

ROGERS

Speech

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REMARKS TO
THE CANADIAN CLUB
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CHECK AGAINST DELIVERY



Thank you for the honour of speaking to this historic club.

Over the years, I have attended or watched, so many great Canadians speaking to the Canadian Club. It is an important part of the Canadian milieu.

I'd like to share today some strong beliefs I have -

- supporting education
- tradition
- creating new businesses and products, and
- learning from strong partners and advisors.

First, it is my belief in a power greater than oneself - in God - gratitude for blessings - for health - for family - and for business success.

But it all begins with education if we are to build long term, a united, free and prosperous country.

We need more individual and corporate participation - rather than having all the higher education centres of learning operated by the government. There should be provision for independent, privately funded universities in Canada or else, over time, our brightest students will increasingly attend United States independent - privately funded universities. In many cases they will find work in the United States, never to return to Canada.

Most Canadian commentators on education have supported this principle of some independent privately funded universities.

Ontario has the population and the wealth to initiate this long needed educational reform. Private junior schools and high schools are flourishing.

Mr. Harris - let's show continued leadership - let individual enterprise assume greater responsibility. Please announce a timetable to facilitate the start of independent universities in Ontario.

In the meantime, all of us have to invest more in education - to be even more supportive ! Our family believes that our young people's future is very much dependent on all of us doing our best in supporting education.

For over 30 years, I have been contributing amounts to a University of Toronto Engineering Fellowship in honour of my father whose life was so filled with engineering and who attended - briefly - the University of Toronto.

All our four children went to the University of Western Ontario and my wife Loretta and I wanted to express our appreciation so we created five Rogers President's Scholarships for that University.

My wife Loretta has been active for many years at Bishop Strachan School where our daughters attended. We contributed the new Rogers Wing to BSS for expansion and to express our support for the great work the school is doing.

Loretta is President of the Lyford Cay Foundation which enables young Bahamians to attend Canadian universities so they can enrich the Bahamas on return and look forward to a quality of life their parents and grandparents never had.

I am tremendously proud of Loretta's initiatives and hard work. She has been recognized for her contributions by the Prime Minister of the Bahamas.

My father, Edward S. "Ted" Rogers, Senior invented the alternating current tube which revolutionized radio. He stayed in Canada and started manufacturing Rogers Majestic Radios in 1925 - in 1927 he founded CFRB - "Canada's First Rogers Batteryless" - he was awarded a TV licence in 1931 and was working on radar in 1939 when he died at the age 38.

We built the Rogers Communications Building at Ryerson - and donated his memorabilia to Ryerson University - where it is on display - to honour his work and memory.

My second father, John Webb Graham - shared with my sister Anne - had a profound effect on my life and whatever success I have had. He married Ann's and my mother Velma, in 1941 and was always my supporter, friend and confidant. Our mother died in 1971. John then married Tasha some years later. He passed away in January this year at age 85. He was in his office regularly up to two weeks before his death. We miss him very much.

But, before he passed away, we established York University Legal Scholarships in his name and last year donated to Trinity College, University of Toronto, a new library to be named the John W. Graham Library. I am also proud to say that two winners of the John Webb Graham - Rogers Multicultural Scholarship, presented by CFMT Television for the academic year 1997-98 are in the audience today - Mercedes Findlay and Tatyana Terzopollis. Congratulations to you both.

Our activities as a family are certainly not unique. More and more Canadians in family business and indeed all walks of life are making commitments to improve education in the future and to say thank you for the good fortune they have received from their communities.

Well, I mentioned a belief in tradition - in maintaining family traditions - and company traditions - so that in the increasing tumult of change - we don't lose our sense of purpose or direction.

It's no secret that my father's pioneering - inventing and innovating have always been with me - inspired by my mother's passing on of these traditions and legends.

I have always tried to build on the Rogers tradition of pioneering - top engineering - innovation - and most important - never to give up - to get up when knocked down and to always keep going!!

Rogers pioneered FM broadcasting in this country in the 1960's;

Rogers pioneered cable television in Canada in the 1970's;

We pioneered wireless across Canada in the 1980's; and
in the 1990's Rogers is pioneering high speed Internet with @Home and The WAVE.

