Rogers

The 65th Annual Report

1984

Rogers Cablesystems Inc.

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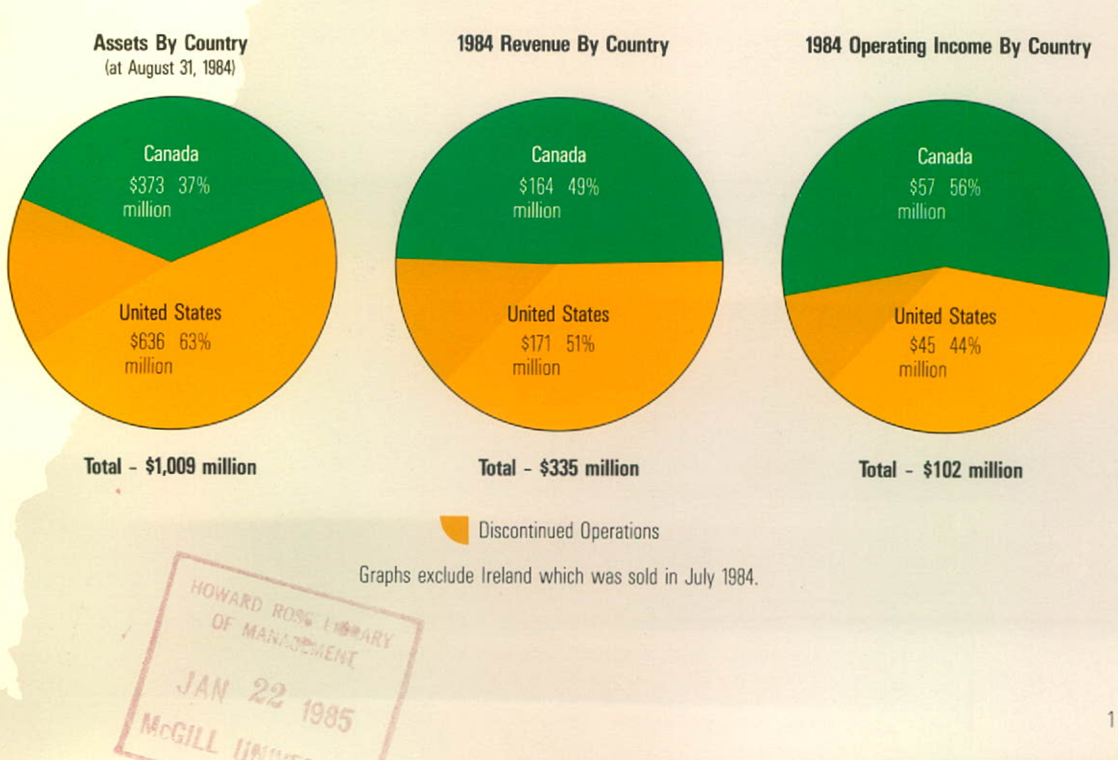
Highlights of the Year 1984

	1984	1983
For the Year ended August 31	thousands of dollars or per share	
Revenue	**$ 294,779**	$ 250,561
Operating income	**93,836**	84,984
Loss from continuing operations	**16,332**	14,038
Income from RUAC operations not retained	—	(3,919)
Loss from discontinued operations	**10,171**	4,947
Loss for the year before extraordinary item	**$ 26,503**	$ 15,066
Loss Per Share - from continuing operations	**$ 0.86**	$ 0.79
- before extraordinary item	**$ 1.31**	$ 0.84
- Net loss	**$ 1.48**	$ 0.84
At August 31		
Total assets	**$1,009,383**	$ 914,385
Long term debt	**762,443**	637,365
Shareholders' equity	**128,015**	153,891
Subscribers on service	**1,912,237**	1,887,452

Description of Business

Rogers Cablesystems Inc. is one of the world's largest cable communication companies. With holdings in Canada and the United States, it has an interest in cable systems collectively serving over 1.9 million subscribers. The company is involved exclusively in the cable industry and in the provision of associated entertainment and information services. Its operations are concentrated in major metropolitan areas and consist of large, recently constructed or substantially rebuilt cable systems.

