



# Supplemental Financial Information

Third Quarter 2016

TSX: RCI | NYSE: RCI

 **ROGERS**<sup>TM</sup>

**Rogers Communications Inc.**  
**Consolidated Financial Results**  
**(unaudited)**

(In millions of dollars, except per share amounts)	2016				2015				
	Total	Q3'16	Q2'16	Q1'16	Total	Q4'15	Q3'15	Q2'15	Q1'15
Revenue									
Wireless	5,858	2,037	1,931	1,890	7,651	1,981	1,973	1,903	1,794
Cable	2,591	865	870	856	3,465	855	871	869	870
Business Solutions	288	95	97	96	377	95	94	94	94
Media	1,596	533	615	448	2,079	560	473	582	464
Corporate items and intercompany eliminations	(141)	(38)	(58)	(45)	(158)	(39)	(27)	(45)	(47)
Revenue	10,192	3,492	3,455	3,245	13,414	3,452	3,384	3,403	3,175
Adjusted operating profit (loss)									
Wireless	2,493	884	846	763	3,239	754	879	841	765
Cable	1,239	431	415	393	1,658	426	416	414	402
Business Solutions	93	31	31	31	116	30	31	27	28
Media	120	79	90	(49)	172	56	58	90	(32)
Corporate items and intercompany eliminations	(112)	(40)	(35)	(37)	(153)	(40)	(39)	(35)	(39)
Adjusted operating profit <sup>1</sup>	3,833	1,385	1,347	1,101	5,032	1,226	1,345	1,337	1,124
Deduct (add):									
Stock-based compensation	45	18	15	12	55	16	13	14	12
Depreciation and amortization	1,721	575	572	574	2,277	580	576	562	559
Restructuring, acquisition and other	126	55	27	44	111	23	37	42	9
Finance costs	573	188	189	196	774	192	190	182	210
Other expense (income)	195	220	9	(34)	(32)	4	(59)	26	(3)
Net income before income taxes	1,173	329	535	309	1,847	411	588	511	337
Income taxes	311	109	141	61	466	112	124	148	82
Net income	862	220	394	248	1,381	299	464	363	255
Earnings per share:									
Basic	\$ 1.67	\$ 0.43	\$ 0.77	\$ 0.48	\$ 2.68	\$ 0.58	\$ 0.90	\$ 0.70	\$ 0.50
Diluted	\$ 1.67	\$ 0.43	\$ 0.76	\$ 0.48	\$ 2.67	\$ 0.58	\$ 0.90	\$ 0.70	\$ 0.48
Net income	862	220	394	248	1,381	299	464	363	255
Add (deduct):									
Stock-based compensation	45	18	15	12	55	16	13	14	12
Restructuring, acquisition and other	126	55	27	44	111	23	37	42	9
Loss on repayment of long-term debt	—	—	—	—	7	—	—	—	7
Net loss (gain) on divestitures pertaining to investments	11	50	—	(39)	—	—	—	—	—
Gain on acquisition of Mobilicity	—	—	—	—	(102)	—	(102)	—	—
Loss on non-controlling interest purchase obligation	—	—	—	—	72	—	72	—	—
Loss on wind down of shomi	140	140	—	—	—	—	—	—	—
Income tax impact of above items	(70)	(56)	(9)	(5)	(40)	(7)	(12)	(13)	(8)
Income tax adjustment, legislative tax change	3	—	—	3	6	—	—	6	—
Adjusted net income <sup>1</sup>	1,117	427	427	263	1,490	331	472	412	275
Adjusted earnings per share <sup>1</sup> :									
Basic	\$ 2.17	\$ 0.83	\$ 0.83	\$ 0.51	\$ 2.89	\$ 0.64	\$ 0.92	\$ 0.80	\$ 0.53
Diluted	\$ 2.16	\$ 0.83	\$ 0.83	\$ 0.51	\$ 2.88	\$ 0.64	\$ 0.91	\$ 0.80	\$ 0.53

<sup>1</sup> Adjusted operating profit, adjusted net income, and adjusted basic and diluted earnings per share 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" for information about these measures, including how we calculate them.

