not required to comply with most of the NYSE corporate governance listing standards. However, foreign private issuers are required to disclose any significant ways in which their corporate governance practices differ from those followed by US companies under the NYSE listing standards.

Appointment of Auditors
The NYSE listing standards require the audit committee of a US company to be directly responsible for the appointment of any registered accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services. There is an exception for foreign private issuers that are required under a home country law to have auditors selected pursuant to home country standards. Pursuant to the British Columbia Business Corporations Act, our auditors are to be appointed by the shareholders at the annual general meeting of RCI. Our Audit and Risk Committee is responsible for evaluating the auditors and advising the Board of its recommendation regarding the appointment of auditors.

Shareholder Approval of Equity Compensation Plans
The NYSE listing standards also require shareholder approval of all equity compensation plans and material revisions to such plans. The definition of "equity compensation plan" covers plans that provide for the delivery of newly issued or treasury securities. The TSX rules provide that only the creation of, or material amendments to, equity compensation plans that provide for new issuances of securities are subject to shareholder approval in certain circumstances. We follow the TSX rules with respect to the requirements for shareholder approval of equity compensation plans and material revisions to such plans.

CORPORATE GOVERNANCE PRACTICES
The Board endorses the principle that our corporate governance practices are a fundamental part of our proper functioning as a corporation. The Board believes that these corporate governance practices enhance the interests of our security holders, employees, customers, and of others dealing with us. Our Statement of Corporate Governance Practices can be reviewed in the Corporate Governance section of our Company's website at investors.rogers.com/corporate-governance.

ITEM 10.2 - Cease Trade Orders, Bankruptcies, Penalties, or Sanctions

To our knowledge, based on information supplied by the directors and executive officers, none of our directors or senior executive officers, or a shareholder holding a sufficient number of securities to affect materially the control of the Company is, or within the ten years prior to the date hereof has been, a director or executive officer of any company that: (i) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets, except as follows:

1. Mr. Burgess was a director of Syncapse Corp. (Syncapse) prior to MNP Ltd. being appointed as a receiver of all the assets of Syncapse on July 23, 2013. A court-approved sale was completed by the receiver on August 30, 2013.

2. Mr. MacDonald was a director of Magor Corporation (Magor) when it proactively filed a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* on November 30, 2016. On July 11, 2017, Magor completed the sale of its wholly-owned subsidiary, Magor Communications Corp. (MCC), to N. Harris Computer Corporation. The transaction was approved by the Ontario Superior Court of Justice and Magor and MCC's creditors under the *Bankruptcy and Insolvency Act*. Magor ceased operations following the transaction.

None of our directors or executive officers, or a shareholder holding a sufficient number of securities to affect materially the control of the Company has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the director, officer, or shareholder.

ITEM 10.3 - Conflicts of Interest

The Board has adopted both a Directors Code of Conduct and Ethics and the Business Conduct Policy for directors, officers, and employees, which we refer to as the Codes. The Codes require our directors, officers, and employees to disclose any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest, among other requirements.

To ensure the directors exercise independent judgment in considering transactions, agreements, or decisions in respect of which a director has a material interest, the directors follow a practice whereby any such director with a material interest must be absent during any board discussion pertaining thereto and must not cast a vote on such matter.

Issues arising in connection with the Codes, including conflicts of interest, are reported to the Audit and Risk Committee (in the case of the Business Conduct Policy) or to the Corporate Governance Committee (in the case of the Directors Code of Conduct and Ethics), each of which are responsible for monitoring compliance with the applicable Code and applying and interpreting the applicable Code in particular situations. The Committees must inform the Board of any Code violation. Any waiver of a Code provision may be made only by the Board or by the applicable committee and reported to the Board.

Processes are in place to ensure compliance with the Codes by the Board, officers, and employees, such as distribution of the Business Conduct Policy to our employees and the STAR Hotline, our anonymous whistleblower hotline.

The Codes can be reviewed in the Corporate Governance section of our website at investors.rogers.com/corporate-governance.

ITEM 11 – Promoters

N/A

ITEM 12 – Legal Proceedings and Regulatory Actions

ITEM 12.1 – LEGAL PROCEEDINGS

The following is incorporated by reference herein: “Litigation Risks”, contained on page 66 of our2018 MD&A.

ITEM 12.2 – REGULATORY ACTIONS

N/A

ITEM 13 – Interest of Management and Others in Material Transactions

N/A

ITEM 14 – Transfer Agents and Registrars

RCI's Canadian Transfer Agent and Registrar is:
AST Trust Company (Canada)
1 Toronto Street, Suite 1200
Toronto, Ontario
M5C 2V6

RCI's United States Transfer Agent and Registrar is:
American Stock Transfer & Trust Company, LLC
6201-15th Ave.
Brooklyn, NY
11219
USA

Shareholders with questions relating to distributions, transfer of shares, and/or address changes should be directed to AST Trust Company (Canada):

Tel: 1.800.387.0825 (US and Canada) / 416.682.3860 (Outside North America)
Fax: 1.888.249.6189
E-mail: inquiries@astfinancial.com
Website: www.astfinancial.com/ca-en

By mail:
P.O. Box 700, Station B
Montreal, Quebec
H3B 3K3

By courier:
2001 Boul. Robert-Bourassa, Suite 1600
Montreal, Quebec
H3A 2A6

ITEM 15 – Material Contracts

N/A

ITEM 16 – Interests of Experts

ITEM 16.1 – NAME OF EXPERTS

Our auditor is KPMG LLP, Chartered Professional Accountants, Toronto, Ontario, Canada.

ITEM 16.2 – INTERESTS OF EXPERTS

KPMG LLP is our auditor and has confirmed that it is independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation and that they are independent accountants with respect to the Company under all relevant US professional and regulatory standards.

ITEM 17 – Audit and Risk Committee

ITEM 17.1 – AUDIT AND RISK COMMITTEE MANDATE

OUR MAIN RESPONSIBILITIES:

- overseeing reliable, accurate and clear policies and practices for the preparation of financial reports to shareholders
- overseeing the design, implementation and review of internal controls - the necessary checks and balances must be in place
- recommending to the Board the appointment of the external auditor, based on an evaluation of the qualifications, independence and oversight of the auditors' work - the shareholders' auditors report directly to the Audit and Risk Committee (the "Committee")
- meeting with Rogers Communications Inc.'s (the "Company") external and internal auditors and evaluating the effectiveness and independence of each
- overseeing the establishment and maintenance of processes that ensure the Company is in compliance with both the laws and regulations that apply to it and its own policies
- reviewing the annual strategic risk assessment, including management's implementation of risk policies and actions to monitor and control major risk exposures
- reviewing the Company's business continuity and disaster recovery plans
- receiving reports on, and approving, if appropriate, certain transactions with related parties

PURPOSE OF THE AUDIT AND RISK COMMITTEE

The Committee shall assist the Board of Directors (the "Board") of the Company in fulfilling its oversight responsibilities in the following principal areas:

(i) financial reporting processes and the integrity of financial statements provided by the Company to the public;
(ii) recommending to the Board the appointment of the external auditor, based on an evaluation of the qualifications, independence and oversight of the auditor's work;
(iii) the qualifications and performance of internal auditors;
(iv) the Company's accounting systems, financial controls and disclosure controls;
(v) compliance with applicable legal and regulatory requirements; and
(vi) the implementation of appropriate risk assessment systems to identify and manage principal risks of the Company's business.

In addition to the responsibilities specifically enumerated in this Mandate, the Board may refer to the Committee as it sees fit, on matters and questions relating to the financial position of the Company and its subsidiaries.

INDEPENDENCE

The Committee is composed entirely of independent directors within the meaning of applicable securities laws and the Company's Director Material Relationship Standards.

The members meet regularly without management present.

The members have the authority to engage independent advisors, paid for by the Company, to help the Committee make the best possible decisions on the financial reporting, accounting and risk management policies and practices, disclosure practices and internal controls of the Company.

MEMBERSHIP

The Committee shall be comprised of not less than three members of the Board, each of whom shall be independent of management in accordance with applicable securities laws and based on the Company's Director Material Relationship Standards.

The Chief Executive Officer may attend each meeting of the Committee at the invitation of the Chair of the Committee (the "Chair").

The members shall be selected based upon the following, in accordance with applicable laws, rules and regulations:

(a) **Independence.** Each member shall be independent in accordance with applicable securities laws and based on the Company's Director Material Relationship Standards and in such regard shall have no direct or indirect material relationship with the Company that, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgment.
(b) **Financially Literate.** Each member shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. For these purposes, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. In addition, at least one member must be a financial expert as defined in accordance with applicable securities laws.

(c) **Commitment.** In addition to being a member of the Committee and of any audit committee of any affiliate of the Company, if a member of the Committee is also on the audit committee of more than two additional public companies, the Board or the Nominating Committee shall determine that such simultaneous service does not impair the ability of such member to serve effectively on the Committee.

CHAIR AND SECRETARY
The Chair shall be chosen by the Board and shall serve in that capacity until the next Annual General Meeting of Shareholders of the Company or until his or her earlier resignation or removal by resolution of the Board. The Secretary of the Company shall be the Secretary of the Committee, provided that if the Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Committee members who are present.

MEETINGS
The times and locations of meetings of the Committee and the calling of and procedures at such meetings, shall be determined from time to time by the Committee, in consultation with management when necessary, provided that there shall be a minimum of four meetings per year. Subject to the notice provisions of the Articles of the Company, written notice shall be provided no later than 48 hours prior to meetings, unless waived by all members of the Committee. Notice of every meeting shall be given to the external and internal auditors of the Company.

Agendas for meetings of the Committee shall be prepared by the Chair, in consultation with management and the Secretary, and shall be circulated to Committee members prior to Committee meetings. A quorum for meetings of the Committee shall be a majority of members.

A member of the Committee may be designated as the liaison member to report on the deliberations of the Committee to the Board.

REMUNERATION
The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may determine from time to time.

RESOURCES AND AUTHORITY
The Committee shall have the resources and the authority to discharge its responsibilities, including the authority to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management.

The Committee shall have the authority to conduct any investigation necessary and appropriate to fulfill its responsibilities and has direct access to and the authority to communicate directly with the external auditors, internal auditors, the Chief Legal and Regulatory Officer of the Company and other officers and employees of the Company.

The members of the Committee shall have the right to inspect all the books and records of the Company and its subsidiaries and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and external and internal auditors of the Company and its subsidiaries for the purpose of performing their duties. Any member of the Committee may require the external or internal auditors to attend any or every meeting of the Committee.

RESPONSIBILITIES
The Company's management is responsible for the preparation of the Company's financial statements and the external auditors are responsible for auditing those financial statements, in accordance with applicable standards. The Committee is responsible for overseeing the conduct of those activities by the Company's management and external auditors and overseeing the activities of the internal auditors. The Company's external auditors are accountable to the Committee.

It is recognized that members of the Committee are not full-time employees of the Company and do not represent themselves as accountants or auditors by profession or experts in the fields of accounting, auditing or the preparation of financial statements. It is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from whom it receives information, and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary.

The specific responsibilities of the Committee shall include those listed below. The enumerated responsibilities are not intended to restrict the Committee from reviewing and making recommendations regarding any matters related to its purpose.

1. Financial Reporting Process and Financial Statements

(a) in consultation with the external auditors and the internal auditors, review the integrity of the Company's financial reporting process, both internal and external, and any material issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies identified to it by the external or internal auditors or of which the Committee otherwise becomes aware;

(b) review all material transactions and material contracts entered into by the Company and its subsidiaries with any insider or related party of the Company, other than officer or employee compensation arrangements approved or recommended by the Human Resources Committee or director remuneration approved or recommended by the Corporate Governance Committee;

(c) review and discuss with management and the external auditors the Company's annual audited consolidated financial statements and its interim unaudited consolidated financial statements, and discuss with the external auditors the matters required to be discussed by generally accepted auditing standards in Canada and/or the United States, as applicable, as may be modified or supplemented, and for such purpose, receive and review the year-end report by the external auditors describing: (i) all critical accounting policies and practices used by the Company, (ii) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the external auditors, and (iii) other material written communications between the external auditors and management, and discuss such annual report with the external auditors;

(d) following completion of the annual audit, review with each of management, the external auditors and the internal auditors any significant issues, concerns or difficulties encountered during the course of the audit;

(e) resolve disagreements between management and the external auditors regarding financial reporting;

(f) review the interim quarterly and annual financial statements and press releases prior to the release of earnings information;

(g) review emerging accounting issues and their potential impact on the Company's financial reporting;

(h) review and be satisfied that adequate procedures are in place for the review and timely disclosure of any public disclosure of financial information by the Company extracted or derived from the Company's financial statements, other than the disclosure referred to in (f), and periodically assess the adequacy of those procedures;

(i) meet separately, periodically, with management, with the internal auditors and with the external auditors; and

(j) the interim consolidated financial statements, the Company's disclosure under "Management's Discussion and Analysis" for interim periods and interim earnings press releases may be approved by the Committee on behalf of the Board, provided that such approval is subsequently reported to the Board at its next meeting.

2. External Auditors

(a) require the external auditors to report directly to the Committee;

(b) be directly responsible for the selection, nomination, retention, termination and oversight of the work of the Company's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company, and in such regard recommend to the Board the external auditors to be nominated for approval by the shareholders. A formal review of the qualifications, expertise, resources and the overall performance of the external auditors is conducted annually. A comprehensive review of the external auditors is conducted at least every five years and findings are presented to the Board;

(c) recommend to the Board the compensation of the external auditors;

(d) pre-approve all audit engagements and the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit-related and non-audit services for which the Committee will retain the external auditors. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Committee at its next scheduled meeting following such pre-approval;

(e) review and approve the Company's policies for the hiring of partners and employees and former partners and employees of the external auditors;

(f) review the annual audit plan with the external auditors;

(g) consider, assess and report to the Board with regard to the independence and performance of the external auditors, including an evaluation of the lead partner and consideration of rotation of such lead partner and the audit firm itself; and

(h) request and review a report by the external auditors, to be submitted at least annually, regarding the auditing firm's relationships with the Company, internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

3. Internal Auditors

(a) review and approve the internal audit charter annually;
(b) approve the annual internal audit plan and discuss internal audit's mandate with the Chief Audit Executive, including the staffing, responsibilities and budgets;
(c) obtain periodic reports from the Chief Audit Executive regarding internal audit findings and the Company's progress in remedying any significant audit findings;
(d) review the scope, responsibilities and effectiveness of the internal audit team, including its independence from management, credentials, resources and working relationship with the external auditors; and
(e) review and recommend for approval the appointment and dismissal of the Chief Audit Executive.

4. Accounting Systems, Internal Controls and Disclosure Controls

(a) oversee management's design and implementation of and reporting on internal controls; receive and review reports from management, the internal auditors and the external auditors with regard to the reliability and effective operation of the Company's accounting system and internal controls;
(b) review with senior management the controls and procedures adopted by the Company to confirm that material information about the Company and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed within the required time periods;
(c) review and discuss with management, the external auditors and internal audit compliance with the Company's Disclosure Policy by Directors, Officers and other management personnel;
(d) review with senior management the adequacy of the internal controls adopted by the Company to safeguard assets from loss and unauthorized use, to prevent, deter and detect fraud, and to verify the accuracy of the financial records and review any special audit steps adopted in light of material weaknesses or significant deficiencies; and
(e) review disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings about any significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information required to be disclosed by the Company in the reports that it files or submits under U.S. federal securities law or applicable Canadian federal and provincial legislation and regulations within the required time periods, and any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

5. Legal and Regulatory Requirements

(a) receive and review timely analysis by management of significant issues relating to public disclosure and reporting;
(b) review, prior to finalization, periodic public disclosure documents containing financial information, including Management's Discussion and Analysis and the Annual Information Form;
(c) review disclosures related to the Committee required to be included in the Company's continuous disclosure filings;
(d) review with the Company's Chief Legal and Regulatory Officer legal compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements; and
(e) assist the Board in the oversight of compliance with legal and regulatory requirements.

6. Risk Management

The Committee will review the Company's:

(a) annual strategic risk assessment identifying principal risks and their potential impact on the Company's ability to achieve its business objectives;
(b) processes for identifying, assessing and managing risks;
(c) major risk exposures and trends from all areas (e.g. information and cyber security, financial, physical security, new business initiatives) and management's implementation of risk policies and procedures to monitor and control such exposures;
(d) business continuity plans and disaster recovery plans;
(e) insurance coverage maintained by the Company at least annually; and
(f) other risk management matters from time to time as the Committee may consider appropriate or as the Board may specifically direct.

7. Additional Responsibilities

(a) establish procedures and policies for:
  (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
  (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
(b) prepare and review with the Board an annual performance evaluation of the Committee;
(c) review the adequacy of staffing of key financial functions and management's plans for improvements;
(d) review earnings guidance provided to stakeholders, including analysts and rating agencies;
(e) periodically review with senior management the status of significant taxation matters;

(f) report regularly to the Board, including matters such as the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, the performance of the internal audit function, the performance of the risk management process and the performance and independence of the external auditors; and
(g) review and reassess the adequacy of the Committee's Mandate on an annual basis.

ITEM 17.2 – COMPOSITION OF THE AUDIT AND RISK COMMITTEE

The following individuals are the members of the Audit and Risk Committee, each of whom is considered to be independent:

John H. Clappison (Chair)
Robert K. Burgess
Robert J. Gemmell
John A. MacDonald

ITEM 17.3 – RELEVANT EDUCATION AND EXPERIENCE

Each member of the Audit and Risk Committee is financially literate and has the ability to perform his responsibilities as a member of the Audit and Risk Committee based on his education and experience as summarized below:

Mr. Clappison (Chair)	Chartered Professional Accountant, Chartered Accountant; former Greater Toronto Area Managing Partner of PricewaterhouseCoopers LLP.
Mr. Burgess	Former Chairman and Chief Executive Officer of Macromedia, Inc.; former Director and CEO of Alias Research, Inc. Mr. Burgess holds a B.Com. and an honorary Doctor of Laws from McMaster University.
Mr. Gemmell	Former President and Chief Executive Officer of Citigroup Global Markets Canada. 25 years as an investment banker in the United States and in Canada. Mr. Gemmell holds a B.A. from Cornell University, a LL.B from Osgoode Hall Law School, and a M.B.A. from the Schulich School of Business.
Mr. MacDonald	Former President of Enterprise Division of MTS Allstream; former President and COO of Bell Canada and former CEO of NBTel. Mr. MacDonald holds a B.Sc. in electrical engineering from Dalhousie University and a B.A. in Engineering from the Technical University of Nova Scotia.

ITEM 17.4 – RELIANCE ON CERTAIN EXEMPTIONS

N/A

ITEM 17.5 – RELIANCE ON THE EXEMPTION IN SUBSECTION 3.3(2) OR SECTION 3.6

N/A

ITEM 17.6 – RELIANCE ON SECTION 3.8

N/A

ITEM 17.7 – AUDIT AND RISK COMMITTEE OVERSIGHT

N/A

ITEM 17.8 – PRE-APPROVAL POLICIES AND PROCEDURES

Our policy regarding pre-approval of all audit, audit-related and non-audit services is based upon compliance with the Sarbanes-Oxley Act of 2002, and subsequent implementing rules promulgated by the SEC.

(a) Annually management provides the Audit and Risk Committee with a list of the audit-related and non-audit services that are anticipated to be provided during the year for pre-approval. The Audit and Risk Committee reviews the services with the auditor and management and considers whether the provision of the service is compatible with maintaining the auditor's independence.
(b) Management may engage the auditor for specific engagements that are included in the list of pre-approved services referred to above if the estimated fees do not exceed $500,000 per engagement per quarter.
(c) The Audit and Risk Committee delegates authority to the Chair of the Audit and Risk Committee to approve requests for services not included in the pre-approved list of services or for services not previously pre-approved by the Audit and Risk Committee. Any services approved by the Chair will be reported to the full Audit and Risk Committee at the next meeting.
(d) A review of all audit and non-audit services and fees rendered to the Company by KPMG LLP is reviewed each quarter by the Audit and Risk Committee.

Our policy regarding pre-approval of all audit, audit-related, and non-audit services is based upon compliance with the Sarbanes-Oxley Act of 2002, and subsequent implementing rules promulgated by the SEC. None of the audit-related fees, tax fees, or all other fees described in the table below were approved by the Audit and Risk Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

ITEM 17.9 – EXTERNAL AUDITORS' FEES AND SERVICES

The following table presents fees for professional services rendered by KPMG LLP to us for the audit of our annual financial statements for 2018 and 2017, and fees billed for other services rendered by KPMG LLP.

Auditors' Fees	2018		2017	
	$	%	$	%
Audit Fees (1)	6,324,754	87.9	6,417,346	89.2
Audit-Related Fees (2)	797,575	11.1	687,875	9.6
Tax Fees (3)	71,606	1.0	78,352	1.1
All Other Fees (4)	—	—	8,694	0.1
Total	7,193,935	100.0	7,192,267	100.0

(1) Consists of fees related to audits, prospectuses, registration statements and other filings with various regulatory authorities, quarterly reviews of interim financial statements, audit procedures on new accounting standards not yet effective, audits and reviews of subsidiaries for statutory or regulatory reporting, and consultations related to accounting matters impacting the consolidated financial statements.
(2) Consists primarily of pension plan audits, French translation of certain filings with regulatory authorities, other assurance engagements, due diligence services in respect of potential acquisitions and divestitures, and consultations regarding accounting standards not yet effective.
(3) Consists of fees for tax consultation and compliance services, including indirect taxes.
(4) Consists mainly of fees for operational advisory and risk management services.

ITEM 18 – Additional Information

ITEM 18.1 – ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities, and securities authorized for issuance under equity compensation plans, is contained in our management information circular for the most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in our 2018 Annual Audited Consolidated Financial Statements and notes thereto and our 2018 MD&A.

Our Secretary can be contacted at our principal office, located at 333 Bloor Street East, 10th Floor, Toronto, Ontario, M4W 1G9 Canada (telephone: 416.935.7777). Additional information relating to RCI is also available on SEDAR at sedar.com, on EDGAR at sec.gov, or at investors.rogers.com.

Exhibit 99.3

Management's Responsibility for Financial Reporting
December 31, 2018

The accompanying consolidated financial statements of Rogers Communications Inc. and its subsidiaries and all the information in Management's Discussion and Analysis (MD&A) are the responsibility of management and have been approved by the Board of Directors.

Management has prepared the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated financial statements include certain amounts that are based on management's best estimates and judgments and, in their opinion, present fairly, in all material respects, Rogers Communications Inc.'s financial position, results of operations, and cash flows. Management has prepared the financial information presented elsewhere in MD&A and has ensured that it is consistent with the consolidated financial statements.

Management has developed and maintains a system of internal controls that further enhances the integrity of the consolidated financial statements. The system of internal controls is supported by the internal audit function and includes management communication to employees about its policies on ethical business conduct.

Management believes these internal controls provide reasonable assurance that:

- transactions are properly authorized and recorded;
- financial records are reliable and form a proper basis for the preparation of consolidated financial statements; and
- the assets of Rogers Communications Inc. and its subsidiaries are properly accounted for and safeguarded.

The Board of Directors is responsible for overseeing management's responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board of Directors carries out this responsibility through its Audit and Risk Committee.