Segmented Information



Graphs exclude Ireland which was sold in July 1984.

HOWARD ROSS LIBRARY OF MANAGEMENT
JAN 22 1985
McGILL UNIVERSITY

John W. Graham, Q.C., Chairman of Rogers Cablesystems Inc. and **Edward S. ''Ted'' Rogers,** Vice Chairman and Chief Executive Officer.

From The Chief Executive Officer

The Company's consistent objective has been to own and manage a small number of large urban cable clusters in North America, each cluster potentially serving many thousands of cable subscribers. This strategy provides economies of scale, facilitates professional management and permits more local direction and decentralization than is otherwise possible. Since 1979 the Company has moved aggressively to develop such clusters and has experienced substantial growth.

We intend to continue this focus on clustered cable operations. In this regard, during fiscal 1984, the Company sold several properties, including cable systems in Ireland and Ontario, which were geographically unrelated to other operations. Shortly after fiscal year end, the Company also sold its interest in Northwest Sports Enterprises Limited. In the near future, the Company will offer for sale its cable television operations in Syracuse, New York, and in Southern California, with proceeds used to retire long-term debt in the parent company and its associated subsidiaries. As a result, we are carrying these systems as discontinued operations in the financial statements.

During fiscal 1984, the Company's continuing operations added over 100,000 basic subscribers. Total revenues increased 18% to $295 million. Operating income, however, only increased from $85 million to $94 million which was insufficient to meet increases in depreciation and interest generated by the substantial capital investment program of the past few years. We anticipate that operating income in 1985 will increase by an amount equal to the interest and depreciation on the new assets employed, an important milestone in our development program. We also anticipate marked increases in cash flow over the coming years as the Canadian systems are permitted realistic basic rate increases, and as the U.S. systems mature.

Although we have accomplished much, the expansion program has not been easy and much remains to be done. We have passed through the most severe economic recession since the 1930's while witnessing interest rates that at times exceeded 20% on an annual basis. While the cable industry in general has been vulnerable because of the capital-intensive nature of the business, our own expansion has been particularly challenging since we have had to finance state of the art technology as well as the high operating losses that are inevitably associated with the early stages of new cable development in the U.S. As well, we have made major investments in Canada to support the introduction of pay television and the satellite specialty channel tiers.

Development of the new systems has required the application of much management time and resources and we have had to face construction, operating and franchise conditions that were not always ideal. Problems in the United States have included unusually high underground plant construction costs in certain areas, market development taking longer than expected and the failure of certain new services to generate revenues.

In Canada, the results for the year continued to suffer from low basic cable rates, the cumulative effect of several years of federally mandated constraints on rate increases. However during the year we began to see signs of improvement. Substantial increases were awarded in our cable systems in Brampton and Mississauga, Ontario. Shortly after the fiscal year end, similar increases were awarded for the Vancouver, Victoria and Fraser systems in British Columbia. These increases begin to address the declining return on basic cable investment arising from the regulatory constraints. They also indicate a recognition by the regulator that the price of basic cable must rise if the industry is to maintain its role in the broadcasting system.

A second area of difficulty for Canadian systems has been the relatively weak performance of pay TV in its first full year of operation. This is attributable to high retail prices, product and packaging weaknesses and a resulting perception by the consumer of poor value. While the Company has been able to market pay TV effectively, such negative perceptions have resulted in an unacceptably high level of disconnections, which have eroded pay TV

margins. However management expects that the pay TV situation will improve following the introduction of new specialty services and combined pay TV-specialty packages. Our initial experience in packaging these services with pay television has been good although sales of the specialty channels as a separate tier have been disappointing. It is anticipated that this tier will be significantly expanded by the addition of distant Canadian stations and more U.S. satellite services. Such U.S. services are already available to Canadians with outdoor satellite receivers and the cable industry must be able to offer such services to compete effectively.