**Rogers Communications Inc.**  
**Additional Information**  
**(unaudited)**

(In millions of dollars, except capital intensity and per share amounts)	<b>2016</b>				<b>2015</b>				
	<b>Total</b>	<b>Q3'16</b>	<b>Q2'16</b>	<b>Q1'16</b>	<b>Total</b>	<b>Q4'15</b>	<b>Q3'15</b>	<b>Q2'15</b>	<b>Q1'15</b>
Additions to property, plant and equipment									
Wireless	549	161	207	181	866	235	195	256	180
Cable	801	255	300	246	1,030	308	244	254	224
Business Solutions	109	33	38	38	187	65	41	48	33
Media	43	12	13	18	60	28	12	11	9
Corporate	246	88	89	69	297	137	79	52	29
<b>Total additions to property, plant and equipment</b>	<b>1,748</b>	<b>549</b>	<b>647</b>	<b>552</b>	<b>2,440</b>	<b>773</b>	<b>571</b>	<b>621</b>	<b>475</b>
Capital intensity <sup>1</sup>									
Wireless	10.2 %	8.6 %	11.6 %	10.4 %	12.5 %	13.5 %	11.0 %	15.0 %	10.8 %
Cable	30.9 %	29.5 %	34.5 %	28.7 %	29.7 %	36.0 %	28.0 %	29.2 %	25.7 %
Business Solutions	37.8 %	34.7 %	39.2 %	39.6 %	49.6 %	68.4 %	43.6 %	51.1 %	35.1 %
Media	2.7 %	2.3 %	2.1 %	4.0 %	2.9 %	5.0 %	2.5 %	1.9 %	1.9 %
Consolidated	17.2 %	15.7 %	18.7 %	17.0 %	18.2 %	22.4 %	16.9 %	18.2 %	15.0 %
Adjusted operating profit <sup>2</sup>	3,833	1,385	1,347	1,101	5,032	1,226	1,345	1,337	1,124
Deduct (add):									
Additions to property, plant and equipment	1,748	549	647	552	2,440	773	571	621	475
Interest on borrowings, net of capitalized interest	558	179	187	192	732	185	180	179	188
Cash income taxes paid (received)	214	59	18	137	184	(6)	(66)	61	195
<b>Free cash flow<sup>2</sup></b>	<b>1,313</b>	<b>598</b>	<b>495</b>	<b>220</b>	<b>1,676</b>	<b>274</b>	<b>660</b>	<b>476</b>	<b>266</b>
Dividends declared	741	247	247	247	988	247	247	247	247
Dividends per share	\$ 1.44	\$ 0.48	\$ 0.48	\$ 0.48	\$ 1.92	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48

<sup>1</sup> See "Key Performance Indicators".

<sup>2</sup> Adjusted operating profit 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" for information about these measures, including how we calculate them.

**Rogers Communications Inc.**  
**Free Cash Flow**  
**(unaudited)**

(In millions of dollars)	<b>2016</b>	<b>Q3'16</b>	<b>Q2'16</b>	<b>Q1'16</b>	<b>2015</b>	<b>Q4'15</b>	<b>Q3'15</b>	<b>Q2'15</b>	<b>Q1'15</b>
	<b>Total</b>				<b>Total</b>				
Cash provided by operating activities	2,904	1,185	1,121	598	3,747	950	1,456	1,114	227
Add (deduct):									
Additions to property, plant and equipment	(1,748)	(549)	(647)	(552)	(2,440)	(773)	(571)	(621)	(475)
Interest on borrowings, net of capitalized interest	(558)	(179)	(187)	(192)	(732)	(185)	(180)	(179)	(188)
Restructuring, acquisition and other	126	55	27	44	111	23	37	42	9
Interest paid	632	240	154	238	771	133	234	141	263
Change in non-cash working capital	(32)	(117)	(35)	120	302	187	(279)	44	350
Other adjustments	(11)	(37)	62	(36)	(83)	(61)	(37)	(65)	80
<b>Free cash flow<sup>1</sup></b>	<b>1,313</b>	<b>598</b>	<b>495</b>	<b>220</b>	<b>1,676</b>	<b>274</b>	<b>660</b>	<b>476</b>	<b>266</b>

<sup>1</sup> Free cash flow is a non-GAAP measure and should not be considered as a substitute or alternative for GAAP measures. It is not a defined term under IFRS and does not have a standard meaning, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about this measure, including how we calculate it.