The Audit and Risk Committee meets regularly with management, as well as the internal and external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues; to satisfy itself that each party is properly discharging its responsibilities; and to review MD&A, the consolidated financial statements, and the external auditors' report. The Audit and Risk Committee reports its findings to the Board of Directors for its consideration when approving the consolidated financial statements for issuance to the shareholders. The Audit and Risk Committee also considers the engagement or re-appointment of the external auditors before submitting its recommendation to the Board of Directors for review and for shareholder approval.

The consolidated financial statements have been audited by KPMG LLP, the external auditors, in accordance with the standards of the Public Company Accounting Oversight Board (United States) on behalf of the shareholders. Our internal control over financial reporting as ofDecember 31, 2018 has been audited by KPMG LLP, in accordance with the standards of the Public Company Accountability Oversight Board (United States). KPMG LLP has full and free access to the Audit and Risk Committee.

March 6, 2019

"Joe Natale"
Joe Natale
President and Chief Executive Officer

"Anthony Staffieri"
Anthony Staffieri, FCPA, FCA
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Rogers Communications Inc.

Opinion on the Consolidated Financial Statements
We have audited the accompanying consolidated statements of financial position of Rogers Communications Inc. as at December 31, 2018 and 2017, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Rogers Communications Inc. as at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2018, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), Rogers Communications Inc.'s internal control over financial reporting as of December 31, 2018, based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 6, 2019 expressed an unqualified opinion on the effectiveness of Rogers Communications Inc.'s internal control over financial reporting.

Change in Accounting Principle
As discussed in Note 2 to the consolidated financial statements, Rogers Communications Inc. has changed its method of accounting for revenue from contracts with customers and financial instruments during 2018 due to the adoption of IFRS 15, *Revenue from Contracts with Customers* and IFRS 9, *Financial Instruments,* respectively, and included the presentation of the statement of financial position as at January 1, 2017.

Basis for Opinion
These consolidated financial statements are the responsibility of Rogers Communications Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to Rogers Communications Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants
We have served as Rogers Communications Inc.'s auditor since 1969.
Toronto, Canada
March 6, 2019

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Rogers Communications Inc.

Opinion on Internal Control Over Financial Reporting
We have audited Rogers Communications Inc.'s internal control over financial reporting as ofDecember 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, Rogers Communications Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of Rogers Communications Inc. as at December 31, 2018 and 2017, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively, the "consolidated financial statements"), and our report dated March 6, 2019, expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion
Rogers Communications Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included under the heading Management's Report on Internal Control over Financial Reporting contained within Management's Discussion and Analysis for the year ended December 31, 2018. Our responsibility is to express an opinion on Rogers Communications Inc.'s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to Rogers Communications Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
March 6, 2019

Consolidated Statements of Income

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

Years ended December 31	*Note*	**2018**	2017 (restated, see note 2)
Revenue	*5*	**15,096**	14,369
Operating expenses:			
Operating costs	*6*	**9,113**	8,867
Depreciation and amortization	*7, 8*	**2,211**	2,142
Gain on disposition of property, plant and equipment	*7*	**(16)**	(49)
Restructuring, acquisition and other	*9*	**210**	152
Finance costs	*10*	**793**	746
Other income	*11*	**(32)**	(19)
Income before income tax expense		**2,817**	2,530
Income tax expense	*12*	**758**	685
Net income for the year		**2,059**	1,845
Earnings per share:			
Basic	*13*	**$4.00**	$3.58
Diluted	*13*	**$3.99**	$3.57

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

Consolidated Statements of Comprehensive Income

(In millions of Canadian dollars)

Years ended December 31	*Note*	**2018**	2017 (restated, see note 2)
Net income for the year		**2,059**	1,845
Other comprehensive income (loss):			
Items that will not be reclassified to net income:			
Defined benefit pension plans:			
Remeasurements	*22*	**53**	(62)
Related income tax (expense) recovery		**(12)**	17
Defined benefit pension plans		**41**	(45)
Equity investments measured at fair value through other comprehensive income (FVTOCI):			
(Decrease) increase in fair value		**(440)**	433
Related income tax recovery (expense)		**63**	(62)
Equity investments measured at FVTOCI		**(377)**	371
Items that will not be reclassified to net income		**(336)**	326
Items that may subsequently be reclassified to net income:			
Cash flow hedging derivative instruments:			
Unrealized gain (loss) in fair value of derivative instruments		**725**	(566)
Reclassification to net income of (gain) loss on debt derivatives		**(671)**	591
Reclassification to net income or property, plant and equipment of (gain) loss on expenditure derivatives		**(8)**	39
Reclassification to net income for accrued interest		**(43)**	(60)
Related income tax (expense) recovery		**(65)**	40
Cash flow hedging derivative instruments		**(62)**	44
Equity-accounted investments:			
Share of other comprehensive income (loss) of equity-accounted investments, net of tax		**14**	(15)
Equity-accounted investments		**14**	(15)
Items that may subsequently be reclassified to net income		**(48)**	29
Other comprehensive (loss) income for the year		**(384)**	355
Comprehensive income for the year		**1,675**	2,200

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

Consolidated Statements of Financial Position

(In millions of Canadian dollars)

	Note	As at December 31 2018	As at December 31 2017 (restated, see note 2)	As at January 1 2017 (restated, see note 2)
Assets				
Current assets:				
Cash and cash equivalents		**405**	—	—
Accounts receivable	14	**2,259**	2,035	1,944
Inventories	15	**466**	435	452
Current portion of contract assets	5	**1,052**	820	723
Other current assets		**436**	414	417
Current portion of derivative instruments	16	**270**	421	91
Total current assets		**4,888**	4,125	3,627
Property, plant and equipment	7	**11,780**	11,143	10,749
Intangible assets	8	**7,205**	7,244	7,130
Investments	17	**2,134**	2,561	2,174
Derivative instruments	16	**1,339**	953	1,708
Contract assets	5	**535**	413	354
Other long-term assets		**132**	143	156
Deferred tax assets	12	**—**	3	8
Goodwill	8	**3,905**	3,905	3,905
Total assets		**31,918**	30,490	29,811
Liabilities and shareholders' equity				
Current liabilities:				
Bank advances		**—**	6	71
Short-term borrowings	18	**2,255**	1,585	800
Accounts payable and accrued liabilities		**3,052**	2,931	2,783
Income tax payable		**177**	62	186
Other current liabilities	19	**132**	132	285
Contract liabilities	5	**233**	278	302
Current portion of long-term debt	20	**900**	1,756	750
Current portion of derivative instruments	16	**87**	133	22
Total current liabilities		**6,836**	6,883	5,199
Provisions	19	**35**	35	33
Long-term debt	20	**13,390**	12,692	15,330
Derivative instruments	16	**22**	147	118
Other long-term liabilities	21	**546**	613	562
Deferred tax liabilities	12	**2,910**	2,624	2,285
Total liabilities		**23,739**	22,994	23,527
Shareholders' equity	23	**8,179**	7,496	6,284
Total liabilities and shareholders' equity		**31,918**	30,490	29,811
Guarantees	26			
Commitments and contingent liabilities	27			
Subsequent events	10, 16, 23			

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

On behalf of the Board of Directors:

"Edward S. Rogers"
Edward S. Rogers
Director

"John H. Clappison"
John H. Clappison, FCPA, FCA
Director

Consolidated Statements of Changes in Shareholders' Equity

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

Year ended December 31, 2018	Class A Voting Shares Amount	Class A Voting Shares Number of shares (000s)	Class B Non-Voting Shares Amount	Class B Non-Voting Shares Number of shares (000s)	Retained earnings	FVTOCI investment reserve	Hedging reserve	Equity investment reserve	Total shareholders' equity
Balances, December 31, 2017 (restated, see note 2)	72	112,407	405	402,403	6,074	1,013	(63)	(5)	7,496
Adjustments pertaining to IFRS 9 adoption (see note 2)	—	—	—	—	(4)	—	—	—	(4)
Balances, January 1, 2018 (restated, see note 2)	72	112,407	405	402,403	6,070	1,013	(63)	(5)	7,492
Net income for the year	—	—	—	—	2,059	—	—	—	2,059
Other comprehensive income (loss):									
Defined benefit pension plans, net of tax	—	—	—	—	41	—	—	—	41
FVTOCI investments, net of tax	—	—	—	—	—	(377)	—	—	(377)
Derivative instruments accounted for as hedges, net of tax	—	—	—	—	—	—	(62)	—	(62)
Share of equity-accounted investments, net of tax	—	—	—	—	—	—	—	14	14
Total other comprehensive income (loss)	—	—	—	—	41	(377)	(62)	14	(384)
Comprehensive income (loss) for the year	—	—	—	—	2,100	(377)	(62)	14	1,675
Transactions with shareholders recorded directly in equity:									
Dividends declared	—	—	—	—	(988)	—	—	—	(988)
Shares issued on exercise of stock options	—	—	—	2	—	—	—	—	—
Share class exchange	(1)	(1,252)	1	1,252	—	—	—	—	—
Total transactions with shareholders	(1)	(1,252)	1	1,254	(988)	—	—	—	(988)
Balances, December 31, 2018	**71**	**111,155**	**406**	**403,657**	**7,182**	**636**	**(125)**	**9**	**8,179**

Year ended December 31, 2017	Class A Voting Shares Amount	Class A Voting Shares Number of shares (000s)	Class B Non-Voting Shares Amount	Class B Non-Voting Shares Number of shares (000s)	Retained earnings	FVTOCI investment reserve	Hedging reserve	Equity investment reserve	Total shareholders' equity
Balances, January 1, 2017 (restated, see note 2)	72	112,412	405	402,396	5,262	642	(107)	10	6,284
Net income for the period (restated, see note 2)	—	—	—	—	1,845	—	—	—	1,845
Other comprehensive income (loss):									
Defined benefit pension plans, net of tax	—	—	—	—	(45)	—	—	—	(45)
FVTOCI investments, net of tax	—	—	—	—	—	371	—	—	371
Derivative instruments accounted for as hedges, net of tax	—	—	—	—	—	—	44	—	44
Share of equity-accounted investments, net of tax	—	—	—	—	—	—	—	(15)	(15)
Total other comprehensive income (loss)	—	—	—	—	(45)	371	44	(15)	355
Comprehensive income (loss) for the year	—	—	—	—	1,800	371	44	(15)	2,200
Transactions with shareholders recorded directly in equity:									
Dividends declared	—	—	—	—	(988)	—	—	—	(988)
Shares issued on exercise of stock options	—	—	—	2	—	—	—	—	—
Share class exchange	—	(5)	—	5	—	—	—	—	—
Total transactions with shareholders	—	(5)	—	7	(988)	—	—	—	(988)
Balances, December 31, 2017	72	112,407	405	402,403	6,074	1,013	(63)	(5)	7,496

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

Consolidated Statements of Cash Flows

(In millions of Canadian dollars)

Years ended December 31	Note	2018	2017 (restated, see note 2)
Operating activities:			
Net income for the year		**2,059**	1,845
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	7, 8	**2,211**	2,142
Program rights amortization	8	**58**	64
Finance costs	10	**793**	746
Income tax expense	12	**758**	685
Post-employment benefits contributions, net of expense	22	**(44)**	4
Gain on disposition of property, plant and equipment	7	**(16)**	(49)
Recovery on wind-down of shomi	11	**—**	(20)
Net change in contract asset balances	5	**(354)**	(156)
Other		**33**	51
Cash provided by operating activities before changes in non-cash working capital items, income taxes paid, and interest paid		**5,498**	5,312
Change in non-cash operating working capital items	28	**(114)**	(164)
Cash provided by operating activities before income taxes paid and interest paid		**5,384**	5,148
Income taxes paid		**(370)**	(475)
Interest paid		**(726)**	(735)
Cash provided by operating activities		**4,288**	3,938
Investing activities:			
Capital expenditures	7, 28	**(2,790)**	(2,436)
Additions to program rights	8	**(54)**	(59)
Changes in non-cash working capital related to capital expenditures and intangible assets		**(125)**	109
Acquisitions and other strategic transactions, net of cash acquired	8	**—**	(184)
Other		**25**	(60)
Cash used in investing activities		**(2,944)**	(2,630)
Financing activities:			
Net proceeds received on short-term borrowings	18	**508**	858
Net repayment of long-term debt	20	**(823)**	(1,034)
Net proceeds (payments) on settlement of debt derivatives and forward contracts	16	**388**	(79)
Transaction costs incurred		**(18)**	—
Dividends paid	23	**(988)**	(988)
Cash used in financing activities		**(933)**	(1,243)
Change in cash and cash equivalents		**411**	65
Bank advances, beginning of year		**(6)**	(71)
Cash and cash equivalents (bank advances), end of year		**405**	(6)

Cash and cash equivalents are defined as cash and short-term deposits that have an original maturity of less than 90 days, less bank advances.

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

Notes to Consolidated Financial Statements

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. RCI also holds interests in various investments and ventures.

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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 report our results of operations inthree reportable segments. Each segment and the nature of its business is as follows:

Segment	Principal activities
Wireless	Wireless telecommunications operations for Canadian consumers and businesses.
Cable	Cable telecommunications operations, including Internet, television, telephony (phone), and smart home monitoring services for Canadian consumers and businesses, and network connectivity through our fibre network and data centre assets to support a range of voice, data, networking, hosting, and cloud-based services for the enterprise, public sector, and carrier wholesale markets.
Media	A diversified portfolio of media properties, including sports media and entertainment, television and radio broadcasting, specialty channels, multi-platform shopping, digital media, and publishing.

During the year endedDecember 31, 2018, Wireless and Cable were operated by our wholly-owned subsidiary, Rogers Communications Canada Inc. (RCCI), and certain other wholly-owned subsidiaries. Media was operated by our wholly-owned subsidiary, Rogers Media Inc., and its subsidiaries.

See note 4 for more information about our reportable operating segments.

BUSINESS SEASONALITY

Our operating results generally vary from quarter to quarter as a result of changes in general economic conditions and seasonal fluctuations, among other things, in each of our reportable segments. This means our results in one quarter are not necessarily indicative of how we will perform in a future quarter. Wireless, Cable, and Media each have unique seasonal aspects to, and certain other historical trends in, their businesses. Fluctuations in net income from quarter to quarter can also be attributed to losses on the repayment of debt, foreign exchange gains or losses, changes in the fair value of derivative instruments, other income and expenses, impairment of assets, and changes in income tax expense.

Wireless

Wireless operating results are influenced by the timing of our marketing and promotional expenditures and higher levels of subscriber additions and related subsidies, resulting in higher subscriber acquisition- and activation-related expenses, typically in the third and fourth quarters. The third and fourth quarters typically experience higher volumes of activity as a result of "back to school" and holiday season-related consumer behaviour. Aggressive promotional offers are often advertised during these periods. In contrast, we typically see lower subscriber-related activity in the first quarter of the year.

The launch of popular new wireless device models can also affect the level of subscriber activity. Highly-anticipated device launches typically occur in the fall season of each year. Wireless roaming revenue is dependent on customer travel volumes and timing, and is also impacted by the foreign exchange rates and general economic conditions.

Cable

Cable's operating results are affected by modest seasonal fluctuations, typically caused by:

- university and college students who live in residences moving out early in the second quarter and canceling their service as well as students moving in late in the third quarter and signing up for cable service;
- individuals temporarily suspending service for extended vacations or seasonal relocations; and
- the concentrated marketing we generally conduct in our fourth quarter.

Cable results from our enterprise customers do not generally have any unique seasonal aspects.

Media

Seasonal fluctuations relate to:

- periods of increased consumer activity and their impact on advertising and related retail cycles, which tend to be most active in the fourth quarter due to holiday spending and slower in the first quarter;
- the Major League Baseball season, where:
  - games played are concentrated in the spring, summer, and fall months (generally the second and third quarters of the year);
  - revenue related to game day ticket sales, merchandise sales, and advertising are concentrated in the spring, summer, and fall months (generally the second and third quarters of the year), with postseason games commanding a premium in advertising revenue and additional revenue from game day ticket sales and merchandise sales, if and when the Toronto Blue Jays play in the postseason; and

- programming and production costs and player payroll are expensed based on the number of games aired or played, as applicable; and
- the National Hockey League (NHL) season, where:
  - regular season games are concentrated in the fall and winter months (generally the first and fourth quarters of the year) and playoff games are concentrated in the spring months (generally the second quarter of the year). We expect a correlation between the quality of revenue and earnings and the extent of Canadian teams' presence during the playoffs;
  - programming and production costs are expensed based on the timing of when the rights are aired or are expected to be consumed; and
  - advertising revenue and programming expenses are concentrated in the fall, winter, and spring months, with playoff games commanding a premium in advertising revenue.

STATEMENT OF COMPLIANCE

We prepared our consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Board of Directors (the Board) authorized these consolidated financial statements for issue on March 6, 2019.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

All amounts are in Canadian dollars unless otherwise noted. Our functional currency is the Canadian dollar. We prepare the consolidated financial statements on a historical cost basis, except for:

- certain financial instruments as disclosed in note 16, which are measured at fair value;
- the net deferred pension liability, which is measured as described in note 22; and
- liabilities for stock-based compensation, which are measured at fair value as disclosed in note 24.

(b) BASIS OF CONSOLIDATION

Subsidiaries are entities we control. We include the financial statements of our subsidiaries in our consolidated financial statements from the date we gain control of them until our control ceases. We eliminate all intercompany transactions and balances between our subsidiaries on consolidation.

(c) FOREIGN CURRENCY TRANSLATION

We translate amounts denominated in foreign currencies into Canadian dollars as follows:

- monetary assets and liabilities - at the exchange rate in effect as at the date of the Consolidated Statements of Financial Position;
- non-monetary assets and liabilities, and related depreciation and amortization - at the historical exchange rates; and
- revenue and expenses other than depreciation and amortization - at the average rate for the month in which the transaction was recognized.

(d) BUSINESS COMBINATIONS

We account for business combinations using the acquisition method of accounting. Only acquisitions that result in our gaining control over the acquired businesses are accounted for as business combinations. We possess control over an entity when we conclude we are exposed to variable returns from our involvement with the acquired entity and we have the ability to affect those returns through our power over the acquired entity.

We calculate the fair value of the consideration paid as the sum of the fair value at the date of acquisition of the assets we transferred and the equity interests we issued, less the liabilities we assumed to acquire the subsidiary.

We measure goodwill as the fair value of the consideration transferred less the net recognized amount of the identifiable assets acquired and liabilities assumed, which are generally measured at fair value as of the acquisition date. When the excess is negative, a gain on acquisition is recognized immediately in net income.

We expense the transaction costs associated with acquisitions as we incur them.

(e) NEW ACCOUNTING PRONOUNCEMENTS ADOPTED IN 2018

We adopted new amendments to the following accounting standards effective for our interim and annual consolidated financial statements commencing January 1, 2018. These changes did not have a material impact on our financial results.

- Amendments to IFRS 2, *Share-based payment*, providing guidance on accounting for vesting and non-vesting conditions in regards to share-based compensation.
- IFRIC 22, *Foreign currency transaction and advanced consideration,* clarifying the requirements in determining the date of transactions and which foreign exchange rate to use in when translating assets, expenses, or income on initial recognition.

Additionally, we adopted IFRS 15, *Revenue from contracts with customers* (IFRS 15) and IFRS 9, *Financial instruments* (IFRS 9) effective January 1, 2018. The effects these two new pronouncements have on our results and operations are described below.

IFRS 15, *REVENUE FROM CONTRACTS WITH CUSTOMERS*

IFRS 15 supersedes previous accounting standards for revenue, including IAS 18, *Revenue* (IAS 18) and IFRIC 13, *Customer loyalty programmes* (IFRIC 13).

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs.

The application of this new standard has significant impacts on our reported Wireless results, specifically with regards to the timing of recognition and classification of revenue, and the treatment of costs incurred in acquiring customer contracts. The timing of recognition and classification of revenue is affected because, at contract inception, IFRS 15 requires the estimation of total consideration over the contract term and the allocation of that consideration to all performance obligations in the contract based on their relative stand-alone selling prices. This affects our Wireless arrangements that bundle equipment and service together into monthly service fees, which results in an increase to equipment revenue recognized at contract inception and a decrease to service revenue recognized over the course of the contracts. The application of IFRS 15 does not affect our cash flows from operations or the methods and underlying economics through which we transact with our customers.

The treatment of costs incurred in acquiring customer contracts is affected as IFRS 15 requires certain contract acquisition costs (such as sales commissions) to be recognized as an asset and amortized into operating expenses over time. Previously, such costs were expensed as incurred.

In addition, new assets and liabilities have been recognized on our Consolidated Statements of Financial Position. Specifically, a contract asset and contract liability is recognized to account for any timing differences between the revenue recognized and the amounts billed to the customer.

Significant judgment is needed to determine whether a promise to deliver goods or services is considered distinct and in determining the costs that are incremental to obtaining a contract with a customer.

We have made a policy choice to adopt IFRS 15 with full retrospective application, subject to certain practical expedients. As a result, all comparative information in these financial statements has been prepared as if IFRS 15 had been in effect since January 1, 2017. The accounting policies set out in note 5 have been applied in preparing the consolidated financial statements for the year ended December 31, 2018, the comparative information presented in these consolidated financial statements for the year ended December 31, 2017, and for the opening Consolidated Statement of Financial Position as at January 1, 2017. In preparing our Consolidated Statements of Financial Position as at January 1, 2017 and December 31, 2017, we have adjusted amounts previously reported in financial statements prepared in accordance with previous IFRS on revenue recognition, including IAS 18 and IFRIC 13.

Upon adoption of, and transition to, IFRS 15, we elected to utilize the following practical expedients, allowing us to:

- recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that we would have otherwise recognized would have been one year or less;
- not disclose, on an annual basis, the unsatisfied portions of performance obligations related to contracts with a duration of one year or less or where the revenue we recognize corresponds with the amount invoiced to the customer;
- not disclose the amount of the transaction price relating to unsatisfied or partially satisfied performance obligations for reporting periods before January 1, 2018 (the date of initial application) and when we expect to recognize that amount as revenue; and
- not adjust the total consideration over the contract term for effects of a significant financing component, if we expect that the period between when we would transfer our good or service to the customer and when the customer would pay for the good or service would be one year or less.

Reconciliation of Consolidated Statements of Income for the year ended December 31, 2017
Below is the effect of transition to IFRS 15 on our Consolidated Statements of Income for the year ended December 31, 2017, all of which pertain to our Wireless segment.

		Year ended December 31, 2017		
(In millions of dollars, except per share amounts)	Reference	As previously reported	Adjustments	Restated
Revenue	*i, iii*	14,143	226	14,369
Operating expenses:				
Operating costs	*ii, iii*	8,825	42	8,867
Depreciation and amortization		2,142	—	2,142
Gain on disposition of property, plant and equipment		(49)	—	(49)
Restructuring, acquisition and other		152	—	152
Finance costs		746	—	746
Other expense (income)		(19)	—	(19)
Income before income tax expense		2,346	184	2,530
Income tax expense		635	50	685
Net income for the period		1,711	134	1,845
Earnings per share:				
Basic		$3.32	$0.26	$3.58
Diluted		$3.31	$0.26	$3.57

Reconciliation of Consolidated Statements of Financial Position as at January 1, 2017 and December 31, 2017
Below is the effect of transition to IFRS 15 on our Consolidated Statements of Financial Position as at January 1, 2017 and December 31, 2017.