The tradition of quality engineering and software has always been a Rogers trademark:

- in FM broadcasting - we had the highest power - highest quality and launched FM stereo;
- Rogers Cable was first with more than 12 channels - always recognized as the highest standard of quality engineering
- Rogers Telecom - child of cable - is providing quality telecommunications services to hundreds of buildings in the major markets of Canada;
- Rogers Cantel Wireless - covers 93% of Canada - 80% with digital - much higher quality engineering and robustness than US Cellular - PCS companies;
- The Internet - today Rogers has more high speed Internet ready homes than the rest of the Canadian cable industry put together.

Another strong belief is in building new businesses - often from scratch - and creating new services - -

That's what Rogers does best:

I bought CHFI-FM, Toronto for a mostly borrowed \$85,000 in 1960 - when 95% of Toronto radios were not FM and couldn't pick up the station. We sold low cost FM radios and LP records featuring CHFI's music programming. We laboured for years to nurture CHFI and to build it up - and now, it is the base of everything we own. CHFI is today the largest billing radio station in Canada.

Rogers was a founding shareholder of CFTO in the same year - then called Baton Aldred Rogers Broadcasting;

I founded Rogers Cable in 1967 - 12 channels for \$4.50 a month - now Canada's largest cable company - with many innovations over the years and lots of new, exciting services coming.

Rogers Cable has created services that didn't exist before - created thousands of jobs that didn't exist before - created shareholder returns for lenders as well as equity investors - and made Canada proud internationally.

With partners, we started Rogers Cantel in 1985; which created a competitive wireless service to the telephone companies in all ten provinces across Canada.

It wasn't easy - there were huge capital investments over the years. The telephone companies are large, rich and powerful - but we learned to compete effectively.

Rogers created wireless services and a way of life that didn't exist before. We made it easier and simpler to communicate - We improved lifestyle as well as business efficiency. We created jobs - thousands of new jobs - tens of millions of dollars of research in Canada.

Rogers Cantel persuaded our technical supplier Ericsson to establish world wide research labs in Canada - creating still more thousands of high tech Canadian opportunities. How many thousands of Canadian families' lives have been aided and enriched by these new Rogers innovations and initiatives over the years !!!

Another example of starting a business from scratch is Rogers Telecom. It was started in 1989 to provide new innovative telecommunications services to businesses in major cities in Canada. These were high tech services which, in many cases, the telcos could not or would not offer.

This is another Rogers example of starting new businesses - innovation - and making Canadian businesses more competitive.

Most major corporations have become our customers. Rogers created this business from nothing nine years ago and just merged it with MetroNet for a consideration of over a billion dollars.

In 1994, Rogers started a high speed computer service for the residential market. It is now called Rogers @HOME. In our first rollout in Newmarket it has achieved 7% penetration. We created this high tech service from scratch. It makes it much easier to operate computers on line from our customers' homes - it's always on - no dial up !! It's a better, more satisfying way to access the Internet and you don't need to rent a second phone line.

Again, this service has created new jobs - hundreds of high tech jobs - and opportunities for suppliers creating more jobs.

It's another example of Rogers innovations - starting new businesses - taking risks - and creating opportunities for customers, employees, investors and lenders alike.

In 1999 Rogers will start residential local telephone and long distance residential businesses - but with many differences from existing telephone company services.

We will start with multiple buildings - apartments, condominiums and later, using Internet technology - expand these services to single family homes.

We will innovate new wireless telephony services in the home and provide messaging services and wireless offices that will improve and simplify how our customers live - improve business efficiencies and provide opportunities for quality employment - more opportunities to the community and returns for equity holders and lenders.

And speaking of lenders - I've had quite a few over the years!

I didn't start with a lot of capital because upon my father's death, the business were either sold or closed - and there was not a lot of life insurance.

Our companies and I have always owed a lot of capital - relative to our circumstances from time to time.

I've had my share of ups and downs financially and certainly have made mistakes

BUT -

In almost 40 years no lender to a Rogers company has ever lost one cent!

We've never missed an interest payment!
Never missed a principal payment!

Mark my words - if the Lord allows me to finish my final five years as CEO of the Rogers Companies - we will by then be investment grade and paying dividends!

