

**Remarks by Edward S. (Ted) Rogers  
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(CHECK AGAINST DELIVERY)

Thank you for the honour of speaking to the Canadian Club - for that most generous introduction and for the time of all present in attending today. Well over the years Rogers Communications has had its ups and downs. The key to success - even survival - is to come back punching - never give up - move forward. Over the weekend there were some articles commenting on my inability to buy Videotron and forecasting my giving up and selling out in two or three years. Never! We lost! They Won! Next!

And the first next is that I'm happy to announce that over the weekend John H. Tory and I bought 100% of the Newfoundland Cable System - and we're not stopping there! The Rogers family is in the business to stay and grow - let there be no doubt about that! When I last stood at this podium three years ago, the world was a very different place. The TSE stood around 7,400. 12.9% of Canadians used a wireless phone, compared to 28% today. We had 18,000 high speed Internet customers then, today we have 265,000. And Rogers' stock was trading not at \$36.00, as it was five minutes ago, but at \$11.65.

In fact, the pace of change at Rogers is now accelerating so quickly that I couldn't begin to tell you everything that's happened since I last spoke to you on May 25th, 1998. So - I'm just going to tell you what we've achieved in the last few months, and give you a preview of what you'll see from us in the future.

Before I begin though, I want to say a few words about the pace of change. If it seems to be getting faster, that's because it is. As a result, some people despair of ever having a clear view of what the future holds, and acting on its incredible opportunities. Ever since I started this company 40 years ago when still in law school, the communications future has always been challenging. Back then, the new - and risky - technology was FM. Only 5% of Toronto's homes had FM receivers. But I knew FM would work for the same reason Rogers continues to stake its future on new technologies; they create entirely new businesses! That's what our Group has mostly done over the years - start new businesses. Today, FM radio dominates the airwaves in Canada, and CHFI, which I bought in 1960 for \$85,000, is now the most listened-to station in Canada with the largest revenues as well. CHFI is just one of the 30 radio stations under the Rogers banner. The same interest for new technologies in communications led to our involvement in cable television. Again, there was a time when cable was as exotic as the Internet on cellular

phones are today. Rogers was the first company in Canada to offer more than 12 channels, and today we have 2.2 million customers. The same goes for our investment – in upgrading our cable network over the years. What a future! What a fabulous number of new services are coming through the big cable pipe into the home. With Rogers AT&T Wireless, the story is the same: We started it from nothing and built a new enterprise, which is an industry leader. With 2.7 million customers, Rogers AT&T Wireless is not only the largest, but the fastest-growing national cellular company in Canada.

Some of our most important assets were first grown by others, then expanded by us. Rogers' Media division publishes the most famous names in Canadian magazines, including Macleans, Chatelaine, l'Actualite, Flare and 51 others. And we also own CFMT and the Shopping Channel, which is Canada's most profitable e-commerce site, and the Internet properties, ExCite, Quicken and Electric Library Canada.

I'd like to focus now on three areas of our operations that are particularly important to our growth. The first area concerns our debt. In 1998, I made a commitment to move Rogers Communications to investment grade status within five years. Two years into that commitment, we have already improved our balance sheet by significantly reducing our level of debt. Rogers AT&T Wireless became investment grade last April - Rogers Cable was awarded investment grade status last week! Rogers keeps its word. Our holding company status has been upgraded and we are on our way to complete this assignment and keep our commitments. Over the 40 years - with many business challenges and difficulties, no lender to Rogers has ever lost a cent in interest or principal - and we've been through some very difficult and challenging times. Generally speaking, investors in Rogers over the past 20 years have seen their share price increase exponentially. Since my investment grade commitment in May 1998, Rogers share price has increased by over 200%. Most recently, Credit Suisse First Boston included Rogers in their top 8 Global Media Picks.

You may recall that last summer, we finalized agreements with three of the most recognizable brand names in the world: Microsoft, AT&T and British Telecom. In addition to investing directly in Rogers, they are sharing their technological and marketing expertise with us – and we with them. Our wireless service is branded Rogers AT&T Wireless, and in the next few weeks, you're going to hear about a remarkable new interactive television initiative featuring Microsoft software.

And what has our partnership with AT&T and British Telecom brought? Well, lower prices on phones, dramatically reduced fraud losses and the shared technology that's accelerating the build-up of our nationwide digital network. The partnership – and a team of key executives – have also had a direct effect on our wireless company's bottom-line. When Canada's wireless market was expanded from two carriers to four in 1995, there was huge turmoil in the entire sector. We didn't keep the share we hoped we would. But now, we've started to turn that around. The leader of that team, Charlie Hoffman, a veteran of

the highly competitive U.S. wireless marketing wars, is now leading the charge for us in introducing new products, streamlining our processes and really delivering what our customers want.