		As at January 1, 2017			As at December 31, 2017		
(In millions of dollars)	*Reference*	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
Assets							
Current assets:							
Accounts receivable		1,949	(5)	1,944	2,041	(6)	2,035
Inventories	*iii*	315	137	452	313	122	435
Current portion of contract assets	*i*	—	723	723	—	820	820
Other current assets	*ii*	215	202	417	197	217	414
Current portion of derivative instruments		91	—	91	421	—	421
Total current assets		2,570	1,057	3,627	2,972	1,153	4,125
Property, plant and equipment		10,749	—	10,749	11,143	—	11,143
Intangible assets		7,130	—	7,130	7,244	—	7,244
Investments		2,174	—	2,174	2,561	—	2,561
Derivative instruments		1,708	—	1,708	953	—	953
Contract assets	*i*	—	354	354	—	413	413
Other long-term assets	*ii*	98	58	156	82	61	143
Deferred tax assets		8	—	8	3	—	3
Goodwill		3,905	—	3,905	3,905	—	3,905
Total assets		28,342	1,469	29,811	28,863	1,627	30,490
Liabilities and shareholders' equity							
Current liabilities:							
Bank advances		71	—	71	6	—	6
Short-term borrowings		800	—	800	1,585	—	1,585
Accounts payable and accrued liabilities		2,783	—	2,783	2,931	—	2,931
Income tax payable		186	—	186	62	—	62
Other current liabilities [1]	*iii*	134	151	285	4	128	132
Contract liabilities [2]	*i*	367	(65)	302	346	(68)	278
Current portion of long-term debt		750	—	750	1,756	—	1,756
Current portion of derivative instruments		22	—	22	133	—	133
Total current liabilities		5,113	86	5,199	6,823	60	6,883
Provisions		33	—	33	35	—	35
Long-term debt		15,330	—	15,330	12,692	—	12,692
Derivative instruments		118	—	118	147	—	147
Other long-term liabilities		562	—	562	613	—	613
Deferred tax liabilities		1,917	368	2,285	2,206	418	2,624
Total liabilities		23,073	454	23,527	22,516	478	22,994
Shareholders' equity		5,269	1,015	6,284	6,347	1,149	7,496
Total liabilities and shareholders' equity		28,342	1,469	29,811	28,863	1,627	30,490

1 Previously reported as "current portion of provisions".
2 Previously reported as "unearned revenue".

The application of IFRS 15 did not affect our cash flow totals from operating, investing, or financing activities.

i) Contract assets and liabilities
Contract assets arise primarily as a result of the difference between revenue recognized on the sale of a wireless device at the onset of a term contract and the cash collected at the point of sale. Revenue recognized at point of sale requires the estimation of total consideration over the contract term and the allocation of that consideration to all performance obligations in the contract based on their relative stand-alone selling prices. For Wireless term contracts, revenue is recognized earlier than previously reported, with a larger allocation to equipment revenue. Prior to the adoption of IFRS 15, the amount allocated to equipment revenue was limited to the non-contingent consideration received at the point of sale when recovery of the remaining consideration in the contract was contingent upon the delivery of future services.

We record a contract liability when we receive payment from a customer in advance of providing goods and services. We account for contract assets and liabilities on a contract-by-contract basis, with each contract being presented as a single net contract asset or net contract liability accordingly.

All contract assets are recorded net of an allowance for expected credit losses, measured in accordance with IFRS 9.

ii) Deferred commission cost assets
Under IFRS 15, we defer incremental commission costs paid to internal and external representatives as a result of obtaining contracts with customers as deferred commission cost assets and amortize them to operating expenses over the pattern of the transfer of goods and services to the customer, which is typically evenly over either 12 or 24 consecutive months.

iii) Inventories and other current liabilities
Under IFRS 15, we determine when the customer obtains control of the distinct good or service. For affected transactions, we have defined our customer as the end subscriber and determined that they obtain control when they receive possession of a wireless device, which typically occurs upon activation. For certain transactions through third-party dealers and other retailers, the timing of when the customer obtains control of a wireless device will be deferred in comparison to our previous policy, where revenue was recognized when the wireless device was delivered and accepted by the independent dealer. This results in a greater inventory balance and a corresponding increase in other current liabilities.

IFRS 9, *FINANCIAL INSTRUMENTS*
In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39,*Financial Instruments: recognition and measurement* (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. We have adopted IFRS 9 on a retrospective basis; however, our 2017 comparatives were not restated because it was not possible to do so without the use of hindsight.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit and loss (FVTPL). Under IFRS 9, we have irrevocably elected to present subsequent changes in the fair value of our equity investments that are neither held-for-trading nor contingent consideration arising from a business combination in other comprehensive income with no reclassification of net gains and losses to net income. For these equity investments, any impairment on the instrument will be recorded in other comprehensive income, and cumulative gains or losses in other comprehensive income will not be reclassified into net income, including upon disposal.

As a result, our previous "available-for-sale financial asset reserve" will now be referred to as the "FVTOCI investment reserve". This reserve represents the accumulated change in fair value of our equity investments that are measured at FVTOCI less accumulated impairment losses related to the investments and accumulated amounts reclassified into retained earnings when gains and losses are realized upon derecognition of the related investments.

Under IFRS 9, the loss allowance for trade receivables must be calculated using the expected lifetime credit loss and recorded at the time of initial recognition. A portion of our trade receivables required an incremental loss allowance in order to comply with the requirements of IFRS 9; as a result, we recognized a $4 million decrease to accounts receivable and a corresponding decrease to retained earnings within shareholders' equity effective January 1, 2018. In addition, the expected loss allowance using the lifetime credit loss approach is applied to contract assets under IFRS 15. There is no significant effect on the carrying value of our other financial instruments under IFRS 9 related to this new requirement.

The new hedge accounting guidance aligns hedge accounting more closely with an entity's risk management objectives and strategies. IFRS 9 does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it allows more hedging strategies used for risk management to qualify for hedge accounting and introduces more judgment to assess the effectiveness of a hedging relationship, primarily from a qualitative standpoint. This is not expected to have an effect on our reported results and will simplify our application of effectiveness tests going forward.

Below is a summary showing the classification and measurement bases of our financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with a comparison to IAS 39).

Financial instrument	IAS 39	IFRS 9
Financial assets		
Cash and cash equivalents	Loans and receivables (amortized cost)	Amortized cost
Accounts receivable	Loans and receivables (amortized cost)	Amortized cost
Investments	Available-for-sale (FVTOCI) [1]	FVTOCI with no reclassification to net income
Financial liabilities		
Bank advances	Other financial liabilities (amortized cost)	Amortized cost
Short-term borrowings [2]	Other financial liabilities (amortized cost)	Amortized cost
Accounts payable	Other financial liabilities (amortized cost)	Amortized cost
Accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Long-term debt [2]	Other financial liabilities (amortized cost)	Amortized cost
Derivatives [3]		
Debt derivatives [4]	Held-for-trading (FVTOCI where subject to hedge accounting and FVTPL)	FVTOCI and FVTPL
Bond forwards	Held-for-trading (FVTOCI under hedge accounting)	FVTOCI
Expenditure derivatives	Held-for-trading (FVTOCI under hedge accounting)	FVTOCI
Equity derivatives [5]	Held-for-trading (FVTPL)	FVTPL

1 Subsequently measured at fair value with changes recognized in other comprehensive income. The net change subsequent to initial recognition, in the case of investments, is reclassified into net income upon disposal of the investment or when the investment becomes impaired.
2 Subsequently measured at amortized cost using the effective interest method.
3 Derivatives can be in an asset or liability position at a point in time historically or in the future. For derivatives designated as cash flow hedges for accounting purposes, the effective portion of the hedge is recognized in accumulated other comprehensive income and the ineffective portion of the hedge is recognized immediately into net income.
4 Debt derivatives related to our senior notes and debentures have been designated as hedges for accounting purposes and will be classified as FVTOCI. Debt derivatives related to our credit facility and commercial paper borrowings have not been designated as hedges for accounting purposes and will be classified as FVTPL.
5 Subsequent changes are offset against stock-based compensation expense or recovery in operating costs.

(f) ADDITIONAL SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES, AND JUDGMENTS

When preparing our consolidated financial statements, management makes judgments, estimates, and assumptions that affect how accounting policies are applied and the amounts we report as assets, liabilities, revenue, and expenses. Our significant accounting policies, estimates, and judgments are identified in this note or disclosed throughout the notes as identified in the table below:

- information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the amounts recognized in the consolidated financial statements;
- information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements; and
- information on our significant accounting policies.

Note	Topic	Page	Accounting Policy	Use of Estimates	Use of Judgments
4	Reportable Segments	19	X		X
5	Revenue Recognition	21	X	X	X
7	Property, Plant and Equipment	25	X	X	X
8	Intangible Assets and Goodwill	27	X	X	X
12	Income Taxes	31	X		X
13	Earnings Per Share	33	X		
14	Accounts Receivable	34	X		
15	Inventories	35	X		
16	Financial Instruments	35	X	X	X
17	Investments	46	X		
19	Provisions	49	X	X	X
22	Post-Employment Benefits	54	X	X	
24	Stock-Based Compensation	60	X	X	
27	Commitments and Contingent Liabilities	64	X		X

(g) RECENT ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

IFRS 16, *LEASES* (IFRS 16)

Effective January 1, 2019, we will adopt IFRS 16. Our first quarter 2019 interim financial statements will be our first financial statements issued in accordance with IFRS 16. IFRS 16 supersedes the current accounting standards for leases, including IAS 17, *Leases* (IAS 17) and IFRIC 4, *Determining whether an arrangement contains a lease* (IFRIC 4).

IFRS 16 introduces a single accounting model for lessees unless the underlying asset is of low value. A lessee will be required to recognize, on its statement of financial position, a right-of-use asset, representing its right to use the underlying leased asset, and a lease liability, representing its obligation to make lease payments. As a result of adopting IFRS 16, we will recognize a significant increase to both assets and liabilities on our Consolidated Statements of Financial Position, as well as a decrease to operating costs (for the removal of rent expense for leases), an increase to depreciation and amortization (due to depreciation of the right-of-use asset), and an increase to finance costs (due to accretion of the lease liability). The accounting treatment for lessors will remain largely the same as under IAS 17.

We will adopt IFRS 16 with the cumulative effect of initial application recognized as an adjustment to retained earnings within shareholders' equity on January 1, 2019. We will not restate comparatives for 2018. At transition, we will apply the practical expedient available to us as lessee that allows us to apply this standard to contracts that were previously identified as leases under IAS 17 and IFRIC 4. Conversely, we will not apply this standard to contracts that were previously not identified as leases under IAS 17 and IFRIC 4.

For leases that were classified as operating leases under IAS 17, lease liabilities at transition will be measured at the present value of remaining lease payments, discounted at the related incremental borrowing rate as at January 1, 2019. Generally, right-of-use assets at transition will be measured at an amount equal to the corresponding lease liabilities, adjusted for any prepaid or accrued rent outstanding. For certain leases where we have readily available information, we will elect to measure the right-of-use assets at their carrying amounts as if IFRS 16 had been applied since the lease commencement date using the related incremental borrowing rate for the remaining lease period as at January 1, 2019.

When applying IFRS 16 to leases previously classified as operating leases, the following practical expedients are available to us. We will:

- apply a single discount rate to a portfolio of leases with similar characteristics;
- exclude initial direct costs from measuring the right-of-use asset as at January 1, 2019; and
- use hindsight in determining the lease term where the contract contains purchase, extension, or termination options.

We have elected to not separate fixed non-lease components from lease components and instead account for each lease component and associated fixed non-lease components as a single lease component. We do not intend to elect the recognition exemptions on short-term leases or low-value leases; however, we may choose to elect the recognition exemptions on a class-by-class basis for new classes, and lease-by-lease basis, respectively, in the future.

We do not expect significant impacts for contracts in which we are the lessor.

We have a team engaged to ensuring our compliance with IFRS 16, including overseeing the implementation of a new lease system that enables us to comply with the requirements of the standard on a contract-by-contract basis. This team has been responsible for determining and implementing additional process requirements, ensuring our data collection is appropriate, system testing, developing related internal controls, and communicating the upcoming changes with various stakeholders. We had detailed data validation processes that operated throughout the course of 2018.

USE OF ESTIMATES AND JUDGMENTS TO BE APPLIED ON ADOPTION OF IFRS 16

ESTIMATES

We will need to estimate the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option. We will make certain qualitative and quantitative assumptions when deriving the value of the economic incentive.

JUDGMENTS

We will make judgments in determining whether a contract contains an identified asset. The identified asset should be physically distinct or represent substantially all of the capacity of the asset, and should provide us with the right to substantially all of the economic benefits from the use of the asset.

We will also make judgments in determining whether we have the right to control the use of the identified asset. We have that right when we have the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decisions about how and for what purpose the asset is used are predetermined, we have the right to direct the use of the asset if we either have the right to operate the asset or the asset has been designed in a way that predetermines how and for what purpose the asset will be used.

We will make judgments in determining the discount rate used to measure each of our lease liabilities. The discount rate applied should reflect the interest that we would have to pay to borrow a similar amount at a similar term and with a similar security.

EFFECT OF TRANSITION TO IFRS 16
Below is the estimated effect of transition to IFRS 16 on our Consolidated Statements of Financial Position as at January 1, 2019.

(In billions of dollars)	*Reference*	As reported as at December 31, 2018	Estimated effect of IFRS 16 transition	Subsequent to transition as at January 1, 2019
Assets				
Current assets:				
Other current assets		0.4	***	0.4
Remainder of current assets		4.5	—	4.5
Total current assets		4.9	***	4.9
Property, plant and equipment	*i*	11.8	1.5	13.3
Remainder of long-term assets		15.2	—	15.2
Total assets		31.9	1.5	33.4
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable and accrued liabilities		3.1	(0.1)	3.0
Current portion of lease liabilities	*i*	—	0.2	0.2
Remainder of current liabilities		3.7	—	3.7
Total current liabilities		6.8	0.1	6.9
Lease liabilities	*i*	—	1.4	1.4
Deferred tax liabilities		2.9	***	2.9
Remainder of long-term liabilities		14.0	—	14.0
Total liabilities		23.7	1.5	25.2
Shareholders' equity		8.2	***	8.2
Total liabilities and shareholders' equity		31.9	1.5	33.4

*** Amounts less than $0.1 billion; these amounts have been excluded from subtotals.

i) Right-of-use assets and lease liabilities
We will record a right-of-use asset and a lease liability at the lease commencement date. The lease liability will initially be measured at the present value of lease payments that remain to be paid at the commencement date. Lease payments included in the measurement of the lease liability will include:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that we are reasonably certain to exercise, lease payments in an optional renewal period if we are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless we are reasonably certain not to terminate early.

Upon transition, except for those leases where we have the information to measure the right-of-use assets at their carrying amounts as if IFRS 16 had been applied since the lease commencement date, as discussed above, the right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Consolidated Statements of Financial Position immediately before the date of initial application.

After transition, the right-of-use asset will initially be measured at cost, consisting of:

- the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or restore the site on which it is located; less
- any lease incentives received.

The right-of-use asset will typically be depreciated on a straight-line basis over the lease term, unless we expect to obtain ownership of the leased asset at the end of the lease. The lease term will consist of:

- the non-cancellable period of the lease;
- periods covered by options to extend the lease, where we are reasonably certain to exercise the option; and
- periods covered by options to terminate the lease, where we are reasonably certain not to exercise the option.

NOTE 3: CAPITAL RISK MANAGEMENT

Our objectives in managing capital are to ensure we have sufficient liquidity to meet all of our commitments and to execute our business plan. We define capital that we manage as shareholders' equity and indebtedness (including current portion of our long-term debt, long-term debt, and short-term borrowings).

We manage our capital structure, commitments, and maturities and make adjustments based on general economic conditions, financial markets, operating risks, our investment priorities, and working capital requirements. To maintain or adjust our capital structure, we may, with approval from the Board, issue or repay debt and/or short-term borrowings, issue or repurchase shares, pay dividends, or undertake other activities as deemed appropriate under the circumstances. The Board reviews and approves the annual capital and operating budgets, as well as any material transactions that are not part of the ordinary course of business, including proposals for acquisitions or other major financing transactions, investments, or divestitures.

We monitor debt leverage ratios as part of the management of liquidity and shareholders' return to sustain future development of the business, conduct valuation-related analyses, and make decisions about capital.

The wholly-owned subsidiary through which our Rogers World Elite Mastercard, Rogers Platinum Mastercard, and Fido Mastercard programs are operated is regulated by the Office of the Superintendent of Financial Institutions, which requires that a minimum level of regulatory capital be maintained. Rogers' subsidiary was in compliance with that requirement as at December 31, 2018 and 2017. The capital requirements are not material to the Company as at December 31, 2018 or December 31, 2017.

With the exception of the Rogers World Elite Mastercard, Rogers Platinum Mastercard, and Fido Mastercard programs and the subsidiary through which they are operated, we are not subject to externally-imposed capital requirements. Our overall strategy for capital risk management has not changed since December 31, 2017.

NOTE 4: SEGMENTED INFORMATION

ACCOUNTING POLICY

Reportable segments

We determine our reportable segments based on, among other things, how our chief operating decision maker, the Chief Executive Officer and Chief Financial Officer of RCI, regularly review our operations and performance. Effective January 1, 2018, they review adjusted EBITDA as the key measure of profit for the purpose of assessing performance of each segment and to make decisions about the allocation of resources, as they believe adjusted EBITDA more fully reflects segment and consolidated profitability. Adjusted EBITDA is defined as income before depreciation and amortization; (gain) loss on disposition of property, plant and equipment; restructuring, acquisition and other; finance costs; other expense (income); and income tax expense. Previously, our chief operating decision maker reviewed adjusted operating profit as the key measure of profit. The difference between adjusted operating profit and adjusted EBITDA is that adjusted EBITDA includes stock-based compensation expense, which has been allocated to each of our reportable segments.

Effective January 1, 2018, we redefined our reportable segments as a result of technological evolution and the increased overlap between the various product offerings within our legacy Cable and legacy Business Solutions reportable segments, as well as how we allocate resources amongst, and the general management of, our reportable segments. The results of our legacy Cable segment, legacy Business Solutions segment, and our Smart Home Monitoring products are presented within a redefined Cable segment. Financial results related to our Smart Home Monitoring products were previously reported within Corporate items and intercompany eliminations. We have retrospectively amended our 2017 comparative segment results to account for this redefinition.

We follow the same accounting policies for our segments as those described in the notes to our consolidated financial statements. We account for transactions between reportable segments in the same way we account for transactions with external parties, but eliminate them on consolidation.

USE OF ESTIMATES AND JUDGMENTS

JUDGMENTS

We make significant judgments in determining our operating segments. These are components that engage in business activities from which they may earn revenue and incur expenses, for which operating results are regularly reviewed by our chief operating decision makers to make decisions about resources to be allocated and assess component performance, and for which discrete financial information is available.

EXPLANATORY INFORMATION

Our reportable segments are Wireless, Cable, and Media (seenote 1). All three 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 revenue and costs. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

INFORMATION BY SEGMENT

Year ended December 31, 2018 (In millions of dollars)	*Note*	Wireless	Cable	Media	Corporate items and eliminations	Consolidated totals
Revenue	*5*	9,200	3,932	2,168	(204)	15,096
Operating costs	*6*	5,110	2,058	1,972	(27)	9,113
Adjusted EBITDA		4,090	1,874	196	(177)	5,983
Depreciation and amortization	*7, 8*					2,211
Gain on disposition of property, plant and equipment	*7*					(16)
Restructuring, acquisition and other	*9*					210
Finance costs	*10*					793
Other income	*11*					(32)
Income before income tax expense						2,817
Capital expenditures before proceeds on disposition [1]		1,086	1,429	90	210	2,815
Goodwill		1,160	1,808	937	—	3,905
Total assets		16,572	7,666	2,438	5,242	31,918

[1] Excludes proceeds on disposition of $25 million (see note 28).

Year ended December 31, 2017 (In millions of dollars) (restated, see note 2)	*Note*	Wireless	Cable	Media	Corporate items and eliminations	Consolidated totals
Revenue	*5*	8,569	3,894	2,153	(247)	14,369
Operating costs	*6*	4,843	2,075	2,026	(77)	8,867
Adjusted EBITDA		3,726	1,819	127	(170)	5,502
Depreciation and amortization	*7, 8*					2,142
Gain on disposition of property, plant and equipment	*7*					(49)
Restructuring, acquisition and other	*9*					152
Finance costs	*10*					746
Other income	*11*					(19)
Income before income tax expense						2,530
Capital expenditures before proceeds on disposition [1]		806	1,334	83	287	2,510
Goodwill		1,160	1,808	937	—	3,905
Total assets		15,860	7,315	2,405	4,910	30,490

[1] Excludes proceeds on disposition of $74 million (see note 28).

NOTE 5: REVENUE

ACCOUNTING POLICY

Contracts with customers

We record revenue from contracts with customers in accordance with the five steps in IFRS 15 as follows:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price, which is the total consideration provided by the customer;
4. allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
5. recognize revenue when the relevant criteria are met for each performance obligation.

Many of our products and services are sold in bundled arrangements (e.g. wireless handsets, and voice and data services). Items in these arrangements are accounted for as separate performance obligations if the item meets the definition of a distinct good or service. We also determine whether a customer can modify their contract within predefined terms such that we are not able to enforce the transaction price agreed to, but can only contractually enforce a lower amount. In situations such as these, we allocate revenue between performance obligations using the minimum enforceable rights and obligations and any excess amount is recognized as revenue as it is earned.

Revenue for each performance obligation is recognized either over time (e.g. services) or at a point in time (e.g. equipment). For performance obligations satisfied over time, revenue is recognized as the services are provided. These services are typically provided, and thus recognized, on a monthly basis. Revenue for performance obligations satisfied at a point in time is recognized when control of the item (or service) transfers to the customer. Typically, this is when the customer activates the goods (e.g. in the case of a wireless handset) or has physical possession of the goods (e.g. other equipment). Below, we have outlined the nature of the various performance obligations in our contracts with customers and when we recognize performance on those obligations.

Performance obligations from contracts with customers	Timing of satisfaction of the performance obligation
Wireless airtime and data services, cable, telephony, Internet, and smart home monitoring services, network services, media subscriptions, and rental of equipment	As the service is provided (usually monthly)
Roaming, long-distance, and other optional or non-subscription services, and pay-per-use services	As the service is provided
Wireless devices and related equipment	Upon activation or purchase by the end customer
Installation services for Cable subscribers	When the services are performed
Advertising	When the advertising airs on our radio or television stations, is featured in our publications, or displayed on our digital properties
Subscriptions by television stations for subscriptions from cable and satellite providers	When the services are delivered to cable and satellite providers' subscribers (usually monthly)
Toronto Blue Jays' home game admission and concessions	When the related games are played during the baseball season and when goods are sold
Toronto Blue Jays, radio, and television broadcast agreements	When the related games are aired
Sublicensing of program rights	Over the course of the applicable licence period

We also recognize interest revenue on credit card receivables using the effective interest method in accordance with IFRS 9.

Payment terms for typical Wireless and Cable contracts range from 0 to 30 days, with payment for equipment due upon receipt of the equipment and monthly service fees due 30 days after billing. Payment terms for typical Media performance obligations range from immediate (for example, Toronto Blue Jays tickets) to 30 days (for example, advertising contracts).