Finally, over the years I have believed in listening and learning from partners, family, friends and advisors.

My Mother had a profound influence - which continues through my life - we used to meet around her bed in her final years.

Without the help, love and wisdom from my wife Loretta - I would not be here. She herself has great traditions from her parents who helped us both and Loretta is a very accomplished artist.

I have mentioned the continuing love, advice and wisdom of my second father, John Webb Graham. The love and support of my sister Ann (whom we all call Rooney) has been very important to me over the years.

The Tory family - which has one of the most unique and distinguished business, legal and accountancy traditions in the country - and particularly John A. Tory - have been one of the most important factors to any success I have had over the years.

John A. Tory is an entrepreneurial businessman with a world class partner in his wife Liz. John has always backed me - advised me - sometimes gently chided me and always encouraged me. I am truly indebted.

I've know his exceptional son John H. Tory over many years. He started his business career in the newsroom of CHFI. We are fortunate that John is head of Rogers Media which has enjoyed great growth and a doubling of profitability under his leadership in recent years. And, his son John, who I have always admired, is working at Rogers in the summer.

And to think that I got a job at the Tory law firm as a student many years ago and was hired by his great grandfather - the legendary J.S.D. Tory.

I have learned a lot from Toby Hull who has been a partner and friend in the Rogers companies since the very first incorporation.

Gar Emerson is a great teacher. He is reported to be both the inventor of the corporate "poison pill" and also the inventor of the antidote to the poison pill.

There is no better mind in Canada on complex corporate, financial and governance issues from which I have learned and tremendously benefited.

No one in the company has contributed more over the years to the Rogers companies since 1969 than my partner Phil Lind. He has created so many innovations and value over and over again and is probably the best known communications executive in North America.

My day to day working partner, Alan Horn, is the master of the recent MetroNet billion dollar deal. He is a master of detail - with a strong strategic mind and lots of common sense. I follow his advice.

The Rogers family has had its roots in broadcasting for two generations. My strongest desire is that it succeeds and grows. Under the leadership of my friend and outstanding entrepreneurial executive Tony Viner and the fine team he has assembled, I am confident that Rogers Broadcasting will be in the forefront of progress.

Finally, what of the future?

We think that family traditions and family companies are important contributors to their community and to their country. They tend to build for the long term - dedicated to growth and innovation.

In our case, our Rogers Communications' shares are in trust so the company need not be sold on my passing.

Control will be held by a control trust with advisors from the family, trustees and company management. The objective is to have one family person voting the control proxy so there is always someone in charge.

I am most appreciative that my nephews David and Stephen Robinson have been building successful careers in the Rogers companies. Their mother Pat and late father Richard must be as proud, as Loretta and I are, of their progress and success.

I am also proud of Loretta's and my four children - Lisa (our eldest) who has always been a supporter and friend and of whose work in various charitable actives I am so proud.

Martha (our youngest) is such a bundle of happiness. Her training in alternative medicine hopefully will prolong the quality of life for some in our family as well as for many others.

Our daughter Melinda - of whom I am so proud - who is most like me in many respects - both good and bad - is deep into computer technology and business in San Francisco with @Home. I'm thrilled with her progress.

And finally, our son Edward to whom I give full marks for his work in wireless and cable in the United States with Comcast and then Rogers Cable and now, as head of Messaging at Rogers Cantel. Edward is better than I am with people and has demonstrated good judgement and thoughtful perception.

At the end of my turn - Rogers Communications will be run professionally - but hopefully all four children will be active and supportive either in the management or on one of the boards of directors of the companies.

Whether subsequently one becomes CEO of RCI depends on their interest, ability and the needs of the companies at that time.

But, through the control trust - the purpose is for the Rogers family to continue to establish the overall strategic direction of the companies.

On June 21st, 2000 I hope to celebrate the 100th anniversary of my father's birth with our companies demonstrating a multitude of new products based on his traditions, invention and innovation.

My appreciation to our country - for my activities in politics which taught me the breadth of diversity across this country - for Bernie Gosevitz and others who have kept me going despite some medical hiccups - for the grace of God - and the friendship and support of many and the love and tolerance of family.

65 is only the beginning !!!

The Best is Yet to Come !!

Thank you very much.