Now the third matter I want to discuss returns us to our roots in cable. In the Spring, Rogers and Shaw Cable announced a swap of our cable assets. This transaction serves Rogers' strategy of what is called 'clustering' where one cable company can offer service within the vast majority of a geographic area such as the GTA, which is now the largest single cluster of cable assets owned by any one operator in North America. What's the benefit, you ask? Well, clustering helps us operate more efficiently and drives down our costs. At the same time, it lets us introduce new services, such as high-speed Internet access more quickly.

I've deliberately chosen to discuss our stock, our alliances and our clustering this afternoon because they all play a role in pointing our company in the direction of convergence, that most popular of all the new technology buzz-words. If I asked each of you here the definition of convergence, I know I'd get a number of definitions. But to me, convergence is not a static state, like blessedness, nor is it a destination. Convergence is a constantly evolving process as new technologies that we can barely imagine today arrive in our lives to make the technologies of today look pretty clunky and out of date. Now, technology makes it possible to converge other technologies – so you can use your mobile phone to buy stocks, or your digital television to send photos from your recent vacation to your parents. But technology also makes it possible to converge whole other businesses whose essence has nothing to do with technology – but focus on marketing - cross promotion and packaging goods and services at a discount.

We have purchased the Toronto Blue Jays from Interbrew SA subject to Major League Baseball approval. Naturally, we're excited. Big-league sports are excitement. But the reason we're prepared to pay \$112M (US) for the Blue Jays is that word convergence. More and more, the marriage of content and distribution is becoming a key driver for communications companies like Time Warner, Newscorp and Disney who all own major sports properties. Their motivation is the same as ours: it offers revenue-creation opportunities for our existing companies. Obviously, having The Blue Jays as a Rogers company will give us valuable content for our broadcast programming and internet properties. Rogers is currently exploring opportunities with personal video recorders (PVRs). PVRs allow consumers to tailor their own viewing patterns through a set top box. This box has a memory and can record any program that it is instructed to. Research to date has shown that prime time for users of PVRs becomes irrelevant as you can watch your shows when you want to. Secondly, 88% of advertisements in programs recorded on PVRs in this study went unwatched. In an age of PVRs, live news and sports will be the most valuable content as ads in other programming will not be seen if this study is any indicator.

Our investment in the Blue Jays takes on even more meaning in this context. Our relationship with the Blue Jays will also create new opportunities for us to bundle for our customers a whole world of sports tickets, merchandising and programming. The result of all this bundling – which sounds an awful lot like convergence on a different playing field – is increased fan support and greater value for the franchise. The Blue Jays purchase is only the early innings in our bundling of sports and telecommunications. You may recall that Sportsnet, the sports cable channel, was originally developed by Rogers in 1992, who brought together the original partners, including CTV and Molsons and Fox Liberty. But because of CRTC ownership restrictions, Rogers had to settle for a minority position in Sportsnet. Then in February of this year, the CRTC ordered CTV to divest itself of its involvement in one of – either Sportsnet or the only other Canadian sports channel, TSN. It's no surprise that Rogers would like to purchase CTV's interest in Sportsnet – a desire that is bolstered by our right to purchase this interest under the existing shareholders' agreement which itself was blessed by the CRTC when they granted Sportsnet its licence.

But the CRTC has outdated and inconsistent policies that prevent cable companies from owning or controlling analog specialty television channels - but might allow giant Bell to do so. The trend toward integration and convergence that is occurring on a global scale in the communications and information technology sectors makes the CRTC policy irrelevant. Convergence is not a Canadian invention. It is a global trend. In the U.S. today, many of the cable networks such as HBO, CNN, BET, Speedvision and TBS are owned, no surprise, by enterprises which also own cable companies.

The Sportsnet matter also puts on the table the matter of fair, consistent and equitable regulation for all of the competitors in our businesses – cable, satellite and wireless cable. As you know, Bell Canada Enterprises has applied to the CRTC to own and control the CTV Network, including its 11 pay and cable channels. One of these is Sports Channel, and that raises a question of public policy: Through what argument could the CRTC allow BCE to effectively control CTV and its specialty channels like TSN, while at the same time, preventing Rogers from owning Sportsnet. By approving BCE's purchase of CTV without allowing Rogers to own SportsNet, the CRTC would give Bell an additional regulatory advantage over all other Canadian multi-media companies. I can't think of a company in Canada that is less in need of such an advantage than its biggest player, by far, who has \$14 billion in revenues. The CRTC has also given CTV twelve months to sell its interest in Sportsnet while only giving others four months. We think this is too long, and offers an unfair advantage to CTV which owns Sportsnet's larger rival, TSN and, as a result, has little competitive interest in seeing Sportsnet compete. What Sportsnet needs is committed owners who will provide immediate direction and support, the very things CTV's ownership removes. Sportsnet needs support from Paul Godfrey who is responsible for all of Rogers sports interests - including our ambition to bring an NFL team to Toronto in conjunction with supporting the CFL.