Contract assets and liabilities

We record a contract asset when we have provided goods and services to our customer but our right to related consideration for the performance obligation is conditional on satisfying other performance obligations. Contract assets primarily relate to our rights to consideration for the transfer of wireless handsets.

We record a contract liability when we receive payment from a customer in advance of providing goods and services. This includes subscriber deposits, deposits related to Toronto Blue Jays ticket sales, and amounts subscribers pay for services and subscriptions that will be provided in future periods.

We account for contract assets and liabilities on a contract-by-contract basis, with each contract presented as either a net contract asset or a net contract liability accordingly.

Deferred commission cost assets
We defer, to the extent recoverable, the incremental costs we incur to obtain or fulfill a contract with a customer and amortize them over their expected period of benefit. These costs include certain commissions paid to internal and external representatives that we believe to be recoverable through the revenue earned from the related contracts. We therefore defer them as deferred commission cost assets in other assets and amortize them to operating costs over the pattern of the transfer of goods and services to the customer, which is typically evenly over either 12 or 24 consecutive months.

USE OF ESTIMATES AND JUDGMENTS

ESTIMATES

We use estimates in the following key areas:

- determining the transaction price of our contracts requires estimating the amount of revenue we expect to be entitled to for delivering the performance obligations within a contract; and
- determining the stand-alone selling price of performance obligations and the allocation of the transaction price between performance obligations.

Determining the transaction price
The transaction price is the amount of consideration that is enforceable and to which we expect to be entitled in exchange for the goods and services we have promised to our customer. We determine the transaction price by considering the terms of the contract and business practices that are customary within that particular line of business. Discounts, rebates, refunds, credits, price concessions, incentives, penalties, and other similar items are reflected in the transaction price at contract inception.

Determining the stand-alone selling price and the allocation of the transaction price
The transaction price is allocated to performance obligations based on the relative stand-alone selling prices of the distinct goods or services in the contract. The best evidence of a stand-alone selling price is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers. If a stand-alone selling price is not directly observable, we estimate the stand-alone selling price taking into account reasonably available information relating to the market conditions, entity-specific factors, and the class of customer.

In determining the stand-alone selling price, we allocate revenue between performance obligations based on expected minimum enforceable amounts to which Rogers is entitled. Any amounts above the minimum enforceable amounts are recognized as revenue as they are earned.

JUDGMENTS

We make significant judgments in determining whether a promise to deliver goods or services is considered distinct and in determining the costs that are incremental to obtaining of fulfilling a contract with a customer.

Distinct goods and services
We make judgments in determining whether a promise to deliver goods or services is considered distinct. We account for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items in the bundled package and if the customer can benefit from it). The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. For items we do not sell separately (e.g. third-party gift cards), we estimate stand-alone selling prices using the adjusted market assessment approach.

Determining costs to obtain or fulfill a contract
Determining the costs we incur to obtain or fulfill a contract that meet the deferral criteria within IFRS 15 requires us to make significant judgments. We expect incremental commission fees paid to internal and external representatives as a result of obtaining contracts with customers to be recoverable.

EXPLANATORY INFORMATION

CONTRACT ASSETS

Below is a summary of the current and long-term portions of contract assets from contracts with customers and the significant changes in those balances during the years ended December 31, 2018 and 2017.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Balance, beginning of year	**1,233**	1,077
Additions from new contracts with customers, net of terminations and renewals	**1,572**	1,196
Amortization of contract assets to accounts receivable	**(1,218)**	(1,040)
Balance, end of year	**1,587**	1,233

CONTRACT LIABILITIES
Below is a summary of the current portion of contract liabilities from contracts with customers and the significant changes in those balances during the years ended December 31, 2018 and 2017.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Balance, beginning of year	**278**	302
Revenue deferred in previous year and recognized as revenue in current year	**(268)**	(284)
Net additions from contracts with customers	**223**	260
Balance, end of year	**233**	278

DEFERRED COMMISSION COST ASSETS
Below is a summary of the changes in the deferred commission cost assets recognized from the incremental costs incurred to obtain contracts with customers during the years ended December 31, 2018 and 2017. The deferred commission cost assets are presented within other current assets (when they will be amortized into net income within twelve months of the date of the financial statements) or other long-term assets.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Balance, beginning of year	**278**	260
Additions to deferred commission cost assets	**340**	310
Amortization recognized on deferred commission cost assets	**(322)**	(292)
Balance, end of year	**296**	278

UNSATISFIED PORTIONS OF PERFORMANCE OBLIGATIONS
The table below shows the revenue we expect to recognize in the future related to unsatisfied or partially satisfied performance obligations as at December 31, 2018. The unsatisfied portion of the transaction price of the performance obligations relates to monthly services; we expect to recognize it over the next three to five years.

(In millions of dollars)	**2019**	**2020**	**2021**	**Thereafter**	**Total**
Telecommunications service	2,410	985	169	137	3,701

Upon adoption of, and transition to, IFRS 15, we have elected to utilize the following practical expedients and not disclose:
- the unsatisfied portions of performance obligations related to contracts with a duration of one year or less; or
- the unsatisfied portions of performance obligations where the revenue we recognize corresponds with the amount invoiced to the customer.

We have also elected to use the practical expedient allowing us to not disclose the amount of the transaction price relating to unsatisfied or partially satisfied performance obligations for reporting periods before January 1, 2018 (the date of initial application) and when we expect to recognize that amount as revenue.

DISAGGREGATION OF REVENUE

(In millions of dollars)	Years ended December 31	
	2018	2017 (restated, see note 2)
Wireless		
Service revenue	**7,091**	6,765
Equipment revenue	**2,109**	1,804
Total Wireless	**9,200**	8,569
Cable		
Internet	**2,114**	1,967
Television	**1,442**	1,501
Phone	**363**	411
Service revenue	**3,919**	3,879
Equipment revenue	**13**	15
Total Cable	**3,932**	3,894
Total Media	**2,168**	2,153
Corporate items and intercompany eliminations	**(204)**	(247)
Total revenue	**15,096**	14,369

NOTE 6: OPERATING COSTS

(In millions of dollars)	Years ended December 31	
	2018	2017 (restated, see note 2)
Cost of equipment sales	**2,284**	2,022
Merchandise for resale	**231**	237
Other external purchases	**4,509**	4,497
Employee salaries, benefits, and stock-based compensation	**2,089**	2,111
Total operating costs	**9,113**	8,867

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Recognition and measurement, including depreciation
We measure property, plant and equipment upon initial recognition at cost and begin recognizing depreciation when the asset is ready for its intended use. Subsequently, property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures (capital expenditures) that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- costs directly associated with bringing the assets to a working condition for their intended use;
- expected costs of decommissioning the items and restoring the sites on which they are located (seenote 19); and
- borrowing costs on qualifying assets.

We depreciate property, plant and equipment over its estimated useful life by charging depreciation expense to net income as follows:

Asset	Basis	Estimated useful life
Buildings	Diminishing balance	5 to 40 years
Cable and wireless network	Straight-line	3 to 40 years
Computer equipment and software	Straight-line	4 to 10 years
Customer premise equipment	Straight-line	3 to 6 years
Leasehold improvements	Straight-line	Over shorter of estimated useful life or lease term
Equipment and vehicles	Diminishing balance	3 to 20 years

We calculate gains and losses on the disposal of property, plant and equipment by comparing the proceeds from the disposal with the item's carrying amount and recognize the gain or loss in net income.

We capitalize development expenditures if they meet the criteria for recognition as an asset and amortize them over their expected useful lives once the assets to which they relate are available for use. We expense research expenditures, maintenance costs, and training costs as incurred.

Impairment testing
We test non-financial assets with finite useful lives for impairment whenever an event or change in circumstances indicates that their carrying amounts may not be recoverable. The asset is impaired if the recoverable amount is less than the carrying amount. If we cannot estimate the recoverable amount of an individual asset because it does not generate independent cash inflows, we test the entire cash generating unit (CGU) for impairment.

A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets.

Recognition and measurement of an impairment charge
An item of property, plant and equipment, an intangible asset, or goodwill is impaired if the recoverable amount is less than the carrying amount. The recoverable amount of a CGU or asset is the higher of its:

- fair value less costs to sell; and
- value in use.

If our estimate of the asset's or CGU's recoverable amount is less than its carrying amount, we reduce its carrying amount to the recoverable amount and recognize the loss in net income immediately.

We reverse a previously recognized impairment loss if our estimate of the recoverable amount of a previously impaired asset or CGU has increased such that the impairment recognized in a previous year has reversed. The reversal is recognized by increasing the asset's or CGU's carrying amount to our new estimate of its recoverable amount. The carrying amount of the asset or CGU subsequent to the reversal cannot be greater than its carrying amount if we had not recognized an impairment loss in previous years.

USE OF ESTIMATES AND JUDGMENTS

ESTIMATES

Components of an item of property, plant and equipment may have different useful lives. We make significant estimates when determining depreciation rates and asset useful lives, which require taking into account company-specific factors, such as our past experience and expected use, and industry trends, such as technological advancements. We monitor and review residual values, depreciation rates, and asset useful lives at least once a year and change them if they are different from our previous estimates. We recognize the effect of changes in estimates in net income prospectively.

In 2018, we reviewed the depreciation rates for all of our property, plant and equipment. The review resulted in an increase in the estimated useful lives of certain of our customer premise equipment assets. These changes have been applied prospectively. They did not have a material effect on our financial statements in 2018 and they will not have a material effect on depreciation in future periods.

We use estimates to determine certain costs that are directly attributable to self-constructed assets. These estimates primarily include certain internal and external direct labour, overhead, and interest costs associated with the acquisition, construction, development, or betterment of our networks.

Furthermore, we use estimates in determining the recoverable amount of property, plant and equipment. The determination of the recoverable amount for the purpose of impairment testing requires the use of significant estimates, such as:

- future cash flows;
- terminal growth rates; and
- discount rates.

We estimate value in use for impairment tests by discounting estimated future cash flows to their present value. We estimate the discounted future cash flows for periods of up to five years, depending on the CGU, and a terminal value. The future cash flows are based on our estimates and expected future operating results of the CGU after considering economic conditions and a general outlook for the CGU's industry. Our discount rates consider market rates of return, debt to equity ratios, and certain risk premiums, among other things. The terminal value is the value attributed to the CGU's operations beyond the projected time period of the cash flows using a perpetuity rate based on expected economic conditions and a general outlook for the industry.

We determine fair value less costs to sell in one of the following two ways:

- Analyzing discounted cash flows - we estimate the discounted future cash flows for five-year periods and a terminal value, similar to the value in use methodology described above, while applying assumptions consistent with those a market participant would make. Future cash flows are based on our estimates of expected future operating results of the CGU. Our estimates of future cash flows, terminal values, and discount rates consider similar factors to those described above for value in use estimates; or
- Using a market approach - we estimate the recoverable amount of the CGU using multiples of operating performance of comparable entities and precedent transactions in that industry.

We make certain assumptions when deriving expected future cash flows, which may include assumptions pertaining to discount and terminal growth rates. These assumptions may differ or change quickly depending on economic conditions or other events. It is therefore possible that future changes in assumptions may negatively affect future valuations of CGUs and goodwill, which could result in impairment losses.

JUDGMENTS

We make significant judgments in choosing methods for depreciating our property, plant and equipment that we believe most accurately represent the consumption of benefits derived from those assets and are most representative of the economic substance of the intended use of the underlying assets.

EXPLANATORY INFORMATION

(In millions of dollars)	December 31, 2018			December 31, 2017			December 31, 2016		
	Cost	Accumulated depreciation	**Net carrying amount**	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
Land and buildings	1,125	(428)	**697**	1,090	(397)	693	1,062	(375)	687
Cable and wireless networks	21,024	(13,550)	**7,474**	20,252	(13,206)	7,046	20,108	(13,035)	7,073
Computer equipment and software	5,514	(3,305)	**2,209**	4,996	(2,807)	2,189	4,296	(2,424)	1,872
Customer premise equipment	1,908	(1,279)	**629**	1,565	(1,090)	475	1,560	(1,156)	404
Leasehold improvements	539	(250)	**289**	496	(220)	276	457	(193)	264
Equipment and vehicles	1,292	(810)	**482**	1,246	(782)	464	1,169	(720)	449
Total property, plant and equipment	31,402	(19,622)	**11,780**	29,645	(18,502)	11,143	28,652	(17,903)	10,749

The tables below summarize the changes in the net carrying amounts of property, plant and equipment during 2018 and 2017.

(In millions of dollars)	December 31, 2017				December 31, 2018
	Net carrying amount	Additions [1]	Depreciation	Other [2]	**Net carrying amount**
Land and buildings	693	40	(32)	(4)	**697**
Cable and wireless networks	7,046	1,556	(1,128)	—	**7,474**
Computer equipment and software	2,189	653	(633)	—	**2,209**
Customer premise equipment	475	423	(269)	—	**629**
Leasehold improvements	276	44	(31)	—	**289**
Equipment and vehicles	464	99	(81)	—	**482**
Total property, plant and equipment	11,143	2,815	(2,174)	(4)	**11,780**

1 Excludes proceeds on disposition of $25 million (see note 28).
2 Includes disposals, reclassifications, and other adjustments.

(In millions of dollars)	December 31, 2016				December 31, 2017
	Net carrying amount	Additions [1]	Depreciation	Other [2]	Net carrying amount
Land and buildings	687	61	(30)	(25)	693
Cable and wireless networks	7,073	1,125	(1,150)	(2)	7,046
Computer equipment and software	1,872	867	(549)	(1)	2,189
Customer premise equipment	404	315	(244)	—	475
Leasehold improvements	264	40	(28)	—	276
Equipment and vehicles	449	102	(86)	(1)	464
Total property, plant and equipment	10,749	2,510	(2,087)	(29)	11,143

1 Excludes proceeds on disposition of $74 million (see note 28).
2 Includes disposals, reclassifications, and other adjustments.

Property, plant and equipment not yet in service and therefore not subject to depreciation as at December 31, 2018 was $1,339 million (2017 - $1,076 million). During 2018, capitalized interest pertaining to property, plant and equipment was recognized at a weighted average rate of approximately 3.9% (2017 - 4.0%).

In 2018, we disposed of certain assets with a net carrying amount of $9 million (2017 - $25 million). We received total proceeds of $25 million (2017 - $74 million) for these assets, thereby recognizing a $16 million (2017 - $49 million) gain on disposition.

Annually, we perform an analysis to identify fully depreciated assets that have been disposed of. In 2018, this resulted in an adjustment to cost and accumulated depreciation of $943 million (2017 - $1,136 million). The disposals had nil impact on the Consolidated Statements of Income.

NOTE 8: INTANGIBLE ASSETS AND GOODWILL

ACCOUNTING POLICY

RECOGNITION AND MEASUREMENT, INCLUDING AMORTIZATION

Upon initial recognition, we measure intangible assets at cost unless they are acquired through a business combination, in which case they are measured at fair value. We begin recognizing amortization on intangible assets with finite useful lives when the asset is ready for its intended use. Subsequently, the asset is carried at cost less accumulated amortization and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of a separately-acquired intangible asset comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any directly attributable cost of preparing the asset for its intended use.

Indefinite useful lives

We do not amortize intangible assets with indefinite lives, including spectrum licences, broadcast licences, and certain brand names.

Finite useful lives
We amortize intangible assets with finite useful lives, other than acquired program rights, into depreciation and amortization on the Consolidated Statements of Income on a straight-line basis over their estimated useful lives as noted in the table below. We monitor and review the useful lives, residual values, and amortization methods at least once per year and change them if they are different from our previous estimates. We recognize the effects of changes in estimates in net income prospectively.

Intangible asset	Estimated useful life
Customer relationships	3 to 10 years

Acquired program rights
Program rights are contractual rights we acquire from third parties to broadcast programs, including rights to broadcast live sporting events. We recognize them at cost less accumulated amortization and accumulated impairment losses. We capitalize program rights on the Consolidated Statements of Financial Position when the licence period begins and the program is available for use and amortize them to other external purchases in operating costs on the Consolidated Statements of Income over the expected exhibition period. If we have no intention to air programs, we consider the related program rights impaired and write them off. Otherwise, we test them for impairment as intangible assets with finite useful lives.

The costs for multi-year sports and television broadcast rights agreements are recognized in operating expenses during the applicable seasons based on the pattern in which the rights are aired or are expected to be consumed. To the extent that prepayments are made at the commencement of a multi-year contract towards future years' rights fees, these prepayments are recognized as intangible assets and amortized to operating expenses over the contract term. To the extent that prepayments are made for annual contractual fees within a season, they are included in other current assets on our Consolidated Statements of Financial Position, as the rights will be consumed within the next twelve months.

Goodwill
We recognize goodwill arising from business combinations when the fair value of the separately identifiable assets we acquired and liabilities we assumed is lower than the consideration we paid (including the recognized amount of the non-controlling interest, if any). If the fair value of the consideration transferred is lower than that of the separately identified assets and liabilities, we immediately recognize the difference as a gain in net income.

IMPAIRMENT TESTING
We test intangible assets with finite useful lives for impairment whenever an event or change in circumstances indicates that their carrying amounts may not be recoverable. We test indefinite-life intangible assets and goodwill for impairment once per year as at October 1, or more frequently if we identify indicators of impairment.

If we cannot estimate the recoverable amount of an individual intangible asset because it does not generate independent cash inflows, we test the entire CGU to which it belongs for impairment.

Goodwill is allocated to CGUs (or groups of CGUs) based on the level at which management monitors goodwill, which cannot be higher than an operating segment. The allocation of goodwill is made to CGUs (or groups of CGUs) that are expected to benefit from the synergies of the business combination from which the goodwill arose.

Recognition and measurement of an impairment charge
An intangible asset or goodwill is impaired if the recoverable amount is less than the carrying amount. The recoverable amount of a CGU or asset is the higher of its:
- fair value less costs to sell; and
- value in use.

We reverse a previously recognized impairment loss, except in respect of goodwill, if our estimate of the recoverable amount of a previously impaired asset or CGU has increased such that the impairment recognized in a previous year has reversed. The reversal is recognized by increasing the asset's or CGU's carrying amount to our new estimate of its recoverable amount. The carrying amount of the asset or CGU subsequent to the reversal cannot be greater than its carrying amount had we not recognized an impairment loss in previous years.

USE OF ESTIMATES AND JUDGMENTS

ESTIMATES
We use estimates in determining the recoverable amount of intangible assets and goodwill. The determination of the recoverable amount for the purpose of impairment testing requires the use of significant estimates, such as:
- future cash flows;
- terminal growth rates; and
- discount rates.

We estimate value in use for impairment tests by discounting estimated future cash flows to their present value. We estimate the discounted future cash flows for periods of up to five years, depending on the CGU, and a terminal value. The future cash

flows are based on our estimates and expected future operating results of the CGU after considering economic conditions and a general outlook for the CGU's industry. Our discount rates consider market rates of return, debt to equity ratios, and certain risk premiums, among other things. The terminal value is the value attributed to the CGU's operations beyond the projected time period of the cash flows using a perpetuity rate based on expected economic conditions and a general outlook for the industry.

We determine fair value less costs to sell in one of the following two ways:

- Analyzing discounted cash flows - we estimate the discounted future cash flows for five-year periods and a terminal value, similar to the value in use methodology described above, while applying assumptions consistent with those a market participant would make. Future cash flows are based on our estimates of expected future operating results of the CGU. Our estimates of future cash flows, terminal values, and discount rates consider similar factors to those described above for value in use estimates; or
- Using a market approach - we estimate the recoverable amount of the CGU using multiples of operating performance of comparable entities and precedent transactions in that industry.

We make certain assumptions when deriving expected future cash flows, which may include assumptions pertaining to discount and terminal growth rates. These assumptions may differ or change quickly depending on economic conditions or other events. It is therefore possible that future changes in assumptions may negatively affect future valuations of CGUs and goodwill, which could result in impairment losses.

If our estimate of the asset's or CGU's recoverable amount is less than its carrying amount, we reduce its carrying amount to the recoverable amount and recognize the loss in net income immediately.

JUDGMENTS

We make significant judgments that affect the measurement of our intangible assets and goodwill.

Judgment is applied when deciding to designate our spectrum and broadcast licences as assets with indefinite useful lives since we believe the licences are likely to be renewed for the foreseeable future such that there is no limit to the period over which these assets are expected to generate net cash inflows. We make judgments to determine that these assets have indefinite lives, analyzing all relevant factors, including the expected usage of the asset, the typical life cycle of the asset, and anticipated changes in the market demand for the products and services the asset helps generate. After review of the competitive, legal, regulatory, and other factors, it is our view that these factors do not limit the useful lives of our spectrum and broadcast licences.

Judgment is also applied in choosing methods of amortizing our intangible assets and program rights that we believe most accurately represent the consumption of those assets and are most representative of the economic substance of the intended use of the underlying assets.

Finally, we make judgments in determining CGUs and the allocation of goodwill to CGUs or groups of CGUs for the purpose of impairment testing.

EXPLANATORY INFORMATION

(In millions of dollars)	December 31, 2018				December 31, 2017				December 31, 2016			
	Cost prior to impairment losses	Accumulated amortization	Accumulated impairment losses	**Net carrying amount**	Cost prior to impairment losses	Accumulated amortization	Accumulated impairment losses	Net carrying amount	Cost prior to impairment losses	Accumulated amortization	Accumulated impairment losses	Net carrying amount
Indefinite-life intangible assets:												
Spectrum licences	6,600	—	—	**6,600**	6,600	—	—	6,600	6,416	—	—	6,416
Broadcast licences	333	—	(99)	**234**	329	—	(99)	230	329	—	(99)	230
Brand names	420	(270)	(14)	**136**	420	(270)	(14)	136	420	(270)	(14)	136
Finite-life intangible assets:												
Customer relationships	1,609	(1,562)	—	**47**	1,609	(1,525)	—	84	1,609	(1,470)	—	139
Acquired program rights	251	(58)	(5)	**188**	263	(64)	(5)	194	289	(75)	(5)	209
Total intangible assets	9,213	(1,890)	(118)	**7,205**	9,221	(1,859)	(118)	7,244	9,063	(1,815)	(118)	7,130
Goodwill	4,126	—	(221)	**3,905**	4,126	—	(221)	3,905	4,126	—	(221)	3,905
Total intangible assets and goodwill	13,339	(1,890)	(339)	**11,110**	13,347	(1,859)	(339)	11,149	13,189	(1,815)	(339)	11,035

The tables below summarize the changes in the net carrying amounts of intangible assets and goodwill in 2018 and 2017.

(In millions of dollars)	December 31, 2017				December 31, 2018
	Net carrying amount	Net additions	Amortization [1]	Other [2]	**Net carrying amount**
Spectrum licences	6,600	—	—	—	**6,600**
Broadcast licences	230	4	—	—	**234**
Brand names	136	—	—	—	**136**
Customer relationships	84	—	(37)	—	**47**
	7,050	4	(37)	—	**7,017**
Acquired program rights	194	54	(58)	(2)	**188**
Total intangible assets	7,244	58	(95)	(2)	**7,205**
Goodwill	3,905	—	—	—	**3,905**
Total intangible assets and goodwill	11,149	58	(95)	(2)	**11,110**

[1] Of the $95 million of total amortization, $58 million related to acquired program rights is included in other external purchases in operating costs (see note 6), and $37 million in depreciation and amortization on the Consolidated Statements of Income.
[2] Includes disposals, writedowns, reclassifications, and other adjustments.