**Rogers Communications Inc.**  
**Adjusted Net Debt**  
**(unaudited)**

(In millions of dollars, except ratios)	2016			2015			
	Q3'16	Q2'16	Q1'16	Q4'15	Q3'15	Q2'15	Q1'15
Current portion of long-term debt	750	750	1,250	1,000	1,000	1,000	—
Long-term debt	15,177	15,239	15,188	15,870	15,487	14,889	15,490
Deferred transaction costs and discounts	103	106	107	111	102	106	106
	16,030	16,095	16,545	16,981	16,589	15,995	15,596
Add (deduct):							
Net debt derivative assets	(1,753)	(1,651)	(1,503)	(2,028)	(1,779)	(1,115)	(1,441)
Credit risk adjustment related to net debt derivative assets	(76)	(73)	(94)	(152)	(129)	(60)	(63)
Short-term borrowings	1,050	1,050	1,005	800	859	1,017	1,035
Bank advances (cash and cash equivalents)	11	143	72	(11)	11	(7)	27
Adjusted net debt <sup>1</sup>	15,262	15,564	16,025	15,590	15,551	15,830	15,154
Divided by: trailing 12-month adjusted operating profit	5,059	5,019	5,009	5,032	5,039	5,006	4,982
Adjusted net debt / adjusted operating profit <sup>1</sup>	3.0	3.1	3.2	3.1	3.1	3.2	3.0

<sup>1</sup> Adjusted net debt and adjusted net debt / adjusted operating profit 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" for information about these measures, including how we calculate them.

**Rogers Communications Inc.**  
**Consolidated Statements of Financial Position**  
**(unaudited)**

(In millions of dollars)	2016			2015			
	Q3'16	Q2'16	Q1'16	Q4'15	Q3'15	Q2'15	Q1'15
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	—	—	—	11	—	7	—
Accounts receivable	1,889	1,811	1,792	1,792	1,648	1,562	1,440
Inventories	270	239	320	318	269	283	380
Other current assets	338	373	429	303	240	265	328
Current portion of derivative instruments	113	92	116	198	178	118	149
<b>Total current assets</b>	<b>2,610</b>	<b>2,515</b>	<b>2,657</b>	<b>2,622</b>	<b>2,335</b>	<b>2,235</b>	<b>2,297</b>
Property, plant and equipment	11,096	11,097	10,999	10,997	10,758	10,709	10,610
Intangible assets	7,151	7,173	7,206	7,243	7,274	6,843	6,537
Investments	2,185	2,346	2,381	2,271	2,274	2,395	1,866
Derivative instruments	1,767	1,681	1,536	1,992	1,742	1,106	1,430
Other long-term assets	112	136	124	150	211	207	357
Deferred tax assets	10	8	9	9	9	9	9
Goodwill	3,891	3,891	3,891	3,891	3,887	3,882	3,883
<b>Total assets</b>	<b>28,822</b>	<b>28,847</b>	<b>28,803</b>	<b>29,175</b>	<b>28,490</b>	<b>27,386</b>	<b>26,989</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
Current liabilities:							
Bank advances	11	143	72	—	11	—	27
Short-term borrowings	1,050	1,050	1,005	800	859	1,017	1,035
Accounts payable and accrued liabilities	2,668	2,584	2,479	2,708	2,337	2,153	2,141
Income tax payable	213	234	118	96	86	54	—
Current portion of provisions	146	27	27	10	12	4	7
Unearned revenue	355	371	441	388	410	426	495
Current portion of long-term debt	750	750	1,250	1,000	1,000	1,000	—
Current portion of derivative instruments	94	90	65	15	52	47	75
<b>Total current liabilities</b>	<b>5,287</b>	<b>5,249</b>	<b>5,457</b>	<b>5,017</b>	<b>4,767</b>	<b>4,701</b>	<b>3,780</b>
Provisions	29	30	31	50	51	52	52
Long-term debt	15,177	15,239	15,188	15,870	15,487	14,889	15,490
Derivative instruments	219	226	195	95	76	35	100
Other long-term liabilities	429	383	445	455	530	497	360
Deferred tax liabilities	1,860	1,795	1,782	1,943	1,831	1,744	1,766
<b>Total liabilities</b>	<b>23,001</b>	<b>22,922</b>	<b>23,098</b>	<b>23,430</b>	<b>22,742</b>	<b>21,918</b>	<b>21,548</b>
Shareholders' equity	5,821	5,925	5,705	5,745	5,748	5,468	5,441
<b>Total liabilities and shareholders' equity</b>	<b>28,822</b>	<b>28,847</b>	<b>28,803</b>	<b>29,175</b>	<b>28,490</b>	<b>27,386</b>	<b>26,989</b>