As a result of such factors we are reporting a loss from continuing operations of $16.3 million in fiscal 1984 compared with a loss of $14.0 million the previous year. The loss from discontinued operations in 1984 was $10.2 million, compared with $4.9 million in 1983. We anticipate operating at a further loss in 1985 before the Company returns to profitability. There should however be no impact in the 1985 fiscal year from discontinued operations.

During 1984 we have taken several measures in the United States to address our growth problems including the implementation of aggressive rate increases, the reduction of expenses and the renegotiation of onerous franchise commitments.

With respect to its overall financing arrangements your Company has made considerable progress. Our Canadian subsidiary has arranged long term fixed rate public debt financing on favourable terms. As the cash flow in this company continues to grow, it will be able to provide additional debt capacity for system rebuilds and an anticipated move into broadcasting in Canada in subsequent years.

Our United States subsidiary, Rogers Cablesystems of America, Inc. arranged long term financing in 1984. The parent company has also arranged additional financing in order to make equity investments in some of its other U.S. cable systems. As described above, we also anticipate repaying parent company debt by the sale of certain U.S. cable properties over the next eighteen months.

In fiscal 1984, we used tax oriented techniques to raise equity from the public in the form of tax advantaged limited partnerships for the Minneapolis and suburban Portland franchises in the United States. This raised over U.S. $30 million of equity for these cable systems. In addition, in fiscal 1984, the Company sold unused research and development tax benefits in Canada totalling approximately $4.5 million, realizing $2.2 million in cash. We have increased the proportion of the Company's consolidated long term debt which is at fixed rates for one or more years to approximately 80% in 1984.

In conclusion, this has been a difficult year in which we have been called upon to resolve a series of challenging problems in order to move forward. I would like to personally thank our employees for their excellent performance in meeting these challenges, our bankers for their support and our shareholders for their patience. As controlling shareholder as well as Chief Executive Officer, I am committed to the an orderly reduction of corporate indebtedness to support our emphasis on performance and profitability. Over the past five years, management has brought together some of the most unique cable properties in North America. Now we intend to demonstrate our ability to make them perform fully.

Ted Rogers.

Edward S. Rogers
Chief Executive Officer

Review of **O**perations

"We have adopted a back-to-basics approach to system management, but without sacrificing technical excellence and quality – in personnel and service."

Colin D. Watson
President and
Chief Operating Officer

REVIEW OF OPERATIONS

Review of Canadian Operations

Overview

The Company's Canadian systems are located in the Provinces of Ontario, British Columbia and Alberta.

There are two principal system clusters in Ontario. These are in the Greater Toronto area, serving Metropolitan Toronto, Mississauga, Brampton, Oshawa and Newmarket, and a group of systems in Southwestern Ontario, serving London, Kitchener, Brantford, and Hamilton. Each of these two clusters is interlinked by microwave and increasingly function as unified operating units. The Company also owns and operates an individual system in Cornwall.

There is one cluster of systems in British Columbia which serves the Greater Vancouver area and encompasses about three-quarters of the homes in the lower mainland region. All of these systems are linked together by microwave. In addition the Company owns individual systems in Victoria, British Columbia and in Calgary, Alberta.

"Your company has a 25 year franchise for the rights to Telemeter, the pay-as-you-see coin box device which can be attached to a television set enabling viewers to see special programs such as sporting events etc., not shown on regular tele-vision channels."

1952 ANNUAL REPORT

An ongoing upgrading process has been taking place throughout the Company's Canadian systems. This process, which has increased the channel capacity as well as the overall performance and reliability of the systems, is nearing completion. In some areas, the upgrading has involved the introduction of new amplifier modules in existing plant. In other areas the plant has been entirely rebuilt. The process will result in a minimum of 35 channel capacity in the principal system clusters with systems providing higher capacity in some areas.