(In millions of dollars)	December 31, 2016				December 31, 2017
	Net carrying amount	Net additions	Amortization [1]	Other [2]	Net carrying amount
Spectrum licences	6,416	184	—	—	6,600
Broadcast licences	230	11	—	(11)	230
Brand names	136	—	—	—	136
Customer relationships	139	—	(55)	—	84
	6,921	195	(55)	(11)	7,050
Acquired program rights	209	59	(64)	(10)	194
Total intangible assets	7,130	254	(119)	(21)	7,244
Goodwill	3,905	—	—	—	3,905
Total intangible assets and goodwill	11,035	254	(119)	(21)	11,149

[1] Of the $119 million of total amortization, $64 million related to acquired program rights is included in other external purchases in operating costs (see note 6), and $55 million in depreciation and amortization on the Consolidated Statements of Income.
[2] Includes disposals, writedowns, reclassifications, and other adjustments.

ANNUAL IMPAIRMENT TESTING

For purposes of testing goodwill for impairment, our CGUs, or groups of CGUs, correspond to our operating segments as disclosed in note 4.

Below is an overview of the methods and key assumptions we used in 2018 to determine recoverable amounts for CGUs, or groups of CGUs, with indefinite-life intangible assets or goodwill that we consider significant.

(In millions of dollars, except periods used and rates)						
	Carrying value of goodwill	Carrying value of indefinite-life intangible assets	Recoverable amount method	Period of projected cash flows (years)	Terminal growth rates (%)	Pre-tax discount rates (%)
Wireless	1,160	6,734	Value in use	5	0.5	8.4
Cable	1,808	—	Value in use	5	1.5	7.8
Media	937	236	Fair value less cost to sell	5	2.0	11.3

Our fair value measurement for Media is classified as Level 3 in the fair value hierarchy.

We did not recognize an impairment charge related to our goodwill or intangible assets in 2018 or 2017 because the recoverable amounts of the CGUs exceeded their carrying values.

NOTE 9: RESTRUCTURING, ACQUISITION AND OTHER

During the year ended December 31, 2018, we incurred $210 million (2017 - $152 million) in restructuring, acquisition and other expenses. These expenses in 2018 and 2017 primarily consisted of severance costs associated with the targeted restructuring of our employee base and certain sports-related and other contract termination costs.

NOTE 10: FINANCE COSTS

(In millions of dollars)	Note	Years ended December 31 2018	2017
Interest on borrowings [1]		**709**	740
Interest on post-employment benefits liability	*22*	**14**	12
Loss on repayment of long-term debt	*20*	**28**	—
Loss (gain) on foreign exchange		**136**	(107)
Change in fair value of derivative instruments		**(95)**	99
Capitalized interest		**(20)**	(18)
Other		**21**	20
Total finance costs		**793**	746

[1] Interest on borrowings includes interest on short-term borrowings and on long-term debt.

LOSS ON REPAYMENT OF LONG-TERM DEBT
We recognized a $28 million loss on repayment of long-term debt this year reflecting the payment of redemption premiums associated with our redemption of US$1.4 billion of senior notes in April 2018 that were otherwise due in August 2018. See note 20 for more information.

FOREIGN EXCHANGE AND CHANGE IN FAIR VALUE OF DERIVATIVE INSTRUMENTS
We recognized $136 million in net foreign exchange losses in 2018 (2017 - $107 million in net gains). These losses in 2018 were primarily attributed to our US dollar-denominated commercial paper (US CP) program borrowings (see note 16).

These foreign exchange losses were partially offset by the $95 million gain related to the change in fair value of derivatives (2017 - $99 million loss), which was primarily attributed to the debt derivatives, which were not designated as hedges for accounting purposes, we used to partially offset the foreign exchange risk related to these US dollar-denominated borrowings. In 2017, these foreign exchange gains were primarily attributed to our US dollar-denominated commercial paper (US CP) program borrowings and the US dollar-denominated borrowings under our bank credit facilities that were not hedged for accounting purposes.

During the year ended December 31, 2018, we determined that we would no longer be able to exercise certain ten-year bond forward derivatives within the originally designated time frame. Consequently, we discontinued hedge accounting on those bond forward derivatives and reclassified a $21 million loss from the hedging reserve within shareholders' equity to finance costs (recorded in "change in fair value of derivative instruments"). We subsequently extended the bond forwards to May 31, 2019, with the ability to extend them further, and redesignated them as effective hedges. See note 16 for more information on our bond forward derivatives.

NOTE 11: OTHER (INCOME) EXPENSE

(In millions of dollars)	Note	Years ended December 31 2018	2017
Income from associates and joint ventures	*17*	**—**	(14)
Other investment income		**(32)**	(5)
Total other income		**(32)**	(19)

In 2017, we recognized a $20 million provision reversal related to the wind-down of shomi, which accompanied the windup of the partnership (seenote 17). This reversal was recorded in income from associates and joint ventures.

NOTE 12: INCOME TAXES

ACCOUNTING POLICY
Income tax expense includes both current and deferred taxes. We recognize income tax expense in net income unless it relates to an item recognized directly in equity or other comprehensive income. We provide for income taxes based on all of the information that is currently available.

Current tax expense is tax we expect to pay or receive based on our taxable income or loss during the year. We calculate the current tax expense using tax rates enacted or substantively enacted as at the reporting date, including any adjustment to taxes payable or receivable related to previous years.

Deferred tax assets and liabilities arise from temporary differences between the carrying amounts of the assets and liabilities we recognize on our Consolidated Statements of Financial Position and their respective tax bases. We calculate deferred tax assets and liabilities using enacted or substantively enacted tax rates that will apply in the years in which the temporary differences are expected to reverse.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same authority on:

- the same taxable entity; or
- different taxable entities where these entities intend to settle current tax assets and liabilities on a net basis or the tax assets and liabilities will be realized and settled simultaneously.

We recognize a deferred tax asset for unused losses, tax credits, and deductible temporary differences to the extent it is probable that future taxable income will be available to use the asset.

USE OF ESTIMATES AND JUDGMENTS

JUDGMENTS

We make significant judgments in interpreting tax rules and regulations when we calculate income tax expense. We make judgments to evaluate whether we can recover a deferred tax asset based on our assessment of existing tax laws, estimates of future profitability, and tax planning strategies.

EXPLANATORY INFORMATION

(In millions of dollars)	Years ended December 31	
	2018	2017 (restated, see note 2)
Current tax expense:		
Total current tax expense	**483**	351
Deferred tax expense:		
Origination of temporary differences	**275**	332
Revaluation of deferred tax balances due to legislative changes	**—**	2
Total deferred tax expense	**275**	334
Total income tax expense	**758**	685

Below is a summary of the difference between income tax expense computed by applying the statutory income tax rate to income before income tax expense and the income tax expense for the year.

(In millions of dollars, except rates)	Years ended December 31	
	2018	2017 (restated, see note 2)
Statutory income tax rate	**26.7%**	26.7%
Income before income tax expense	**2,817**	2,530
Computed income tax expense	**752**	676
Increase (decrease) in income tax expense resulting from:		
Non-deductible stock-based compensation	**5**	9
Non-deductible portion of equity losses	**1**	—
Non-deductible loss on FVTOCI investments	**—**	7
Income tax adjustment, legislative tax change	**—**	2
Non-taxable portion of capital gains	**(9)**	(10)
Other	**9**	1
Total income tax expense	**758**	685
Effective income tax rate	**26.9%**	27.1%

DEFERRED TAX ASSETS AND LIABILITIES

(In millions of dollars)	As at December 31 2018	2017 (restated, see note 2)
Deferred tax assets	**—**	3
Deferred tax liabilities	**(2,910)**	(2,624)
Net deferred tax liability	**(2,910)**	(2,621)

Below is a summary of the movement of net deferred tax assets and liabilities during2018 and 2017.

Deferred tax assets (liabilities) (In millions of dollars)	Property, plant and equipment and inventory	Goodwill and other intangibles	Investments	Non-capital loss carryforwards	Contract and deferred commission cost assets	Other	Total
January 1, 2018	(1,060)	(1,075)	(126)	18	(418)	40	(2,621)
(Expense) recovery in net income	(85)	(117)	(3)	11	(97)	16	(275)
Recovery (expense) in other comprehensive income	—	—	63	—	—	(77)	(14)
December 31, 2018	**(1,145)**	**(1,192)**	**(66)**	**29**	**(515)**	**(21)**	**(2,910)**

Deferred tax assets (liabilities) (In millions of dollars) (restated, see note 2)	Property, plant and equipment and inventory	Goodwill and other intangibles	Investments	Non-capital loss carryforwards	Contract and deferred commission cost assets	Other	Total
January 1, 2017	(947)	(953)	(61)	24	(368)	28	(2,277)
Expense in net income	(113)	(117)	(3)	(6)	(50)	(45)	(334)
(Expense) recovery in other comprehensive income	—	—	(62)	—	—	57	(5)
Other	—	(5)	—	—	—	—	(5)
December 31, 2017	(1,060)	(1,075)	(126)	18	(418)	40	(2,621)

We have not recognized deferred tax assets for the following items:

(In millions of dollars)	As at December 31 2018	2017
Realized and accrued capital losses in Canada that can be applied against future capital gains	**98**	—
Tax losses in foreign jurisdictions that expire between 2023 and 2037	**68**	41
Deductible temporary differences in foreign jurisdictions	**25**	23
Total unrecognized temporary differences	**191**	64

There are taxable temporary differences associated with our investments in Canadian domestic subsidiaries. We do not recognize deferred tax liabilities for these temporary differences because we are able to control the timing of the reversal and the reversal is not probable in the foreseeable future. Reversing these taxable temporary differences is not expected to result in any significant tax implications.

NOTE 13: EARNINGS PER SHARE

ACCOUNTING POLICY

We calculate basic earnings per share by dividing the net income or loss attributable to our RCI Class A Voting and RCI Class B Non-Voting shareholders by the weighted average number of RCI Class A Voting and RCI Class B Non-Voting shares (Class A Shares and Class B Non-Voting Shares, respectively) outstanding during the year.

We calculate diluted earnings per share by adjusting the net income or loss attributable to Class A and Class B Non-Voting shareholders and the weighted average number of Class A Shares and Class B Non-Voting Shares outstanding for the effect

of all dilutive potential common shares. We use the treasury stock method for calculating diluted earnings per share, which considers the impact of employee stock options and other potentially dilutive instruments.

Options with tandem stock appreciation rights or cash payment alternatives are accounted for as cash-settled awards. As these awards can be exchanged for common shares of the Company, they are considered potentially dilutive and are included in the calculation of the Company's diluted net earnings per share if they have a dilutive impact in the period.

EXPLANATORY INFORMATION

(In millions of dollars, except per share amounts)	Years ended December 31	
	2018	2017 (restated, see note 2)
Numerator (basic) - Net income for the year	**2,059**	1,845
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	**1**	2
Weighted average number of shares outstanding - diluted	**516**	517
Earnings per share:		
Basic	**$4.00**	$3.58
Diluted	**$3.99**	$3.57

For the year ended December 31, 2018, accounting for outstanding share-based payments using the equity-settled method for stock-based compensation was determined to be more dilutive than using the cash-settled method. As a result, net income for the year ended December 31, 2018 was reduced by $2 million in the diluted earnings per share calculation. There was no effect for the year ended December 31, 2017.

For the year ended December 31, 2018, there were 37,715 options out of the money (2017 - 489,835) for purposes of the calculation of earnings per share. These options were excluded from the calculation of the effect of dilutive securities because they were anti-dilutive.

NOTE 14: ACCOUNTS RECEIVABLE

ACCOUNTING POLICY

We initially recognize accounts receivable on the date they originate. We measure accounts receivable initially at fair value, and subsequently at amortized cost, with changes recognized in net income. We measure an impairment loss for accounts receivable as the excess of the carrying amount over the present value of future cash flows we expect to derive from it, if any. The excess is allocated to an allowance for doubtful accounts and recognized as a loss in net income.

EXPLANATORY INFORMATION

(In millions of dollars)		As at December 31	
	Note	**2018**	2017 (restated, see note 2)
Customer accounts receivable		**1,529**	1,443
Other accounts receivable		**785**	653
Allowance for doubtful accounts	*16*	**(55)**	(61)
Total accounts receivable		**2,259**	2,035

NOTE 15: INVENTORIES

ACCOUNTING POLICY

We measure inventories, including wireless devices and merchandise for resale, at the lower of cost (determined on a weighted average cost basis for Wireless devices and accessories and a first-in, first-out basis for other finished goods and merchandise) and net realizable value. We reverse a previous writedown to net realizable value, not to exceed the original recognized cost, if the inventories later increase in value.

EXPLANATORY INFORMATION

(In millions of dollars)	As at December 31	
	2018	2017 (restated, see note 2)
Wireless devices and accessories	**399**	373
Other finished goods and merchandise	**67**	62
Total inventories	**466**	435

Cost of equipment sales and merchandise for resale includes $2,515 million (2017 - $2,259 million) of inventory costs for 2018.

NOTE 16: FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

Recognition

We initially recognize cash and cash equivalents, bank advances, accounts receivable, debt securities, and accounts payable and accrued liabilities on the date they originate. All other financial assets and financial liabilities are initially recognized on the trade date when we become a party to the contractual provisions of the instrument.

Classification and measurement

We measure financial instruments by grouping them into classes upon initial recognition, based on the purpose of the individual instruments. We initially measure all financial instruments at fair value plus, in the case of our financial instruments not classified as FVTPL or FVTOCI, transaction costs that are directly attributable to the acquisition or issuance of the financial instruments. The classifications and methods of measurement subsequent to initial recognition of our financial assets and financial liabilities are as follows:

Financial instrument	**Classification and measurement method**
Financial assets	
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Investments, measured at FVTOCI	FVTOCI with no reclassification to net income [1]
Financial liabilities	
Bank advances	Amortized cost
Short-term borrowings	Amortized cost
Accounts payable	Amortized cost
Accrued liabilities	Amortized cost
Long-term debt	Amortized cost
Derivatives [2]	
Debt derivatives [3]	FVTOCI and FVTPL
Bond forwards	FVTOCI
Expenditure derivatives	FVTOCI
Equity derivatives	FVTPL [4]

1 Subsequently measured at fair value with changes recognized in the FVTOCI investment reserve.
2 Derivatives can be in an asset or liability position at a point in time historically or in the future. For derivatives designated as cash flow hedges for accounting purposes, the effective portion of the hedge is recognized in accumulated other comprehensive income and the ineffective portion of the hedge is recognized immediately into net income.
3 Debt derivatives related to our credit facility and commercial paper borrowings have not been designated as hedges for accounting purposes and are measured at FVTPL. Debt derivatives related to our senior notes and debentures are designated as hedges for accounting purposes and are measured at FVTOCI.
4 Subsequent changes are offset against stock-based compensation expense or recovery in operating costs.

Offsetting financial assets and financial liabilities
We offset financial assets and financial liabilities and present the net amount on the Consolidated Statements of Financial Position when we have a legal right to offset them and intend to settle on a net basis or realize the asset and liability simultaneously.

Derivative instruments
We use derivative instruments to manage risks related to certain activities in which we are involved. They include:

Derivatives	The risk they manage	Types of derivative instruments
Debt derivatives	Impact of fluctuations in foreign exchange rates on principal and interest payments for US dollar-denominated senior notes and debentures, credit facility borrowings, and commercial paper borrowings	Cross-currency interest rate exchange agreements Forward foreign exchange agreements (from time to time as necessary)
Bond forwards	Impact of fluctuations in market interest rates on forecast interest payments for expected long-term debt	Forward interest rate agreements
Expenditure derivatives	Impact of fluctuations in foreign exchange rates on forecast US dollar-denominated expenditures	Forward foreign exchange agreements
Equity derivatives	Impact of fluctuations in share price on stock-based compensation expense	Total return swap agreements

We use derivatives only to manage risk, and not for speculative purposes.

When we designate a derivative instrument as a hedging instrument for accounting purposes, we first determine that the hedging instrument will be highly effective in offsetting the changes in fair value or cash flows of the item it is hedging. We then formally document the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy and the methods we will use to assess the ongoing effectiveness of the hedging relationship.

We assess, on a quarterly basis, whether each hedging instrument continues to be highly effective in offsetting the changes in the fair value or cash flows of the item it is hedging.

We assess host contracts in order to identify embedded derivatives. Embedded derivatives are separated from the host contract and accounted for as separate derivatives if the host contract is not a financial asset and certain criteria are met.

Hedge ratio
Our policy is to hedge 100% of the foreign currency risk arising from principal and interest payment obligations on US dollar-denominated senior notes and debentures. We typically hedge up to 100% of forecast foreign currency expenditures net of foreign currency cash inflows. We have also hedged up to 100% of the interest rate risk on forecast future senior note issuances.

Hedging reserve
The hedging reserve represents the accumulated change in fair value of the derivative instruments to the extent they were effective hedges for accounting purposes, less accumulated amounts reclassified into net income.

Deferred transaction costs and discounts
We defer transaction costs and discounts associated with issuing long-term debt and direct costs we pay to lenders to obtain revolving credit facilities and amortize them using the effective interest method over the life of the related instrument.

FVTOCI investment reserve
The FVTOCI investment reserve represents the accumulated change in fair value of our equity investments that are measured at FVTOCI less accumulated impairment losses related to the investments and accumulated amounts reclassified into equity.

Impairment (expected credit losses)
We consider the credit risk of a financial asset at initial recognition and at each reporting period thereafter until it is derecognized. For a financial asset that is determined to have low credit risk at the reporting date and that has not had significant increases in credit risk since initial recognition, we measure any impairment loss based on the credit losses we expect to recognize over the next twelve months. For other financial assets, we will measure an impairment loss based on the lifetime expected credit losses. Certain assets, such as trade receivables and contract assets without significant financing components, must always be recorded at lifetime expected credit losses.

Lifetime expected credit losses are estimates of all possible default events over the expected life of a financial instrument. Twelve-month expected credit losses are estimates of all possible default events within twelve months of the reporting date or over the expected life of a financial instrument, whichever is shorter.

Financial assets that are significant in value are assessed individually. All other financial assets are assessed collectively based on the nature of each asset.

We measure impairment for financial assets as follows:

- *Contract assets* - we measure an impairment loss for contract assets based on the lifetime expected credit losses, which is allocated to an allowance for doubtful accounts and recognized as a loss in net income (see note 5).
- *Accounts receivable* - we measure an impairment loss for accounts receivable based on the lifetime expected credit losses, which is allocated to an allowance for doubtful accounts and recognized as a loss in net income (see note 14).
- *Investments measured at FVTOCI* - we measure an impairment loss for equity investments measured at FVTOCI as the excess of the cost to acquire the asset (less any impairment loss we have previously recognized) over its current fair value, if any. The difference is recognized in the FVTOCI investment reserve.

We consider financial assets to be in default when, in the case of contract assets and accounts receivable, the counterparty is unlikely to satisfy its obligations to us in full. Our investments measured at FVTOCI cannot default. To determine if our financial assets are in default, we consider the amount of time for which it has been outstanding, the reason for the amount being outstanding (for example, if the customer has ongoing service or if they have been deactivated, whether voluntarily or involuntarily), and the risk profile of the underlying customers. We typically write-off accounts receivable when they have been outstanding for a significant period of time.

USE OF ESTIMATES AND JUDGMENTS

ESTIMATES

Fair value estimates related to our derivatives are made at a specific point in time based on relevant market information and information about the underlying financial instruments. These estimates require assessment of the credit risk of the parties to the instruments and the instruments' discount rates. These fair values and underlying estimates are also used in the tests of effectiveness of our hedging relationships.

JUDGMENTS

We make significant judgments in determining whether our financial instruments qualify for hedge accounting. These judgments include assessing whether the forecast transactions designated as hedged items in hedging relationships will materialize as forecast, whether the hedging relationships designated as effective hedges for accounting purposes continue to qualitatively be effective, and determining the methodology to determine the fair values used in testing the effectiveness of hedging relationships.

EXPLANATORY INFORMATION

We are exposed to credit, liquidity, market price, foreign exchange, and interest rate risks. Our primary risk management objective is to protect our income, cash flows, and, ultimately, shareholder value. We design and implement the risk management strategies discussed below to ensure our risks and the related exposures are consistent with our business objectives and risk tolerance. Below is a summary of our potential risk exposures by financial instrument.

Financial instrument	Financial risks
Financial assets	
Cash and cash equivalents	Credit and foreign exchange
Accounts receivable	Credit and foreign exchange
Investments, measured at FVTOCI	Liquidity, market price, and foreign exchange
Financial liabilities	
Bank advances	Liquidity
Short-term borrowings	Liquidity, foreign exchange, and interest rate
Accounts payable	Liquidity
Accrued liabilities	Liquidity
Long-term debt	Liquidity, foreign exchange, and interest rate
Derivatives [1]	
Debt derivatives	Credit, liquidity, and foreign exchange
Bond forwards	Credit, liquidity, and interest rate
Expenditure derivatives	Credit, liquidity, and foreign exchange
Equity derivatives	Credit, liquidity, and market price

[1] Derivatives can be in an asset or liability position at a point in time historically or in the future.

CREDIT RISK
Credit risk represents the financial loss we could experience if a counterparty to a financial instrument, from whom we have an amount owing, failed to meet its obligations under the terms and conditions of its contracts with us.

Our credit risk exposure is primarily attributable to our accounts receivable and to our debt, expenditure, and equity derivatives. Our broad customer base limits the concentration of this risk. Our accounts receivable on the Consolidated Statements of Financial Position are net of allowances for doubtful accounts, which management estimates based on lifetime expected credit losses.

Our accounts receivable do not contain significant financing components and therefore we measure our allowance for doubtful accounts using lifetime expected credit losses related to our accounts receivable. We believe the allowance for doubtful accounts sufficiently reflects the credit risk associated with our accounts receivable. As at December 31, 2018, $477 million (2017 - $489 million) of gross accounts receivable are considered past due, which is defined as amounts outstanding beyond normal credit terms and conditions for the respective customers.

Below is summary of the aging of our customer accounts receivable.

	As at December 31	
(In millions of dollars)	**2018**	2017 (restated, see note 2)
Customer accounts receivable (net of allowance for doubtful accounts)		
Less than 30 days past billing date	**970**	894
30-60 days past billing date	**300**	303
61-90 days past billing date	**100**	113
Greater than 90 days past billing date	**104**	72
Total	**1,474**	1,382

Below is a summary of the activity related to our allowance for doubtful accounts.

	Years ended December 31	
(In millions of dollars)	**2018**	2017 (restated, see note 2)
Balance, beginning of year	**61**	59
Allowance for doubtful accounts expense	**201**	179
Net use [1]	**(207)**	(177)
Balance, end of year	**55**	61

[1] Includes $17 million of recoveries arising from the sale of fully provided for accounts receivable for the year ended December 31, 2018 (2017 - nil).

We use various controls and processes, such as credit checks, deposits on account, and billing in advance, to mitigate credit risk. We monitor and take appropriate action to suspend services when customers have fully used their approved credit limits or violated established payment terms. While our credit controls and processes have been effective in managing credit risk, they cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that our current credit loss experience will continue.