**Rogers Communications Inc.**  
**Consolidated Statements of Cash Flows**  
**(unaudited)**

(In millions of dollars)	<b>2016</b>				<b>2015</b>				
	<b>Total</b>	<b>Q3'16</b>	<b>Q2'16</b>	<b>Q1'16</b>	<b>Total</b>	<b>Q4'15</b>	<b>Q3'15</b>	<b>Q2'15</b>	<b>Q1'15</b>
Cash provided by (used in):									
Operating activities:									
Net income for the period	862	220	394	248	1,381	299	464	363	255
Adjustments to reconcile net income to cash provided by operating activities:									
Depreciation and amortization	1,721	575	572	574	2,277	580	576	562	559
Program rights amortization	54	15	18	21	87	21	23	21	22
Finance costs	573	188	189	196	774	192	190	182	210
Income taxes	311	109	141	61	466	112	124	148	82
Stock-based compensation	45	18	15	12	55	16	13	14	12
Post-employment benefits contributions, net of expense	(31)	30	(71)	10	(16)	31	24	24	(95)
Net loss (gain) on divestitures pertaining to investments	11	50	—	(39)	—	—	—	—	—
Loss on wind down of shomi	140	140	—	—	—	—	—	—	—
Gain on acquisition of Mobilicity	—	—	—	—	(102)	—	(102)	—	—
Other	32	22	—	10	82	13	33	46	(10)
	<u>3,718</u>	<u>1,367</u>	<u>1,258</u>	<u>1,093</u>	<u>5,004</u>	<u>1,264</u>	<u>1,345</u>	<u>1,360</u>	<u>1,035</u>
Change in non-cash operating working capital items	32	117	35	(120)	(302)	(187)	279	(44)	(350)
	<u>3,750</u>	<u>1,484</u>	<u>1,293</u>	<u>973</u>	<u>4,702</u>	<u>1,077</u>	<u>1,624</u>	<u>1,316</u>	<u>685</u>
Income taxes (paid) received	(214)	(59)	(18)	(137)	(184)	6	66	(61)	(195)
Interest paid	(632)	(240)	(154)	(238)	(771)	(133)	(234)	(141)	(263)
<b>Cash provided by operating activities</b>	<b>2,904</b>	<b>1,185</b>	<b>1,121</b>	<b>598</b>	<b>3,747</b>	<b>950</b>	<b>1,456</b>	<b>1,114</b>	<b>227</b>
Investing activities:									
Additions to property, plant and equipment	(1,748)	(549)	(647)	(552)	(2,440)	(773)	(571)	(621)	(475)
Additions to program rights <sup>1</sup>	(43)	(19)	(14)	(10)	(64)	(27)	(19)	(6)	(12)
Changes in non-cash working capital related to property, plant and equipment and intangible assets <sup>1</sup>	(147)	(42)	32	(137)	(116)	167	(145)	(46)	(92)
Acquisitions and strategic transactions, net of cash acquired	—	—	—	—	(1,077)	(5)	(471)	(601)	—
Other	(4)	(11)	47	(40)	(70)	(32)	(4)	(22)	(12)
<b>Cash used in investing activities</b>	<b>(1,942)</b>	<b>(621)</b>	<b>(582)</b>	<b>(739)</b>	<b>(3,767)</b>	<b>(670)</b>	<b>(1,210)</b>	<b>(1,296)</b>	<b>(591)</b>
Financing activities:									
Net proceeds received (repayments) on short-term borrowings	250	—	45	205	(42)	(59)	(158)	(18)	193
Net (repayment) issuance of long-term debt	(481)	(215)	(385)	119	754	82	141	482	49
Net (repayments) proceeds on settlement of debt derivatives and forward contracts	(17)	25	(23)	(19)	129	(25)	—	—	154
Transaction costs incurred	—	—	—	—	(9)	(9)	—	—	—
Dividends paid	(741)	(247)	(247)	(247)	(977)	(247)	(247)	(248)	(235)
Other	5	5	—	—	—	—	—	—	—
<b>Cash (used in) provided by financing activities</b>	<b>(984)</b>	<b>(432)</b>	<b>(610)</b>	<b>58</b>	<b>(145)</b>	<b>(258)</b>	<b>(264)</b>	<b>216</b>	<b>161</b>
Change in cash and cash equivalents	(22)	132	(71)	(83)	(165)	22	(18)	34	(203)
Cash and cash equivalents (bank advances), beginning of period	11	(143)	(72)	11	176	(11)	7	(27)	176
<b>(Bank advances) cash and cash equivalents, end of period</b>	<b>(11)</b>	<b>(11)</b>	<b>(143)</b>	<b>(72)</b>	<b>11</b>	<b>11</b>	<b>(11)</b>	<b>7</b>	<b>(27)</b>