I want to end my remarks today by talking a little bit about our future. While I can't tell you everything that we are working on, I can tell you, there will be more products and services than ever, coming at you faster than ever. We've been working closely with Microsoft on developing interactive television. We've just launched it this month, and it lets you browse the web and send and receive e-mail from your TV set instead of having to use your computer, which may be at your office, or being used by your children. Rogers Interactive Television is another example of convergence. Today, you can access your e-mails and browse the web from your mobile phone, your computer, and now your television. Pretty soon, you'll be able to enjoy this same access from anywhere you happen to be – on your cell phone. In the next year or so, interactive television will be able to offer you more services, just as the level of services you can get on your mobile phone today is much richer than you could three years ago. So the next generation of interactive television applications include playing your favourite game show in real time along with the contestants in the television studio, or letting your kids chat on-line while they're watching Buffy the Vampire Slayer.

Interactive television will let us watch Tiger Woods win another tournament, and at the same time get all of his tournament scores and other information on all the players and even buy a souvenir poster, without leaving our chairs and while continuing to watch the television broadcast at the same time.

But the world of digital convergence is not limited to video and television. In the future, Rogers Radio listeners, through the use of digital radio, the Internet and Rogers wireless devices, will be able to customize their listening experience with specialized audio and data features unique to their needs. Our publishing and interactive media groups will introduce all kinds of new products for their consumer, trade and medical audiences. Next month alone, our Business Information Group will launch 16 new web businesses aimed at manufacturing, retail, marketing and travel industries. Our Medical Education Network, which has already grown to be a global medical database, will launch early next year, an electronic database service for pharmaceutical companies.

Rogers iMedia, our interactive media group, will soon launch a whole new range of products aimed at women and post-secondary students. Today's Parent Online, a community site for parents and grand-parents, will launch in January, while Chatelaine.com, which already gets two million page views each month, will introduce its much expanded site early next year as well. At Rogers AT&T Wireless, we are now able to provide e-mail and text messaging and deliver short message information such as traffic, sports, stocks, weather and horoscope on your wireless phone. We'll be able to offer banking, e-commerce applications and unified messaging on the display screen of your phone.

In the final analysis, what Rogers has always been about is to find a need that people have and try to fill it. That was, and is true of FM radio, cable, wireless phones and now Internet access and content. But in an age of rapid change and an overwhelming quantity of new technology, another need we are filling is to sift through that technology, to make it easy to use and, in a complex world, make life just a bit simpler for often overburdened Canadians.

That is why, these days, I am investing quite a bit of my own time in making convergence a reality for our customers – something that really will make things a bit easier for them. One of the first tangible results of this work is the fabulous VIP program. Those who join the plan, receive 10% off their cable services, as well as 10% off our high speed @ home service, Rogers video, Rogers AT&T wireless services, Shopping Channel purchases and Radio Shack branded merchandise. It's unique. Almost 500,000 people have signed up for this program and they have done it for some very simple reasons: great value and the convenience of one-stop type shopping. As successful as VIP has been, we're not stopping there. Soon, purchasers of multiple Rogers products such as wireless and cable will be able to receive one bill and call one phone number for customer service. All of this is being made available to our customers on-line at our Rogers.com website where most of our products can be purchased and, in the coming months, more and more of our customer service transactions will be available for online self service on the website.

At the same time we are working to ensure that our customers can have one e-mail address they can use on their PC, their wireless devices and through their television set. Great value, convenience, simplicity and helping people get the most out of new technologies. That's what we're working on at Rogers and that's how we hope our millions of customers will know us.

In summary Convergence is technical – TV's and computers coming together – all sorts of portable services including cellular phones combining with computers to offer services anytime and anywhere. Convergence is co-marketing consumer products such as Rogers offering the full range of communications products: wireless, local telephone, long distance cable television, and high speed internet services in affordable bundles – with one bill and one point of communication. Convergence is not building conglomerates of unrelated businesses; convergence is not necessarily combining true content with distribution – does a newspaper want its content exclusive on one distribution channel or as widely available as possible through all distributed channels to promote the paper – its content and brand?

And as I always say, the best is yet to come. Thank you.