Credit risk related to our debt derivatives, bond forwards, expenditure derivatives, and equity derivatives arises from the possibility that the counterparties to the agreements may default on their obligations. We assess the creditworthiness of the counterparties to minimize the risk of counterparty default and do not require collateral or other security to support the credit risk associated with these derivatives. Counterparties to the entire portfolio of our derivatives are financial institutions with a S&P Global Ratings (or the equivalent) ranging from A+ to AA-.

LIQUIDITY RISK
Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. We manage liquidity risk by managing our commitments and maturities, capital structure, and financial leverage (see note 3). We also manage liquidity risk by continually monitoring actual and projected cash flows to ensure we will have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

Below is a summary of the undiscounted contractual maturities of our financial liabilities and the receivable components of our derivatives as at December 31, 2018 and 2017.

December 31, 2018 (In millions of dollars)	Carrying amount	Contractual cash flows	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
Short-term borrowings	2,255	2,255	2,255	—	—	—
Accounts payable and accrued liabilities	3,052	3,052	3,052	—	—	—
Long-term debt	14,290	14,404	900	2,350	2,442	8,712
Other long-term financial liabilities	38	38	1	24	5	8
Expenditure derivative instruments:						
Cash outflow (Canadian dollar)	—	1,341	1,045	296	—	—
Cash inflow (Canadian dollar equivalent of US dollar)	—	(1,473)	(1,146)	(327)	—	—
Equity derivative instruments	—	(92)	(92)	—	—	—
Debt derivative instruments accounted for as hedges:						
Cash outflow (Canadian dollar)	—	6,920	—	—	1,392	5,528
Cash inflow (Canadian dollar equivalent of US dollar) [1]	—	(8,254)	—	—	(1,842)	(6,412)
Debt derivative instruments not accounted for as hedges:						
Cash outflow (Canadian dollar)	—	1,560	1,560	—	—	—
Cash inflow (Canadian dollar equivalent of US dollar) [1]	—	(1,601)	(1,601)	—	—	—
Bond forwards	—	87	87	—	—	—
Net carrying amount of derivatives (asset)	(1,500)					
	18,135	18,237	6,061	2,343	1,997	7,836

[1] Represents Canadian dollar equivalent amount of US dollar inflows matched to an equal amount of US dollar maturities in long-term debt for debt derivatives.

December 31, 2017 (In millions of dollars)	Carrying amount	Contractual cash flows	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
Bank advances	6	6	6	—	—	—
Short-term borrowings	1,585	1,585	1,585	—	—	—
Accounts payable and accrued liabilities	2,931	2,931	2,931	—	—	—
Long-term debt	14,448	14,555	1,756	1,800	2,050	8,949
Other long-term financial liabilities	9	9	2	3	2	2
Expenditure derivative instruments:						
Cash outflow (Canadian dollar)	—	1,538	1,093	445	—	—
Cash inflow (Canadian dollar equivalent of US dollar)	—	(1,506)	(1,054)	(452)	—	—
Equity derivative instruments	—	(68)	(68)	—	—	—
Debt derivative instruments accounted for as hedges:						
Cash outflow (Canadian dollar)	—	7,417	1,435	—	—	5,982
Cash inflow (Canadian dollar equivalent of US dollar) [1]	—	(8,405)	(1,756)	—	—	(6,649)
Debt derivative instruments not accounted for as hedges:						
Cash outflow (Canadian dollar)	—	956	956	—	—	—
Cash inflow (Canadian dollar equivalent of US dollar) [1]	—	(934)	(934)	—	—	—
Bond forwards	—	64	64	—	—	—
Net carrying amount of derivatives (asset)	(1,094)					
	17,885	18,148	6,016	1,796	2,052	8,284

[1] Represents Canadian dollar equivalent amount of US dollar inflows matched to an equal amount of US dollar maturities in long-term debt for debt derivatives.

Below is a summary of the net interest payments over the life of the long-term debt, including the impact of the associated debt derivatives, as at December 31, 2018 and 2017.

December 31, 2018 (In millions of dollars)	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
Net interest payments	658	1,141	913	5,923

December 31, 2017 (In millions of dollars)	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
Net interest payments	712	1,160	908	5,409

MARKET PRICE RISK
Market price risk is the risk that changes in market prices, such as fluctuations in the market prices of our investments measured at FVTOCI or our share price will affect our income, cash flows, or the value of our financial instruments. The derivative instruments we use to manage this risk are described in this note.

Market price risk - publicly traded investments
We manage risk related to fluctuations in the market prices of our investments in publicly traded companies by regularly reviewing publicly available information related to these investments to ensure that any risks are within our established levels of risk tolerance. We do not engage in risk management practices such as hedging, derivatives, or short selling with respect to our publicly traded investments.

Market price risk - Class B Non-Voting Shares
Our liability related to stock-based compensation is remeasured at fair value each period. Stock-based compensation expense is affected by the change in the price of our Class B Non-Voting Shares during the life of an award, including stock options, restricted share units (RSUs), and deferred share units (DSUs). We use equity derivatives from time to time to manage the exposure in our stock-based compensation liability. As a result of our equity derivatives, a one-dollar change in the price of a Class B Non-Voting Share would not have a material effect on net income.

FOREIGN EXCHANGE RISK
We use debt derivatives to manage risks from fluctuations in foreign exchange rates associated with our US dollar-denominated long-term debt and short-term borrowings. We designate the debt derivatives related to our senior notes and senior debentures as hedges for accounting purposes against the foreign exchange risk associated with specific debt instruments. We have not designated the debt derivatives related to our US CP program as hedges for accounting purposes. We use expenditure derivatives to manage the foreign exchange risk in our operations, designating them as hedges for certain of our forecast operational and capital expenditures. As at December 31, 2018, all of our US dollar-denominated long-term debt and short-term borrowings were hedged against fluctuations in foreign exchange rates using debt derivatives. With respect to our long-term debt and US CP program, as a result of our debt derivatives, a one-cent change in the Canadian dollar relative to the US dollar would have no effect on net income.

A portion of our accounts receivable and accounts payable and accrued liabilities is denominated in US dollars. Due to the short-term nature of these receivables and payables, they carry no significant risk from fluctuations in foreign exchange rates as at December 31, 2018.

INTEREST RATE RISK
We are exposed to risk of changes in market interest rates due to the impact this has on interest expense for our short-term borrowings and bank credit facilities. We were previously exposed to risk of changes in market interest rates due to our $250 million floating rate senior unsecured notes that were repaid in 2017. As at December 31, 2018, 85.3% of our outstanding long-term debt and short-term borrowings was at fixed interest rates (2017 - 89.5%).

Below is a sensitivity analysis for significant exposures with respect to our publicly traded investments, expenditure derivatives, short-term borrowings, senior notes, and bank credit facilities as at December 31, 2018 and 2017 with all other variables held constant. It shows how net income and other comprehensive income would have been affected by changes in the relevant risk variables.

	Net income		Other comprehensive income	
(Change in millions of dollars)	**2018**	2017	**2018**	2017
Share price of publicly traded investments				
$1 change	**—**	—	**14**	14
Expenditure derivatives - change in foreign exchange rate				
$0.01 change in Cdn$ relative to US$	**—**	—	**8**	9
Short-term borrowings				
1% change in interest rates	**17**	12	**—**	—

DERIVATIVE INSTRUMENTS

As at December 31, 2018 and 2017, all of our US dollar-denominated long-term debt instruments were hedged against fluctuations in foreign exchange rates for accounting purposes.

Below is a summary of our net asset (liability) position for our various derivatives.

				As at December 31, 2018
(In millions of dollars, except exchange rates)	Notional amount (US$)	Exchange rate	Notional amount (Cdn$)	Fair value (Cdn$)
Debt derivatives accounted for as cash flow hedges:				
As assets	5,500	1.1243	6,184	**1,354**
As liabilities	550	1.3389	736	**(22)**
Short-term debt derivatives not accounted for as hedges:				
As assets	1,178	1.3276	1,564	**41**
Net mark-to-market debt derivative asset				**1,373**
Bond forwards accounted for as cash flow hedges:				
As liabilities			900	**(87)**
Expenditure derivatives accounted for as cash flow hedges:				
As assets	1,080	1.2413	1,341	**122**
Net mark-to-market expenditure derivative asset				**122**
Equity derivatives not accounted for as hedges:				
As assets			258	**92**
Net mark-to-market asset				**1,500**

				As at December 31, 2017
(In millions of dollars, except exchange rates)	Notional amount (US$)	Exchange rate	Notional amount (Cdn$)	Fair value (Cdn$)
Debt derivatives accounted for as cash flow hedges:				
As assets	5,200	1.0401	5,409	1,301
As liabilities	1,500	1.3388	2,008	(149)
Short-term debt derivatives not accounted for as hedges:				
As liabilities	746	1.2869	960	(23)
Net mark-to-market debt derivative asset				1,129
Bond forwards accounted for as cash flow hedges:				
As liabilities	—	—	900	(64)
Expenditure derivatives accounted for as cash flow hedges:				
As assets	240	1.2239	294	5
As liabilities	960	1.2953	1,243	(44)
Net mark-to-market expenditure derivative liability				(39)
Equity derivatives not accounted for as hedges:				
As assets	—	—	276	68
Net mark-to-market asset				1,094

Below is a summary of the net cash proceeds (payments) on debt derivatives.

(In millions of dollars)	Years ended December 31 **2018**	2017
Proceeds on debt derivatives related to US commercial paper	**19,211**	9,692
Proceeds on debt derivatives related to credit facility borrowings	**157**	2,310
Proceeds on debt derivatives related to senior notes	**1,761**	—
Total proceeds on debt derivatives	**21,129**	12,002
Payments on debt derivatives related to US commercial paper	**(19,148)**	(9,754)
Payments on debt derivatives related to credit facility borrowings	**(157)**	(2,327)
Payments on debt derivatives related to senior notes	**(1,436)**	—
Total payments on debt derivatives	**(20,741)**	(12,081)
Net proceeds (payments) on settlement of debt derivatives	**388**	(79)

Below is a summary of the changes in fair value of our derivative instruments for 2018 and 2017.

Year ended December 31, 2018 (In millions of dollars)	Debt derivatives (hedged)	Debt derivatives (unhedged)	Bond forwards	Expenditure derivatives	Equity derivatives	Total instruments
Derivative instruments, beginning of year	1,152	(23)	(64)	(39)	68	**1,094**
Proceeds received from settlement of derivatives	(1,761)	(19,368)	—	(1,089)	(4)	**(22,222)**
Payment on derivatives settled	1,436	19,305	—	1,093	—	**21,834**
Increase (decrease) in fair value of derivatives	505	127	(23)	157	28	**794**
Derivative instruments, end of year	1,332	41	(87)	122	92	**1,500**
Mark-to-market asset	1,354	41	—	122	92	**1,609**
Mark-to-market liability	(22)	—	(87)	—	—	**(109)**
Mark-to-market asset (liability)	1,332	41	(87)	122	92	**1,500**

Year ended December 31, 2017 (In millions of dollars)	Debt derivatives (hedged)	Debt derivatives (unhedged)	Bond forwards	Expenditure derivatives	Equity derivatives	Total instruments
Derivative instruments, beginning of year	1,683	—	(51)	19	8	1,659
Proceeds received from settlement of derivatives	—	(12,002)	—	(1,207)	(6)	(13,215)
Payment on derivatives settled	—	12,081	—	1,240	—	13,321
(Decrease) increase in fair value of derivatives	(531)	(102)	(13)	(91)	66	(671)
Derivative instruments, end of year	1,152	(23)	(64)	(39)	68	1,094
Mark-to-market asset	1,301	—	—	5	68	1,374
Mark-to-market liability	(149)	(23)	(64)	(44)	—	(280)
Mark-to-market asset (liability)	1,152	(23)	(64)	(39)	68	1,094

Below is a summary of the derivative instruments assets and derivative instruments liabilities reflected on our Consolidated Statements of Financial Position.

	As at December 31	
(In millions of dollars)	**2018**	2017
Current asset	**270**	421
Long-term asset	**1,339**	953
	1,609	1,374
Current liability	**(87)**	(133)
Long-term liability	**(22)**	(147)
	(109)	(280)
Net mark-to-market asset	**1,500**	1,094

As at December 31, 2018, US$6.1 billion notional amount of our outstanding debt derivatives have been designated as hedges for accounting purposes (2017 - US$6.7 billion). As at December 31, 2018, 100% of our currently outstanding bond forwards and expenditure derivatives have been designated as hedges for accounting purposes (2017 - 100%). In 2018, we recognized a $10 million decrease to net income related to hedge ineffectiveness (2017 - $3 million increase).

Debt derivatives
We use cross-currency interest exchange agreements to manage risks from fluctuations in foreign exchange rates associated with our US dollar-denominated debt instruments, credit facility borrowings, and commercial paper borrowings (see note 18). We designate the debt derivatives related to our senior notes and debentures as hedges for accounting purposes against the foreign exchange risk associated with specific debt instruments. We do not designate the debt derivatives related to our credit facility borrowings or commercial paper borrowings as hedges for accounting purposes.

During 2018 and 2017, we entered and settled debt derivatives related to our credit facility borrowings and US CP program as follows:

	Year ended December 31, 2018			Year ended December 31, 2017		
(In millions of dollars, except exchange rates)	Notional (US$)	Exchange rate	Notional (Cdn$)	Notional (US$)	Exchange rate	Notional (Cdn$)
Credit facilities						
Debt derivatives entered	**125**	**1.26**	**157**	1,610	1.32	2,126
Debt derivatives settled	**125**	**1.26**	**157**	1,760	1.32	2,327
Net cash paid			**(1)**			(17)
Commercial paper program						
Debt derivatives entered	**15,262**	**1.29**	**19,751**	8,266	1.30	10,711
Debt derivatives settled	**14,833**	**1.29**	**19,148**	7,521	1.29	9,692
Net cash received (paid)			**63**			(62)

In 2018, we entered into debt derivatives to hedge the foreign currency risk associated with the principal and interest components of the US dollar-denominated senior notes issued on February 8, 2018 (see note 20). Below is a summary of the debt derivatives we entered to hedge senior notes issued during 2018.

(In millions of dollars, except for coupon and interest rates)					
		US$		Hedging effect	
Effective date	Principal/Notional amount (US$)	Maturity date	Coupon rate	Fixed hedged (Cdn$) interest rate [1]	Equivalent (Cdn$)
February 8, 2018	750	2048	4.300%	4.193%	938

[1] Converting from a fixed US$ coupon rate to a weighted average Cdn$ fixed rate.

During the year, concurrent with the issuance of our US$750 million senior notes, we entered into debt derivatives to convert all interest and principal payment obligations to Canadian dollars. As a result, we received net proceeds of $938 million from the issuance.

We did not enter or settle any debt derivatives related to senior notes during 2017.

Bond forwards
During 2018 or 2017, we did not enter or settle any bond forwards.

During the year ended December 31, 2018, we determined that we would no longer be able to exercise certain ten-year bond forward derivatives within the originally designated time frame. Consequently, we discontinued hedge accounting on those bond forward derivatives and reclassified a $21 million loss from the hedging reserve within shareholders' equity to finance costs (recorded in "change in fair value of derivative instruments"). We subsequently extended the bond forwards to May 31, 2019, with the ability to extend them further and redesignated them as effective hedges.

Below is a summary of the bond forwards we have entered to hedge the underlying Government of Canada (GoC) 10-year and 30-year rate for anticipated future debt that were outstanding as at December 31, 2018 and 2017.

(In millions of dollars, except interest rates)							
GoC term (years)	Effective date	Maturity date [1]	Notional amount	Hedged GoC interest rate as at December 31, 2018	Hedged GoC interest rate as at December 31, 2017	**2018**	2017
10	December 2014	January 31, 2019	500	3.01%	2.85%	**500**	500
30	December 2014	February 28, 2019	400	2.70%	2.65%	**400**	400
Total			900			**900**	900

[1] Bond forwards with maturity dates beyond December 31, 2018 are subject to GoC rate re-setting from time to time. Both the 10-year and 30-year bond forwards were extended in 2018 to their respective maturity dates.

Expenditure derivatives
Below is a summary of the expenditure derivatives we entered and settled during 2018 and 2017 to manage foreign exchange risk related to certain forecast expenditures.

	Years ended December 31					
	2018			2017		
(In millions of dollars, except exchange rates)	Notional (US$)	Exchange rate	Notional (Cdn$)	Notional (US$)	Exchange rate	Notional (Cdn$)
Expenditure derivatives entered	**720**	**1.24**	**896**	840	1.27	1,070
Expenditure derivatives settled	**840**	**1.30**	**1,093**	930	1.33	1,240

As at December 31, 2018, we had US$1,080 million of expenditure derivatives outstanding (2017 - US$1,200 million), at an average rate of $1.24/US$ (2017 - $1.28/US$), with terms to maturity ranging from January 2019 to December 2020 (2017 - January 2018 to December 2019). As at December 31, 2018, our outstanding expenditure derivatives maturing in 2019 were hedged at an average exchange rate of $1.24/US$.

Equity derivatives
We have equity derivatives to hedge market price appreciation risk associated with Class B Non-Voting Shares that have been granted under our stock-based compensation programs for stock options, RSUs, and DSUs (see note 24). The equity derivatives were originally entered into at a weighted average price of $50.37 with terms to maturity of one year, extendible for further one-year periods with the consent of the hedge counterparties. In 2018, we executed extension agreements for each of our equity derivative contracts under substantially the same committed terms and conditions with revised expiry dates of April 2019 (from April 2018). The equity derivatives have not been designated as hedges for accounting purposes.

During 2018, we settled 0.4 million equity derivatives at a weighted average price of $61.15 for net proceeds of $4 million. During 2017, we settled existing equity derivatives for net proceeds of $6 million and entered into new derivatives on 1.0 million Class B Non-Voting Shares with an expiry date of March 2018.

During 2018, we recognized a recovery, net of interest receipts, of $33 million (2017 - $74 million recovery), in stock-based compensation expense related to the change in fair value of our equity derivative contracts net of received payments. As at December 31, 2018, the fair value of the equity derivatives was an asset of $92 million (2017 - $68 million asset), which is included in current portion of derivative instruments.

As at December 31, 2018, we had equity derivatives outstanding for 5.0 million (2017 - 5.4 million) Class B Non-Voting Shares with a weighted average price of $51.54 (2017 - $51.44).

FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying values 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, or period-end trading values, where available. 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 these 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 values of our equity derivatives are based on the period-end quoted market value of 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;
- 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 December 31, 2018 and 2017 and there were no transfers between Level 1, Level 2, or Level 3 during the respective periods.

Below is a summary of the financial instruments carried at fair value.

					As at December 31	
	Carrying value		Fair value (Level 1)		Fair value (Level 2)	
(In millions of dollars)	**2018**	2017	**2018**	2017	**2018**	2017
Financial assets						
Investments, measured FVTOCI:						
Investments in publicly traded companies	**1,051**	1,465	**1,051**	1,465	**—**	—
Held-for-trading:						
Debt derivatives accounted for as cash flow hedges	**1,354**	1,301	**—**	—	**1,354**	1,301
Debt derivatives not accounted for as cash flow hedges	**41**	—	**—**	—	**41**	—
Expenditure derivatives accounted for as cash flow hedges	**122**	5	**—**	—	**122**	5
Equity derivatives not accounted for as cash flow hedges	**92**	68	**—**	—	**92**	68
Total financial assets	**2,660**	2,839	**1,051**	1,465	**1,609**	1,374
Financial liabilities						
Held-for-trading:						
Debt derivatives accounted for as cash flow hedges	**22**	149	**—**	—	**22**	149
Debt derivatives not accounted for as hedges	**—**	23	**—**	—	**—**	23
Bond forwards accounted for as cash flow hedges	**87**	64	**—**	—	**87**	64
Expenditure derivatives accounted for as cash flow hedges	**—**	44	**—**	—	**—**	44
Total financial liabilities	**109**	280	**—**	—	**109**	280

Below is a summary of the fair value of our long-term debt.

				As at December 31
(In millions of dollars)		**2018**		2017
	Carrying amount	Fair value [1]	Carrying amount	Fair value [1]
Long-term debt (including current portion)	**14,290**	**15,110**	14,448	16,134

[1] Long-term debt (including current portion) is measured at Level 2 in the three-level fair value hierarchy, based on year-end trading values.

We did not have any non-derivative held-to-maturity financial assets during the years ended December 31, 2018 and 2017.

NOTE 17: INVESTMENTS

ACCOUNTING POLICY

Investments in publicly traded and private companies
We have elected to irrevocably classify our investments in companies over which we do not have control or significant influence as FVTOCI with no subsequent reclassification to net income because we do not hold these investments with the intent of short-term trading. We account for them as follows:

- publicly traded companies - at fair value based on publicly quoted prices; and
- private companies - at fair value using implied valuations from follow-on financing rounds, third-party sale negotiations, or market-based approaches.

Investments in associates and joint arrangements
An entity is an associate when we have significant influence over the entity's financial and operating policies but do not control the entity. We are generally presumed to have significant influence over an entity when we hold more than 20% of the voting power.

A joint arrangement exists when there is a contractual agreement that establishes joint control over activities and requires unanimous consent for strategic financial and operating decisions. We classify our interests in joint arrangements into one of two categories:

- joint ventures - when we have the rights to the net assets of the arrangement; and
- joint operations - when we have the rights to the assets and obligations for the liabilities related to the arrangement.

We use the equity method to account for our investments in associates and joint ventures; we recognize our proportionate interest in the assets, liabilities, revenue, and expenses of our joint operations.

We initially recognize our investments in associates and joint ventures at cost and subsequently increase or decrease the carrying amounts based on our share of each entity's income or loss. Distributions we receive from these entities reduce the carrying amounts of our investments.

We eliminate unrealized gains and losses from our investments in associates or joint ventures against our investments, up to the amount of our interest in the entities.

Impairment in associates and joint ventures
At the end of each reporting period, we assess whether there is objective evidence that impairment exists in our investments in associates and joint ventures. If objective evidence exists, we compare the carrying amount of the investment to its recoverable amount and recognize the excess over the recoverable amount, if any, as a loss in net income.

EXPLANATORY INFORMATION

	As at December 31	
(In millions of dollars)	**2018**	2017
Investments in:		
Publicly traded companies	**1,051**	1,465
Private companies	**145**	167
Investments, measured at FVTOCI	**1,196**	1,632
Investments, associates and joint ventures	**938**	929
Total investments	**2,134**	2,561

INVESTMENTS, MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Publicly traded companies
We hold a number of interests in publicly traded companies, including Cogeco Inc. and Cogeco Communications Inc. This year, we recognized realized losses of nil and unrealized losses of $414 million (2017 - nil of realized losses and $418 million of unrealized gains) with corresponding amounts in other comprehensive income (2017 - net income and other comprehensive income, respectively).

INVESTMENTS, ASSOCIATES AND JOINT VENTURES
We have (or had) interests in a number of associates and joint ventures, some of which include:

Maple Leaf Sports and Entertainment Limited (MLSE)
MLSE, a sports and entertainment company, owns and operates the Scotiabank Arena, the NHL's Toronto Maple Leafs, the NBA's Toronto Raptors, MLS' Toronto FC, the CFL's Toronto Argonauts, the AHL's Toronto Marlies, and other assets. We, along with BCE Inc. (BCE), jointly own an indirect net 75% equity interest in MLSE with our portion representing a 37.5% equity interest in MLSE. Our investment in MLSE is accounted for as a joint venture using the equity method.