<sup>1</sup> We reclassified \$74 million from additions to program rights to changes in non-cash working capital related to property, plant and equipment and intangible assets for the third quarter of 2015. The reclassification had no net impact on cash used in investing activities.

**Rogers Communications Inc.**  
**Wireless**  
**(unaudited)**

(In millions of dollars, except margins)	2016				2015				
	Total	Q3'16	Q2'16	Q1'16	Total	Q4'15	Q3'15 <sup>1</sup>	Q2'15	Q1'15
Revenue									
Service revenue	5,400	1,878	1,788	1,734	6,902	1,747	1,776	1,707	1,672
Equipment revenue	458	159	143	156	749	234	197	196	122
Revenue	5,858	2,037	1,931	1,890	7,651	1,981	1,973	1,903	1,794
Operating expenses									
Cost of equipment	1,363	469	434	460	1,845	569	460	423	393
Other operating expenses	2,002	684	651	667	2,567	658	634	639	636
Operating expenses	3,365	1,153	1,085	1,127	4,412	1,227	1,094	1,062	1,029
Adjusted operating profit	2,493	884	846	763	3,239	754	879	841	765
Adjusted operating profit margin as a % of network revenue	46.2 %	47.1 %	47.3 %	44.0 %	46.9 %	43.2 %	49.5 %	49.3 %	45.8 %
Additions to property, plant and equipment	549	161	207	181	866	235	195	256	180

**Wireless Subscriber Results<sup>2</sup>**

(In thousands, except churn, postpaid ARPA, and blended ARPU)

	2016				2015				
<b>Postpaid</b>									
Gross additions	1,085	432	349	304	1,354	365	399	313	277
Net additions (losses)	193	114	65	14	106	31	77	24	(26)
Total postpaid subscribers <sup>3</sup>	8,464	8,464	8,350	8,285	8,271	8,271	8,240	8,163	8,139
Churn (monthly)	1.19 %	1.26 %	1.14 %	1.17 %	1.27 %	1.35 %	1.31 %	1.19 %	1.24 %
ARPA (monthly)	\$ 116.52	\$ 121.39	\$ 116.06	\$ 112.23	\$ 110.74	\$ 112.07	\$ 113.34	\$ 110.14	\$ 107.47
<b>Prepaid</b>									
Gross additions	589	238	194	157	677	179	218	154	126
Net additions (losses)	73	67	25	(19)	75	27	77	8	(37)
Total prepaid subscribers <sup>3,4</sup>	1,679	1,679	1,612	1,587	1,606	1,606	1,579	1,348	1,340
Churn (monthly)	3.57 %	3.49 %	3.57 %	3.65 %	3.45 %	3.17 %	3.08 %	3.63 %	3.99 %
Blended ARPU (monthly)	\$ 60.32	\$ 62.30	\$ 60.18	\$ 58.54	\$ 59.71	\$ 59.16	\$ 61.02	\$ 60.01	\$ 58.75

<sup>1</sup> The operating results of Mobilicity are included in the Wireless results of operations from the date of acquisition on July 2, 2015.

<sup>2</sup> Subscriber counts, subscriber churn, postpaid ARPA, and blended ARPU are key performance indicators. See "Key Performance Indicators".

<sup>3</sup> As at end of period.