Glentel
Glentel is a large, multicarrier mobile phone retailer with several hundred Canadian wireless retail distribution outlets. We own a 50% equity interest in Glentel, with the remaining 50% interest owned by BCE. Our investment in Glentel is accounted for as a joint venture using the equity method.

shomi
shomi was a joint venture equally owned by Rogers and Shaw Communications (Shaw) and previously operated a premium subscription video-on-demand service offering movies and television series for viewing online and through cable set-top boxes. Our investment in shomi was accounted for as a joint venture using the equity method. In 2016, we announced the decision to wind down our shomi joint venture (see note 11). In 2017, the remaining assets associated with shomi were transferred to their respective partners and the partnership was officially wound up.

Below is a summary of financial information pertaining to our significant associates and joint ventures and our portions thereof.

	As at or years ended December 31	
(In millions of dollars)	**2018**	2017
Current assets	**489**	515
Long-term assets	**3,303**	3,269
Current liabilities	**(740)**	(1,184)
Long-term liabilities	**(1,258)**	(825)
Total net assets	**1,794**	1,775
Our share of net assets	**935**	927
Revenue	**1,903**	1,706
Expenses	**(1,902)**	(1,686)
Net income	**1**	20
Our share of net income	**—**	14

One of our joint ventures has a non-controlling interest that has a right to require our joint venture to purchase that non-controlling interest at a future date at fair value.

NOTE 18: SHORT-TERM BORROWINGS

Below is a summary of our short-term borrowings as at December 31,2018 and 2017.

	As at December 31	
(In millions of dollars)	**2018**	2017
Accounts receivable securitization program	**650**	650
US commercial paper program	**1,605**	935
Total short-term borrowings	**2,255**	1,585

Below is a summary of the activity relating to our short-term borrowings for the years ended December 31, 2018 and 2017.

	Year ended December 31, 2018			Year ended December 31, 2017		
(In millions of dollars, except exchange rates)	Notional (US$)	Exchange rate	Notional (Cdn$)	Notional (US$)	Exchange rate	Notional (Cdn$)
Proceeds received from US commercial paper	**15,262**	**1.29**	**19,752**	8,267	1.30	10,712
Repayment of US commercial paper	**(14,858)**	**1.30**	**(19,244)**	(7,530)	1.29	(9,704)
Net proceeds received from US commercial paper			**508**			1,008
Proceeds received from accounts receivable securitization			**225**			530
Repayment of accounts receivable securitization			**(225)**			(680)
Net repayment of accounts receivable securitization			**—**			(150)
Net proceeds received on short-term borrowings			**508**			858

ACCOUNTS RECEIVABLE SECURITIZATION PROGRAM

We participate in an accounts receivable securitization program with a Canadian financial institution that allows us to sell certain trade receivables into the program. As at December 31, 2018, the proceeds of the sales were committed up to a maximum of $1,050 million (2017 - $1,050 million). Effective October 27, 2017, we extended the term of the program to November 1, 2020.

	As at December 31	
(In millions of dollars)	**2018**	2017
Trade accounts receivable sold to buyer as security	**1,391**	1,355
Short-term borrowings from buyer	**(650)**	(650)
Overcollateralization	**741**	705

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Accounts receivable securitization program, beginning of year	**650**	800
Net repayment of accounts receivable securitization	**—**	(150)
Accounts receivable securitization program, end of year	**650**	650

We continue to service and retain substantially all of the risks and rewards relating to the accounts receivable we sell, and therefore, the receivables remain recognized on our Consolidated Statements of Financial Position and the funding received is recognized as short-term borrowings. The buyer's interest in these trade receivables ranks ahead of our interest. The program restricts us from using the receivables as collateral for any other purpose. The buyer of our trade receivables has no claim on any of our other assets.

US COMMERCIAL PAPER PROGRAM

In 2017, we entered into a US CP program that allowed us to issue up to a maximum aggregate principal amount of US$1 billion. In December 2017, we increased the maximum aggregate principal amount allowed under our US CP program to US$1.5 billion. Funds can be borrowed under this program with terms to maturity ranging from 1 to 397 days, subject to ongoing market conditions. Any issuances made under the US CP program will be issued at a discount. Borrowings under our US CP program are classified as short-term borrowings on our Consolidated Statements of Financial Position when they are due within one year from the date of the financial statements.

Below is a summary of the activity relating to our long-term debt for the years ended December 31 2018 and 2017.

	Year ended December 31, 2018			Year ended December 31, 2017		
(In millions of dollars, except exchange rates)	Notional (US$)	Exchange rate	Notional (Cdn$)	Notional (US$)	Exchange rate	Notional (Cdn$)
US commercial paper, beginning of year	**746**	**1.25**	**935**	—	—	—
Net proceeds received from US commercial paper	**404**	**1.26**	**508**	737	1.37	1,008
Discounts on issuance [1]	**27**	**1.33**	**36**	9	1.33	12
Loss (gain) on foreign exchange [1]			**126**			(85)
US commercial paper, end of year	**1,178**	**1.36**	**1,605**	746	1.25	935

[1] Included in finance costs.

Concurrent with the commercial paper issuances, we entered into debt derivatives to hedge the foreign currency risk associated with the principal and interest components of the borrowings under the US CP program (see note 16). We have not designated these debt derivatives as hedges for accounting purposes.

NOTE 19: PROVISIONS

ACCOUNTING POLICY

Decommissioning and restoration costs

We use network and other assets on leased premises in some of our business activities. We expect to exit these premises in the future and we therefore make provisions for the costs associated with decommissioning the assets and restoring the locations to their original conditions when we have a legal or constructive obligation to do so. We calculate these costs based on a current estimate of the costs that will be incurred, project those costs into the future based on management's best estimates of future trends in prices, inflation, and other factors, and discount them to their present value. We revise our forecasts when business conditions or technological requirements change.

When we recognize a decommissioning liability, we recognize a corresponding asset in property, plant and equipment and depreciate the asset based on the corresponding asset's useful life following our depreciation policies for property, plant and equipment. We recognize the accretion of the liability as a charge to finance costs on the Consolidated Statements of Income.

Restructuring

We make provisions for restructuring when we have approved a detailed and formal restructuring plan and either the restructuring has started or management has announced the plan's main features to the employees affected by it. Restructuring obligations that have uncertain timing or amounts are recognized as provisions; otherwise they are recognized as accrued liabilities. All charges are recognized in restructuring, acquisition and other on the Consolidated Statements of Income (see note 9).

Onerous contracts

We make provisions for onerous contracts when the unavoidable costs of meeting our obligation under a contract exceed the benefits we expect to realize from it. We measure these provisions at the present value of the lower of the expected cost of terminating the contract or the expected cost of continuing with the contract. We recognize any impairment loss on the assets associated with the contract before we make the provision.

USE OF ESTIMATES AND JUDGMENTS

ESTIMATES

We recognize a provision when a past event creates a legal or constructive obligation that can be reasonably estimated and is likely to result in an outflow of economic resources. We recognize a provision even when the timing or amount of the obligation may be uncertain, which can require us to use significant estimates.

JUDGMENTS

Significant judgment is required to determine when we are subject to unavoidable costs arising from onerous contracts. These judgments may include, for example, whether a certain promise is legally binding or whether we may be successful in negotiations with the counterparty.

EXPLANATORY INFORMATION

(In millions of dollars)	Decommissioning Liabilities	Other	Total
December 31, 2017	35	4	39
Additions	—	—	—
Adjustments to existing provisions	2	—	2
Reversals	—	—	—
Amounts used	(1)	(1)	(2)
December 31, 2018	36	3	39
Current (recorded in "other current liabilities")	3	1	4
Long-term	33	2	35

Decommissioning and restoration costs
Cash outflows associated with our decommissioning liabilities are generally expected to occur at the decommissioning dates of the assets to which they relate, which are long-term in nature. The timing and extent of restoration work that will ultimately be required for these sites is uncertain.

Other
Other provisions include various legal claims, which are expected to be settled withinfive years.

NOTE 20: LONG-TERM DEBT

					As at December 31	
(In millions of dollars, except interest rates)	Due date		Principal amount	Interest rate	**2018**	2017
Senior notes	2018	US	1,400	6.800%	**—**	1,756
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%	**682**	627
Senior notes	2023	US	850	4.100%	**1,160**	1,066
Senior notes	2024		600	4.000%	**600**	600
Senior notes	2025	US	700	3.625%	**955**	878
Senior notes	2026	US	500	2.900%	**682**	627
Senior debentures [1]	2032	US	200	8.750%	**273**	251
Senior notes	2038	US	350	7.500%	**478**	439
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%	**682**	627
Senior notes	2043	US	650	5.450%	**887**	816
Senior notes	2044	US	1,050	5.000%	**1,433**	1,318
Senior notes	2048	US	750	4.300%	**1,022**	—
					14,404	14,555
Deferred transaction costs and discounts					**(114)**	(107)
Less current portion					**(900)**	(1,756)
Total long-term debt					**13,390**	12,692

[1] Senior debentures originally issued by Rogers Cable Inc. which are unsecured obligations of RCI and for which RCCI was an unsecured guarantor as at December 31, 2018 and 2017.

Each of the above senior notes and debentures are unsecured and, as atDecember 31, 2018, were guaranteed by RCCI, ranking equally with all of RCI's other senior notes, debentures, bank credit facilities, and letter of credit facilities. We use derivatives to hedge the foreign exchange risk associated with the principal and interest components of all of our US dollar-denominated senior notes and debentures (see note 16).

The tables below summarize the activity relating to our long-term debt for the years ended December 31,2018 and 2017.

	Year ended December 31, 2018			Year ended December 31, 2017		
(In millions of dollars, except exchange rates)	Notional (US$)	Exchange rate	Notional (Cdn$)	Notional (US$)	Exchange rate	Notional (Cdn$)
Credit facility borrowings (Cdn$)			**—**			1,730
Credit facility borrowings (US$)	**125**	**1.26**	**157**	960	1.32	1,269
Total credit facility borrowings			**157**			2,999
Credit facility repayments (Cdn$)			**—**			(1,830)
Credit facility repayments (US$)	**(125)**	**1.26**	**(157)**	(1,110)	1.31	(1,453)
Total credit facility repayments			**(157)**			(3,283)
Net repayments under credit facilities			**—**			(284)
Senior note issuances (US$)	**750**	**1.25**	**938**	—	—	—
Senior note repayments (Cdn$)			**—**			(750)
Senior notes repayments (US$)	**(1,400)**	**1.26**	**(1,761)**	—	—	—
Total senior notes repayments			**(1,761)**			(750)
Net repayment of senior notes			**(823)**			(750)
Net repayment of long-term debt			**(823)**			(1,034)

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Long-term debt net of transaction costs, beginning of year	**14,448**	16,080
Net repayment of long-term debt	**(823)**	(1,034)
Loss (gain) on foreign exchange	**672**	(608)
Deferred transaction costs incurred	**(18)**	(3)
Amortization of deferred transaction costs	**11**	13
Long-term debt net of transaction costs, end of year	**14,290**	14,448

WEIGHTED AVERAGE INTEREST RATE

As at December 31, 2018, our effective weighted average interest rate on all debt and short-term borrowings, including the effect of all of the associated debt derivatives and bond forwards, was 4.45% (2017 - 4.70%).

BANK CREDIT AND LETTER OF CREDIT FACILITIES

Our $3.2 billion revolving credit facility is available on a fully revolving basis until maturity and there are no scheduled reductions prior to maturity. The interest rate charged on borrowings from the revolving credit facility ranges from nil to 1.25% per annum over the bank prime rate or base rate, or0.85% to 2.25% over the bankers' acceptance rate or London Inter-Bank Offered Rate.

In 2017, we amended our revolving credit facility to, among other things, extend the maturity date of the original $2.5 billion facility from September 2020 to March 2022. In addition, we added a $700 million tranche to the facility that matures in March 2020. As a result, the total credit limit for the facility is now $3.2 billion.

In 2018, we amended our revolving credit facility to, among other things, extend the maturity date of the $2.5 billion tranche from March 2022 to September 2023 and to extend the maturity date on the $700 million tranche from March 2020 to September 2021.

In 2017, we repaid the entire balance that was outstanding under our non-revolving bank credit facility. As a result of this repayment, this facility was terminated.

As at December 31, 2018, we had available liquidity of $1.6 billion (2017 - $2.3 billion) under our $4.2 billion bank and letter of credit facilities (2017 - $3.3 billion), of which we had utilized $1.0 billion (2017 - $0.1 billion) for letters of credit and reserved $1.6 billion to backstop amounts outstanding under our US CP program borrowings (2017 - $0.9 billion).

SENIOR NOTES AND DEBENTURES

We pay interest on all of our fixed-rate senior notes and debentures on a semi-annual basis. We paid interest on our floating rate senior notes on a quarterly basis.

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

Below is a summary of the senior notes that we issued in 2018. We did not issue any senior notes in 2017.

(In millions of dollars, except interest rates and discounts)							
Date issued		Principal amount	Due date	Interest rate	Discount/ premium at issuance	Total gross proceeds [1] (Cdn$)	Transaction costs and discounts [2] (Cdn$)
2018 issuances							
February 8, 2018	US	750	2048	4.300%	99.398%	938	16

[1] Gross proceeds before transaction costs and discounts.
[2] Transaction costs and discounts are included as deferred transaction costs and discounts in the carrying value of the long-term debt, and recognized in net income using the effective interest method.

Concurrent with the 2018 issuance, we entered into debt derivatives to convert all interest and principal payment obligations to Canadian dollars (see note 16).

Repayment of senior notes and related derivative settlements

Below is a summary of the repayment of our senior notes during 2018 and 2017. The associated debt derivatives for the 2018 repayment were settled at maturity. There were no debt derivatives associated with the 2017 repayments.

(In millions of dollars)		
Maturity date	Notional amount (US$)	Notional amount (Cdn$)
2018 repayments		
April 2018	1,400	1,761
2017 repayments		
March 2017	—	250
June 2017	—	500
Total for 2017	—	750

In April 2018, we repaid the entire outstanding principal amount of our US $1.4 billion ($1.8 billion) 6.8% senior notes otherwise due in August 2018. At the same time, the associated debt derivatives were settled for net proceeds received of $326 million. As a result, we repaid a net amount of $1.5 billion including settlement of the associated debt derivatives, which was separately funded through our US CP program and our bank credit facility. For the year ended December 31, 2018, we recognized

a $28 million loss on repayment of long-term debt reflecting our obligation to pay redemption premiums upon repayment (see note 10).

PRINCIPAL REPAYMENTS
Below is a summary of the principal repayments on our long-term debt due in each of the next five years and thereafter as at December 31, 2018.

(In millions of dollars)	
2019	900
2020	900
2021	1,450
2022	600
2023	1,842
Thereafter	8,712
Total long-term debt	14,404

TERMS AND CONDITIONS
As at December 31, 2018 and 2017, we were in compliance with all financial covenants, financial ratios, and all of the terms and conditions of our long-term debt agreements. There were no financial leverage covenants in effect other than those under our bank credit and letter of credit facilities.

The 8.75% debentures due in 2032 contain debt incurrence tests and restrictions on additional investments, sales of assets, and payment of dividends, all of which are suspended in the event the public debt securities are assigned investment-grade ratings by at least two of three specified credit rating agencies. As at December 31, 2018, these public debt securities were assigned an investment-grade rating by each of the three specified credit rating agencies and, accordingly, these restrictions have been suspended as long as the investment-grade ratings are maintained. Our other senior notes do not have any of these restrictions, regardless of the related credit ratings. The repayment dates of certain debt agreements can also be accelerated if there is a change in control of RCI.

NOTE 21: OTHER LONG-TERM LIABILITIES

		As at December 31	
(In millions of dollars)	Note	**2018**	2017
Deferred pension liability	*22*	**373**	460
Supplemental executive retirement plan	*22*	**67**	66
Stock-based compensation	*24*	**66**	66
Other		**40**	21
Total other long-term liabilities		**546**	613

NOTE 22: POST-EMPLOYMENT BENEFITS

ACCOUNTING POLICY

Post-employment benefits - defined benefit pension plans
We offer contributory and non-contributory defined benefit pension plans that provide employees with a lifetime monthly pension on retirement.

We separately calculate our net obligation for each defined benefit pension plan by estimating the amount of future benefits employees have earned in return for their service in the current and prior years and discounting those benefits to determine their present value.

We accrue our pension plan obligations as employees provide the services necessary to earn the pension. We use a discount rate based on market yields on high-quality corporate bonds at the measurement date to calculate the accrued pension benefit obligation. Remeasurements of the accrued pension benefit obligation are determined at the end of the year and include actuarial gains and losses, returns on plan assets, and any change in the effect of the asset ceiling. These are recognized in other comprehensive income and retained earnings.

The cost of pensions is actuarially determined and takes into account the following assumptions and methods for pension accounting related to our defined benefit pension plans:

- expected rates of salary increases for calculating increases in future benefits;
- mortality rates for calculating the life expectancy of plan members; and
- past service costs from plan amendments are immediately expensed in net income.

We recognize our net pension expense for our defined benefit pension plans and contributions to defined contribution plans as an employee benefit expense in operating costs on the Consolidated Statements of Income in the periods the employees provide the related services.

Post-employment benefits - Defined Contribution Pension Plan
In 2016, we closed the defined benefit pension plans to new members and introduced a Defined Contribution Pension Plan. This change did not impact current defined benefit members at the time; any employee enrolled in any of the defined benefit pension plans at that date continues to earn pension benefits and credited service in their respective plan.

We recognize a pension expense in relation to our contributions to the Defined Contribution Pension Plan when the employee provides service to the Company.

Termination benefits
We recognize termination benefits as an expense when we are committed to a formal detailed plan to terminate employment before the normal retirement date and it is not realistic that we will withdraw it.

USE OF ESTIMATES AND JUDGMENTS

ESTIMATES

Detailed below are the significant assumptions used in the actuarial calculations used to determine the amount of the defined benefit pension obligation and related expense.

Significant estimates are involved in determining pension-related balances. Actuarial estimates are based on projections of employees' compensation levels at the time of retirement. Retirement benefits are primarily based on career average earnings, subject to certain adjustments. The most recent actuarial valuations were completed as at January 1, 2018.

Principal actuarial assumptions

	2018	2017
Weighted average of significant assumptions:		
Defined benefit obligation		
Discount rate	**3.9%**	3.7%
Rate of compensation increase	**1.0% to 4.5%, based on employee age**	3.0%
Mortality rate	**CIA Private with CPM B scale**	CIA Private with CPM B Scale
Pension expense		
Discount rate	**3.7%**	4.1%
Rate of compensation increase	**3.0%**	3.0%
Mortality rate	**CIA Private with CPM B scale**	CIA Private with CPM B Scale

Sensitivity of key assumptions
In the sensitivity analysis shown below, we determine the defined benefit obligation for our funded plans using the same method used to calculate the defined benefit obligation we recognize on the Consolidated Statements of Financial Position. We calculate sensitivity by changing one assumption while holding the others constant. This leads to limitations in the analysis as the actual change in defined benefit obligation will likely be different from that shown in the table, since it is likely that more than one assumption will change at a time, and that some assumptions are correlated.

	Increase (decrease) in accrued benefit obligation	
(In millions of dollars)	**2018**	2017
Discount rate		
Impact of 0.5% increase	**(196)**	(207)
Impact of 0.5% decrease	**224**	237
Rate of future compensation increase		
Impact of 0.25% increase	**16**	21
Impact of 0.25% decrease	**(16)**	(21)
Mortality rate		
Impact of 1 year increase	**47**	49
Impact of 1 year decrease	**(50)**	(52)

EXPLANATORY INFORMATION

We sponsor a number of contributory and non-contributory pension arrangements for employees, including defined benefit and defined contributions plans. We do not provide any non-pension post-retirement benefits. We also provide unfunded supplemental pension benefits to certain executives.

The Rogers Defined Benefit Pension Plan provides a defined pension based on years of service and earnings, with no increases in retirement for inflation. The plan was closed to new members in 2016. Participation in the plan was voluntary and enrolled employees are required to make regular contributions into the plan. In 2009 and 2011, we purchased group annuities for our then-retirees. Accordingly, the current plan members are primarily active Rogers employees as opposed to retirees. An unfunded supplemental pension plan is provided to certain senior executives to provide benefits in excess of amounts that can be provided from the defined benefit pension plan under the Income Tax Act (Canada)'s maximum pension limits.

We also sponsor smaller defined benefit pension plans in addition to the Rogers Defined Benefit Pension Plan. The Pension Plan for Employees of Rogers Communications Inc. and the Rogers Pension Plan for Selkirk Employees are closed legacy defined benefit pension plans. The Pension Plan for Certain Federally Regulated Employees of Rogers Cable Communications Inc. is similar to the main pension plan but only federally regulated employees from the Cable business were eligible to participate; this plan was closed to new members in 2016.

In addition to the defined benefit pension plans, we also provide various defined contribution plans to certain groups of employees of the Company and to employees hired after March 31, 2016 who choose to join. Additionally, we provide other tax-deferred savings arrangements, including a Group RRSP and a Group TFSA program, which are accounted for as deferred contribution arrangements.

During the year, we amended certain of our defined benefit pension plans and recognized a $43 million reduction in past service cost this year, which was recorded as a reduction of pension expense, included in "operating costs" in the Consolidated Statements of Income.

The Pension Committee of the Board oversees the administration of our registered pension plans, which includes the following principal areas:

- overseeing the funding, administration, communication, and investment management of the plans;
- selecting and monitoring the performance of all third parties performing duties in respect of the plans, including audit, actuarial, and investment management services;
- proposing, considering, and approving amendments;
- proposing, considering, and approving amendments to the Statement of Investment Policies and Procedures;
- reviewing management and actuarial reports prepared in respect of the administration of the pension plans; and
- reviewing and approving the audited financial statements of the pension plan funds.

The assets of the defined benefit pension plans are held in segregated accounts that are isolated from our assets. They are invested and managed following all applicable regulations and the Statement of Investment Policies and Procedures with the objective of having adequate funds to pay the benefits promised by the plan. Investment and market return risk is managed by:

- contracting professional investment managers to execute the investment strategy following the Statement of Investment Policies and Procedures and regulatory requirements;
- specifying the kinds of investments that can be held in the plans and monitoring compliance;
- using asset allocation and diversification strategies; and
- purchasing annuities from time to time.

The funded pension plans are registered with the Office of the Superintendent of Financial Institutions and are subject to the Federal Pension Benefits Standards Act. Two of the defined contribution plans are registered with the Financial Services Commission of Ontario, subject to the Ontario Pension Benefits Act. The plans are also registered with the Canada Revenue Agency and are subject to the Income Tax Act (Canada). The benefits provided under the plans and the contributions to the plans are funded and administered in accordance with all applicable legislation and regulations.

The defined benefit pension plans are subject to certain risks related to contribution increases, inadequate plan surplus, unfunded obligations, and market rates of return, which we mitigate through the governance described above. Any significant changes to these items may affect our future cash flows.

Below is a summary of the estimated present value of accrued plan benefits and the estimated market value of the net assets available to provide these benefits for our funded plans.

	As at December 31	
(In millions of dollars)	**2018**	2017
Plan assets, at fair value	**1,965**	1,890
Accrued benefit obligations	**(2,330)**	(2,342)
Net deferred pension liability	**(365)**	(452)
Consists of:		
Deferred pension asset	**8**	8
Deferred pension liability	**(373)**	(460)
Net deferred pension liability	**(365)**	(452)

Below is a summary of our pension fund assets.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Plan assets, beginning of year	**1,890**	1,619
Interest income	**73**	72
Remeasurements, recognized in other comprehensive income and equity	**(114)**	92
Contributions by employees	**39**	42
Contributions by employer	**148**	145
Benefits paid	**(68)**	(76)
Administrative expenses paid from plan assets	**(3)**	(4)
Plan assets, end of year	**1,965**	1,890

Below is a summary of the accrued benefit obligations arising from funded obligations.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Accrued benefit obligations, beginning of year	**2,342**	2,006
Current service cost	**143**	137
Past service recovery	**(43)**	—
Interest cost	**85**	81
Benefits paid	**(68)**	(76)
Contributions by employees	**39**	42
Remeasurements, recognized in other comprehensive income and equity	**(168)**	152
Accrued benefit obligations, end of year	**2,330**	2,342

Plan assets are comprised mainly of pooled funds that invest in common stocks and bonds that are traded in an active market. Below is a summary of the fair value of the total pension plan assets by major category.

	As at December 31	
(In millions of dollars)	**2018**	2017
Equity securities	**1,149**	1,134
Debt securities	**810**	742
Other - cash	**6**	14
Total fair value of plan assets	**1,965**	1,890

Below is a summary of our net pension expense. Net interest cost is included in finance costs; other pension expenses are included in salaries and benefits expense in operating costs on the Consolidated Statements of Income.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Plan cost:		
Current service cost	**143**	137
Past service recovery	**(43)**	—
Net interest cost	**12**	9
Net pension expense	**112**	146
Administrative expense	**4**	4
Total pension cost recognized in net income	**116**	150

Net interest cost, a component of the plan cost above, is included in finance costs and is outlined as follows:

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Interest income on plan assets	**(73)**	(72)
Interest cost on plan obligation	**85**	81
Net interest cost, recognized in finance costs	**12**	9

The remeasurement recognized in the Consolidated Statements of Comprehensive Income is determined as follows:

	Years ended December 31	
(In millions of dollars)	**2018**	2017
(Loss) return on plan assets (excluding interest income)	**(114)**	92
Change in financial assumptions	**158**	(168)
Change in demographic assumptions	**(10)**	—
Effect of experience adjustments	**20**	16
Remeasurement gain (loss), recognized in other comprehensive income and equity	**54**	(60)

We also provide supplemental unfunded defined benefit pensions to certain executives. Below is a summary of our accrued benefit obligations, pension expense included in employee salaries and benefits, net interest cost, remeasurements, and benefits paid.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Accrued benefit obligation, beginning of year	**66**	62
Pension expense, recognized in employee salaries and benefits expense	**2**	2
Net interest cost, recognized in finance costs	**2**	3
Remeasurements, recognized in other comprehensive income	**1**	2
Benefits paid	**(4)**	(3)
Accrued benefit obligation, end of year	**67**	66

We also have defined contribution plans with total pension expense of$8 million in 2018 (2017 - $6 million), which is included in employee salaries and benefits expense.

ALLOCATION OF PLAN ASSETS

	Allocation of plan assets		
	2018	2017	Target asset allocation percentage
Equity securities:			
Domestic	**11.8%**	11.8%	7% to 17%
International	**46.7%**	48.1%	33% to 63%
Debt securities	**41.2%**	39.3%	30% to 50%
Other - cash	**0.3%**	0.8%	0% to 2%
Total	**100.0%**	100.0%	

Plan assets consist primarily of pooled funds that invest in common stocks and bonds. The pooled funds have investments in our equity securities. As a result, approximately $5 million (2017 - $7 million) of plan assets are indirectly invested in our own securities under our defined benefit plans.

We make contributions to the plans to secure the benefits of plan members and invest in permitted investments using the target ranges established by our Pension Committee, which reviews actuarial assumptions on an annual basis.

Below is a summary of the actual contributions to the plans.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Employer contribution	**148**	145
Employee contribution	**39**	42
Total contribution	**187**	187

We estimate our 2019 employer contributions to our funded plans to be $177 million. The actual value will depend on the results of the 2019 actuarial funding valuations. The average duration of the defined benefit obligation as at December 31, 2018 is 18 years (2017 - 19 years).

Plan assets recognized an actual net loss of $44 million in 2018 (2017 - $160 million net return).

We have recognized a cumulative loss in other comprehensive income and retained earnings of $384 million as at December 31, 2018 (2017 - $425 million) associated with post-retirement benefit plans.

NOTE 23: SHAREHOLDERS' EQUITY

CAPITAL STOCK

Share class	Number of shares authorized for issue	Features	Voting rights
Preferred shares	400,000,000	• Without par value • Issuable in series, with rights and terms of each series to be fixed by the Board prior to the issue of any series	• None
RCI Class A Voting Shares	112,474,388	• Without par value • Each share can be converted into one Class B Non-Voting share	• Each share entitled to 50 votes
RCI Class B Non-Voting Shares	1,400,000,000	• Without par value	• None

RCI's Articles of Continuance under the Business Corporations Act (British Columbia) impose restrictions on the transfer, voting, and issue of Class A Shares and Class B Non-Voting Shares to ensure we remain qualified to hold or obtain licences required to carry on certain of our business undertakings in Canada. We are authorized to refuse to register transfers of any of our shares to any person who is not a Canadian, as defined in RCI's Articles of Continuance, in order to ensure that Rogers remains qualified to hold the licences referred to above.

DIVIDENDS

We declared and paid the following dividends on our outstanding Class A Shares and Class B Non-Voting Shares:

Date declared	Date paid	Dividend per share (dollars)
January 25, 2018	April 3, 2018	0.48
April 19, 2018	July 3, 2018	0.48
August 15, 2018	October 3, 2018	0.48
October 19, 2018	January 3, 2019	0.48
		1.92
January 26, 2017	April 3, 2017	0.48
April 18, 2017	July 4, 2017	0.48

August 17, 2017	October 3, 2017	0.48
October 19, 2017	January 2, 2018	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 Non-Voting Shares. Class A Shares and Class B Non-Voting Shares therefore participate equally in dividends above $0.05 per share.

On January 24, 2019, the Board declared a quarterly dividend of $0.50 per Class A Voting Share and Class B Non-Voting Share, to be paid on April 1, 2019, to shareholders of record on March 12, 2019.

NORMAL COURSE ISSUER BID

In April 2018, the TSX accepted a notice of our intention to commence a normal course issuer bid (NCIB) that allows us to purchase, during the twelve-month period ending April 23, 2019, the lesser of 35.8 million Class B Non-Voting Shares and that number of Class B Non-Voting Shares that can be purchased under the NCIB for an aggregate purchase price of $500 million. We did not repurchase any shares under the NCIB in 2018.

NOTE 24: STOCK-BASED COMPENSATION

ACCOUNTING POLICY

Stock option plans
Cash-settled share appreciation rights (SARs) are attached to all stock options granted under our employee stock option plan. This feature allows the option holder to choose to receive a cash payment equal to the intrinsic value of the option (the amount by which the market price of the Class B Non-Voting Share exceeds the exercise price of the option on the exercise date) instead of exercising the option to acquire Class B Non-Voting Shares. We classify all outstanding stock options with cash settlement features as liabilities and carry them at their fair value, determined using the Black-Scholes option pricing model or a trinomial option pricing model, depending on the nature of the share-based award. We remeasure the fair value of the liability each period and amortize it to operating costs using graded vesting, either over the vesting period or to the date an employee is eligible to retire (whichever is shorter).

Restricted share unit (RSU) and deferred share unit (DSU) plans
We recognize outstanding RSUs and DSUs as liabilities, measuring the liabilities and compensation costs based on the awards' fair values, which are based on the market price of the Class B Non-Voting Shares, and recognizing them as charges to operating costs over the vesting period of the awards. If an award's fair value changes after it has been granted and before the exercise date, we recognize the resulting changes in the liability within operating costs in the year the change occurs. For RSUs, the payment amount is established as of the vesting date. For DSUs, the payment amount is established as of the exercise date.

Employee share accumulation plan
Employees voluntarily participate in the share accumulation plan by contributing a specified percentage of their regular earnings. We match employee contributions up to a certain amount and recognize our contributions as a compensation expense in the year we make them. Expenses relating to the employee share accumulation plan are included in operating costs.

USE OF ESTIMATES AND JUDGMENTS

ESTIMATES
Significant management estimates are used to determine the fair value of stock options, RSUs, and DSUs. The table below shows the weighted average fair value of stock options granted during 2018 and 2017 and the principal assumptions used in applying the Black-Scholes model for non-performance-based options and trinomial option pricing models for performance-based options to determine their fair value at the grant date.

	Years ended December 31	
	2018	2017
Weighted average fair value	**$8.42**	$8.52
Risk-free interest rate	**1.7%**	0.8%
Dividend yield	**3.3%**	3.2%
Volatility of Class B Non-Voting Shares	**20.1%**	21.2%
Weighted average expected life	**6.2 years**	5.5 years
Weighted average time to vest	**2.5 years**	2.3 years
Weighted average time to expiry	**10.0 years**	9.9 years
Employee exit rate	**4.9%**	3.9%
Suboptimal exercise factor	**1.4**	1.4
Lattice steps	**50**	50

Volatility has been estimated based on the actual trading statistics of ourClass B Non-Voting Shares.

EXPLANATORY INFORMATION

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

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Stock options	**17**	33
Restricted share units	**51**	51
Deferred share units	**30**	51
Equity derivative effect, net of interest receipt	**(33)**	(74)
Total stock-based compensation expense	**65**	61

As at December 31, 2018, we had a total liability recognized at its fair value of $252 million (2017 - $223 million) related to stock-based compensation, including stock options, RSUs, and DSUs. The current portion of this is $186 million (2017 - $157 million) and is included in accounts payable and accrued liabilities. The long-term portion of this is $66 million (2017 - $66 million) and is included in other long-term liabilities (see note 21).

The total intrinsic value of vested liabilities, which is the difference between the exercise price of the share-based awards and the trading price of the Class B Non-Voting Shares for all vested share-based awards, as at December 31, 2018 was $112 million (2017 - $69 million).

We paid $69 million in 2018 (2017 - $107 million) to holders of stock options, RSUs, and DSUs upon exercise using the cash settlement feature, representing a weighted average share price on the date of exercise of $61.84 (2017 - $59.68).

STOCK OPTIONS

Options to purchase our Class B Non-Voting Shares on a one-for-one basis may be granted to our employees, directors, and officers by the Board or our Management Compensation Committee. There are 65 million options authorized under various plans; each option has a term of seven to ten years. The vesting period is generally graded vesting over four years; however, the Management Compensation Committee may adjust the vesting terms on the grant date. The exercise price is equal to the fair market value of the Class B Non-Voting Shares, determined as the five-day average before the grant date as quoted on the TSX.

Performance options

We granted 439,435 performance-based options to certain key executives in 2018 (2017 - 489,835). These options vest on a graded basis over four years provided that certain targeted stock prices are met on or after each anniversary date. As at December 31, 2018, we had 1,575,605 performance options (2017 - 1,540,158) outstanding.

Summary of stock options

Below is a summary of the stock option plans, including performance options.

	Year ended December 31, 2018		Year ended December 31, 2017	
(In number of units, except prices)	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	**2,637,890**	**$49.42**	3,732,524	$43.70
Granted	**850,700**	**$58.88**	993,740	$59.71
Exercised	**(679,706)**	**$45.20**	(1,603,557)	$42.10
Forfeited	**(89,272)**	**$55.94**	(484,817)	$50.74
Outstanding, end of year	**2,719,612**	**$53.22**	2,637,890	$49.42
Exercisable, end of year	**1,059,590**	**$46.26**	924,562	$42.32

Below is a summary of the range of exercise prices, the weighted average exercise price and the weighted average remaining contractual life as at December 31, 2018.

	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$37.96 - $39.99	360,248	0.16	$37.96	360,248	$37.96
$40.00 - $44.99	245,052	5.02	$44.31	152,901	$43.97
$45.00 - $49.99	575,064	5.36	$48.93	382,303	$48.56
$50.00 - $59.99	1,011,698	8.53	$58.04	41,680	$56.70
$60.00 - $64.99	489,835	8.44	$62.82	122,458	$62.82
$65.00 - $68.10	37,715	9.68	$68.10	—	—
	2,719,612	6.43	$53.22	1,059,590	$46.26

Unrecognized stock-based compensation expense as at December 31, 2018 related to stock-option plans was $8 million (2017 - $6 million) and will be recognized in net income over the next four years as the options vest.

RESTRICTED SHARE UNITS
The RSU plan allows employees, directors, and officers to participate in the growth and development of Rogers. Under the terms of the plan, RSUs are issued to the participant and the units issued vest over a period of up to three years from the grant date.

On the vesting date, we will redeem all of the participants' RSUs in cash or by issuing one Class B Non-Voting Share for each RSU. We have reserved 4,000,000 Class B Non-Voting Shares for issue under this plan.

Performance RSUs
We granted 263,239 performance-based RSUs to certain key executives in 2018 (2017 - 133,559). The number of units that vest and will be paid three years from the grant date will be within 50% to 150% of the initial number granted based upon the achievement of certain annual and cumulative three-year non-market targets.

Summary of RSUs
Below is a summary of the RSUs outstanding, including performance RSUs.

	Years ended December 31	
(In number of units)	**2018**	2017
Outstanding, beginning of year	**1,811,845**	2,237,085
Granted and reinvested dividends	**1,217,487**	826,081
Exercised	**(597,015)**	(984,342)
Forfeited	**(213,392)**	(266,979)
Outstanding, end of year	**2,218,925**	1,811,845

Unrecognized stock-based compensation expense as at December 31, 2018 related to these RSUs was $59 million (2017 - $41 million) and will be recognized in net income over the next three years as the RSUs vest.

DEFERRED SHARE UNITS
The DSU plan allows directors, certain key executives, and other senior management to elect to receive certain types of compensation in DSUs. Under the terms of the plan, DSUs are issued to the participant and the units issued cliff vest over a period of up to three years from the grant date.

Performance DSUs
We granted 40,269 performance-based DSUs to certain key executives in 2018 (2017 - 191,875). The number of units that vest and may be redeemed by the holder three years from the grant date will be within 50% to 150% of the initial number granted based upon the achievement of certain annual and cumulative three-year non-market targets.

Summary of DSUs
Below is a summary of the DSUs outstanding, including performance DSUs.

	Years ended December 31	
(In number of units)	**2018**	2017
Outstanding, beginning of year	**2,327,647**	2,396,458
Granted and reinvested dividends	**131,051**	735,117
Exercised	**(334,930)**	(333,111)
Forfeited	**(119,328)**	(470,817)
Outstanding, end of year	**2,004,440**	2,327,647

Unrecognized stock-based compensation expense as at December 31, 2018 related to these DSUs was $7 million (2017 - $22 million) and will be recognized in net income over the next three years as the executive DSUs vest. All other DSUs are fully vested.

EMPLOYEE SHARE ACCUMULATION PLAN
Participation in the plan is voluntary. Employees can contribute up to 10% of their regular earnings through payroll deductions (up to an annual maximum contribution of $25,000). The plan administrator purchases Class B Non-Voting Shares on a monthly basis on the open market on behalf of the employee. At the end of each month, we make a contribution of 25% to 50% of the employee's contribution that month and the plan administrator uses this amount to purchase additional shares on behalf of the employee. We recognize our contributions made as a compensation expense.

Compensation expense related to the employee share accumulation plan was $46 million in 2018 (2017 - $43 million).

EQUITY DERIVATIVES
We have entered into equity derivatives to hedge a portion of our stock-based compensation expense (see note 16) and recognized a $33 million recovery (2017 - $74 million recovery) in stock-based compensation expense for these derivatives.

NOTE 25: RELATED PARTY TRANSACTIONS

CONTROLLING SHAREHOLDER
Our ultimate controlling shareholder is the Rogers Control Trust (the Trust), which holds voting control of RCI. The beneficiaries of the Trust are members of the Rogers family. Certain directors of RCI represent the Rogers family.

We entered into certain transactions with private Rogers family holding companies controlled by the Trust. These transactions 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 were less than $1 million for each of 2018 and 2017.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL
Key management personnel include the directors and our most senior corporate officers, who are primarily responsible for planning, directing, and controlling our business activities.

Compensation
Compensation expense for key management personnel included in "employee salaries, benefits, and stock-based compensation" was as follows:

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Salaries and other short-term employee benefits	**13**	10
Post-employment benefits	**2**	3
Stock-based compensation [1]	**18**	19
Total compensation	**33**	32

[1] Stock-based compensation does not include the effect of changes in fair value of Class B Non-Voting Shares or equity derivatives.

Transactions
We have entered into business transactions with companies whose partners or senior officers are Directors of RCI. These directors are:
- the non-executive chairman of a law firm that provides a portion of our legal services; and
- the chair of the board of a company that provides printing services to the Company.

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 are unsecured, interest-free, and due for payment in cash within one month of the date of the transaction. Below is a summary of related party activity for the business transactions described above.

	Years ended December 31		Outstanding balance as at December 31	
(In millions of dollars)	**2018**	2017	**2018**	2017
Printing and legal services	**13**	17	**—**	—

SUBSIDIARIES, ASSOCIATES, AND JOINT ARRANGEMENTS
We have the following material operating subsidiaries as at December 31, 2018 and 2017:
- Rogers Communications Canada Inc.; and
- Rogers Media Inc.

We have 100% ownership interest in these subsidiaries. Our subsidiaries are incorporated in Canada and have the same reporting period for annual financial statements reporting.

When necessary, adjustments are made to conform the accounting policies of the subsidiaries to those of RCI. There are no significant restrictions on the ability of subsidiaries, joint arrangements, and associates to transfer funds to Rogers as cash dividends or to repay loans or advances, subject to the approval of other shareholders where applicable.

We carried out the following business transactions with our associates and joint arrangements. Transactions between us and our subsidiaries have been eliminated on consolidation and are not disclosed in this note.

	Years ended December 31	
(In millions of dollars)	**2018**	2017
Revenue	**86**	74
Purchases	**197**	198

Outstanding balances at year-end are unsecured, interest-free, and settled in cash.

	As at December 31	
(In millions of dollars)	**2018**	2017
Accounts receivable	**99**	80
Accounts payable and accrued liabilities	**20**	26

NOTE 26: GUARANTEES

We had the following guarantees as at December 31, 2018 and 2017 as part of our normal course of business:

BUSINESS SALE AND BUSINESS COMBINATION AGREEMENTS
As part of transactions involving business dispositions, sales of assets, or other business combinations, we may be required to pay counterparties for costs and losses incurred as a result of breaches of representations and warranties, intellectual property right infringement, loss or damages to property, environmental liabilities, changes in laws and regulations (including tax legislation), litigation against the counterparties, contingent liabilities of a disposed business, or reassessments of previous tax filings of the corporation that carries on the business.

SALES OF SERVICES
As part of transactions involving sales of services, we may be required to make payments to counterparties as a result of breaches of representations and warranties, changes in laws and regulations (including tax legislation), or litigation against the counterparties.

PURCHASES AND DEVELOPMENT OF ASSETS
As part of transactions involving purchases and development of assets, we may be required to pay counterparties for costs and losses incurred as a result of breaches of representations and warranties, loss or damages to property, changes in laws and regulations (including tax legislation), or litigation against the counterparties.

INDEMNIFICATIONS
We indemnify our directors, officers, and employees against claims reasonably incurred and resulting from the performance of their services to Rogers. We have liability insurance for our directors and officers and those of our subsidiaries.

No amount has been accrued in the Consolidated Statements of Financial Position relating to these types of indemnifications or guarantees as at December 31, 2018 or 2017. Historically, we have not made any significant payments under these indemnifications or guarantees.

NOTE 27: COMMITMENTS AND CONTINGENT LIABILITIES

ACCOUNTING POLICY
Contingent liabilities are liabilities of uncertain timing or amount and are not recognized until we have a present obligation as a result of a past event, it is probable that we will experience an outflow of resources embodying economic benefits to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

We disclose our contingent liabilities unless the possibility of an outflow of resources in settlement is remote.

USE OF ESTIMATES AND JUDGMENTS
JUDGMENTS
We are exposed to possible losses related to various claims and lawsuits against us for which the outcome is not yet known. We therefore make significant judgments in determining the probability of loss when we assess contingent liabilities.

EXPLANATORY INFORMATION

COMMITMENTS

Below is a summary of the future minimum payments for our contractual commitments that are not recognized as liabilities as at December 31, 2018.

(In millions of dollars)	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years	Total
Operating leases	208	312	172	287	979
Player contracts [1]	63	8	14	—	85
Purchase obligations [2]	448	332	202	80	1,062
Program rights [3]	667	1,048	1,079	1,346	4,140
Total commitments	1,386	1,700	1,467	1,713	6,266

1 Player contracts are Toronto Blue Jays players' salary contracts into which we have entered and are contractually obligated to pay.
2 Purchase obligations are the contractual obligations under service, product, and wireless device contracts to which we have committed.
3 Program rights are the agreements into which we have entered to acquire broadcasting rights for sports broadcasting programs and films for periods in excess of one year at contract inception.

Operating leases and other rental contracts are for network sites, office premises, and retail outlets across the country. The majority of the lease terms range from five to fifteen years and excludes optional renewals. Rent expense for 2018 was $228 million (2017 - $228 million).

Below is a summary of our other contractual commitments that are not included in the table above.

(In millions of dollars)	As at December 31 2018
Acquisition of property, plant and equipment	**244**
Acquisition of intangible assets	**183**
Commitments related to associates and joint ventures	**383**
Total other commitments	**810**

CONTINGENT LIABILITIES

We have the following contingent liabilities as at December 31, 2018:

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.

At the time the Saskatchewan class action was commenced in 2004, corresponding claims were filed in multiple jurisdictions across Canada, although the plaintiffs took no active steps. The appeal courts in several provinces dismissed the corresponding claims as an abuse of process. The claims in all provinces other than Saskatchewan have now been dismissed or discontinued. 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.

Income taxes
We provide for income taxes based on all of the information that is currently available and believe that we have adequately provided for these items. The calculation of applicable taxes in many cases, however, requires significant judgment (see note 12) in interpreting tax rules and regulations. Our tax filings are subject to audits, which could materially change the amount of current and deferred income tax assets and liabilities and provisions, and could, in certain circumstances, result in the assessment of interest and penalties.

Other claims
There are certain other claims and potential claims against us. We do not expect any of these, individually or in the aggregate, to have a material adverse effect on our financial results.

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, 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 28: SUPPLEMENTAL CASH FLOW INFORMATION

CHANGE IN NON-CASH OPERATING WORKING CAPITAL ITEMS

(In millions of dollars)	Years ended December 31	
	2018	2017 (restated, see note 2)
Accounts receivable	**(133)**	(160)
Inventories	**(31)**	17
Other current assets	**(6)**	17
Accounts payable and accrued liabilities	**103**	9
Contract and other liabilities	**(47)**	(47)
Total change in non-cash operating working capital items	**(114)**	(164)

CAPITAL EXPENDITURES

(In millions of dollars)	Years ended December 31	
	2018	2017
Capital expenditures before proceeds on disposition	**2,815**	2,510
Proceeds on disposition	**(25)**	(74)
Capital expenditures	**2,790**	2,436