<sup>4</sup> On July 2, 2015, we acquired approximately 154,000 Wireless prepaid subscribers as a result of our acquisition of Mobilicity, which are not included in net additions, but do appear in the ending total balance for September 30, 2015.



**Rogers Communications Inc.**
**Cable  
(unaudited)**

(In millions of dollars, except margins)	2016				2015				
	Total	Q3'16	Q2'16	Q1'16	Total	Q4'15	Q3'15	Q2'15	Q1'15
Revenue									
Internet	1,117	381	376	360	1,343	348	344	327	324
Television	1,176	387	394	395	1,669	403	415	425	426
Phone	293	95	99	99	445	102	110	115	118
Service revenue	2,586	863	869	854	3,457	853	869	867	868
Equipment revenue	5	2	1	2	8	2	2	2	2
Revenue	2,591	865	870	856	3,465	855	871	869	870
Operating expenses									
Cost of equipment	2	—	1	1	4	2	—	1	1
Other operating expenses	1,350	434	454	462	1,803	427	455	454	467
Operating expenses	1,352	434	455	463	1,807	429	455	455	468
Adjusted operating profit	1,239	431	415	393	1,658	426	416	414	402
Adjusted operating profit margin	47.8 %	49.8 %	47.7 %	45.9 %	47.8 %	49.8 %	47.8 %	47.6 %	46.2 %
Additions to property, plant and equipment	801	255	300	246	1,030	308	244	254	224

**Subscriber Results <sup>1</sup>**

(In thousands)

Internet									
Net additions (losses)	67	39	12	16	37	16	24	4	(7)
Total Internet subscribers <sup>2</sup>	2,115	2,115	2,076	2,064	2,048	2,048	2,032	2,008	2,004
Television									
Net losses	(63)	(14)	(23)	(26)	(128)	(24)	(31)	(32)	(41)
Total Television subscribers <sup>2</sup>	1,833	1,833	1,847	1,870	1,896	1,896	1,920	1,951	1,983
Phone									
Net additions (losses)	—	5	5	(10)	(60)	(15)	(14)	(11)	(20)
Total Phone subscribers <sup>2</sup>	1,090	1,090	1,085	1,080	1,090	1,090	1,105	1,119	1,130
Cable homes passed <sup>2</sup>	4,227	4,227	4,173	4,153	4,153	4,153	4,130	4,106	4,085
Total service units <sup>3</sup>									
Net additions (losses)	4	30	(6)	(20)	(151)	(23)	(21)	(39)	(68)
Total service units <sup>2</sup>	5,038	5,038	5,008	5,014	5,034	5,034	5,057	5,078	5,117

<sup>1</sup> Subscriber counts are key performance indicators. See "Key Performance Indicators".

<sup>2</sup> As at end of period.

<sup>3</sup> Includes Internet, Television, and Phone subscribers.

**Rogers Communications Inc.**  
**Business Solutions**  
**(unaudited)**

(In millions of dollars, except margins)	2016				2015				
	Total	Q3'16	Q2'16	Q1'16	Total	Q4'15 <sup>1</sup>	Q3'15	Q2'15	Q1'15
Revenue									
Next generation	230	77	78	75	288	74	71	73	70
Legacy	54	17	17	20	85	20	22	20	23
Service revenue	284	94	95	95	373	94	93	93	93
Equipment revenue	4	1	2	1	4	1	1	1	1
Revenue	288	95	97	96	377	95	94	94	94
Operating expenses	195	64	66	65	261	65	63	67	66
Adjusted operating profit	93	31	31	31	116	30	31	27	28
Adjusted operating profit margin	32.3 %	32.6 %	32.0 %	32.3 %	30.8 %	31.6 %	33.0 %	28.7 %	29.8 %
Additions to property, plant and equipment	109	33	38	38	187	65	41	48	33

<sup>1</sup> The operating results of Internetworking Atlantic Inc. are included in the Business Solutions results of operations from the date of acquisition on November 30, 2015.

**Rogers Communications Inc.**  
**Media**  
**(unaudited)**

(In millions of dollars, except margins)	<b>2016</b>				<b>2015</b>				
	<b>Total</b>	<b>Q3'16</b>	<b>Q2'16</b>	<b>Q1'16</b>	<b>Total</b>	<b>Q4'15</b>	<b>Q3'15</b>	<b>Q2'15</b>	<b>Q1'15</b>
Revenue	1,596	533	615	448	2,079	560	473	582	464
Operating expenses	1,476	454	525	497	1,907	504	415	492	496
Adjusted operating profit (loss)	120	79	90	(49)	172	56	58	90	(32)
Adjusted operating profit (loss) margin	7.5 %	14.8 %	14.6 %	(10.9)%	8.3 %	10.0 %	12.3 %	15.5 %	(6.9)%
Additions to property, plant and equipment	43	12	13	18	60	28	12	11	9

## Key Performance Indicators

We measure the success of our strategy using a number of key performance indicators that are defined and discussed in our 2015 Annual MD&A and our Third Quarter 2016 MD&A. We believe these key performance indicators allow us to appropriately measure our performance against our operating strategy as well as against the results of our peers and competitors. The following key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS. They include:

- Subscriber counts;
- Subscriber churn;
- Postpaid average revenue per account (ARPA);
- Blended average revenue per user (ARPU); and
- Capital intensity.

## Non-GAAP Measures

We use the following non-GAAP measures. These are reviewed regularly by management and our Board in assessing our performance and making decisions regarding the ongoing operations of our business and its ability to generate cash flows. Some or all of these measures may also be used by investors, lending institutions, and credit rating agencies as indicators of our operating performance, of our ability to incur and service debt, and as measurements to value companies in the telecommunications sector. These are not recognized measures under GAAP and do not have standard meanings under IFRS, so may not be reliable ways to compare us to other companies.

Non-GAAP measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted operating profit  Adjusted operating profit margin	<ul style="list-style-type: none"> <li>To evaluate the performance of our businesses, and when making decisions about the ongoing operations of the business and our ability to generate cash flows.</li> <li>We believe that certain investors and analysts use adjusted operating profit to measure our ability to service debt and to meet other payment obligations.</li> <li>We also use it as one component in determining short-term incentive compensation for all management employees.</li> </ul>	<p>Adjusted operating profit: Net income <i>add (deduct)</i> income taxes, other expense (income), finance costs, restructuring, acquisition and other, depreciation and amortization, stock-based compensation, and impairment of assets.</p> <p>Adjusted operating profit margin: Adjusted operating profit <i>divided by</i> revenue (service revenue for Wireless).</p>	Net income
Adjusted net income  Adjusted basic and diluted earnings per share	<ul style="list-style-type: none"> <li>To assess the performance of our businesses before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply that they are non-recurring.</li> </ul>	<p>Adjusted net income: Net income <i>add (deduct)</i> stock-based compensation, restructuring, acquisition and other, impairment of assets, loss (gain) on sale or wind down of investments, (gain) on acquisitions, loss on non-controlling interest purchase obligations, loss on repayment of long-term debt, and income tax adjustments on these items, including adjustments as a result of legislative changes.</p> <p>Adjusted basic and diluted earnings per share: Adjusted net income <i>divided by</i> basic and diluted weighted average shares outstanding.</p>	Net income  Basic and diluted earnings per share
Free cash flow	<ul style="list-style-type: none"> <li>To show how much cash we have available to repay debt and reinvest in our company, which is an important indicator of our financial strength and performance.</li> <li>We believe that some investors and analysts use free cash flow to value a business and its underlying assets.</li> </ul>	Adjusted operating profit <i>deduct</i> additions to property, plant and equipment, interest on borrowings net of capitalized interest, and cash income taxes.	Cash provided by operating activities
Adjusted net debt	<ul style="list-style-type: none"> <li>To conduct valuation-related analysis and make decisions about capital structure.</li> <li>We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage.</li> </ul>	Total long-term debt <i>add (deduct)</i> current portion of long-term debt, deferred transaction costs and discounts, net debt derivative (assets) liabilities, credit risk adjustment related to net debt derivatives, bank advances (cash and cash equivalents), and short-term borrowings.	Long-term debt
Adjusted net debt / adjusted operating profit	<ul style="list-style-type: none"> <li>To conduct valuation-related analysis and make decisions about capital structure.</li> <li>We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage.</li> </ul>	Adjusted net debt (defined above) <i>divided by</i> 12-month trailing adjusted operating profit (defined above).	Long-term debt divided by net income