Rate Increases

Fiscal 1984 has been the second full year in which limitations on basic cable rate increases have been in effect. Following the 6% and 5% ceilings applicable in 1983 and most of 1984, the 1984 federal budget proposed an extension of price guidelines, creating a ceiling of 4% for cable rate increases. Under the current policies, this ceiling will remain in effect until July, 1985. As a result, rate increases of 4% were obtained for most Ontario systems during the year but, since these increases only took effect in July, their overall impact on 1984 results has been minimal. Higher rate increases, which averaged $1.40 per subscriber, were obtained for the Brampton and Mississauga, Ontario, systems under an "exceptional circumstance" ruling. However in Western Canada, the Company's Calgary system was awarded an increase of only 2.5%

Subsequent to the fiscal year end, rate increases of approximately $1.50 per month were awarded for the Vancouver, Victoria and Fraser systems in British Columbia following exceptional circumstance applications made by the Company. These increases represent a significant departure from the trend of recent years and are an encouraging sign. Moreover the CRTC has moved to speed up the evaluation process for rate increase applications, which should have a continuing remedial effect.

Capital Expenditures

Capital expenditures during the year in Canada totalled $57 million. Of the total approximately 40% was required for system rebuilding and general upgrading purposes and the remaining 60% was required for special purposes. In the latter half of 1984, the Company undertook accelerated system upgrading involving the expansion of channel capacity and other headend improvements. Capital expenditures in 1984 included $22 million in pay TV equipment, primarily for addressable converters/descramblers. The Company has now installed, or has available for installation, sufficient addressable units to accommodate approxi-mately 25% of all basic service subscribers.

The year's capital expenditure program substantially completes an intensive period of system upgrading. As a result of expenditures over the last three years, the Company has significantly enhanced the capabilities of its Canadian systems, a necessary prerequisite to increasing per subscriber revenues. It is anticipated that, following completion of this program, future capital requirements will be less onerous.

Converters

The Company's converter rental business is changing in response to market developments. As the use of cable-ready TV receivers increases, demand for the standard corded converters has been declining. To counter the effect of this, the Company has been aggressively marketing the Zenith Z-Tac, an improved cordless product which features volume control. During the year the number of corded converters in the field declined from 97,000 to 44,000 while over 83,000 new converters were introduced as part of an aggressive change-out program. The substitution of new converters has resulted in a net increase in converter revenues for the year.

Pay Television

This has been the first complete year of pay TV operations in Canada. At fiscal year end overall pay unit penetration stood at 11% of basic subscribers. During the year, the high level of pay TV subscriber churn became a major problem. In effect, since the introduction of pay TV in February 1983, while your Company has successfully marketed pay TV to approximately 30% of basic subscribers, it has only retained one third of these as ongoing pay TV subscribers. This has been a costly and frustrating experience. As a result, pay TV has caused the Company a multi-million dollar loss in fiscal 1984.

Several factors have contributed to this disappointing performance of pay TV. A key problem is that license conditions attached to the pay TV networks have resulted in an inferior service. These conditions cause an excessive wholesale price in order to finance Canadian production. They also result in Canadian product scheduling and repeat formulae that do not satisfy the demands of subscribers. In addition, the Canadian pay TV business has suffered from a poor public image. Following the early bankruptcies of C-channel and the regional network Star Channel, the economic foundation of pay TV became generally unstable, necessitating a refinancing of the foundation service First Choice and its subsequent consolidation with the remaining service, Superchannel. The consequence of these developments has been a dramatic shrinkage in the variety of pay services available to cable subscribers.

"The introduction of multi-channel converters, enabling the reception of additional channels, and other developments in the cable television industry..., gives every indication that the coming year will be one of further improvement."

1973 ANNUAL REPORT

Specialty Services

In addition to licensing the Canadian specialty services, The Sports Network and Much Music, during the year, the Canadian Radio-television and Telecommunications Commission (CRTC) authorized cable distribution of certain non-competing U.S. specialty services. The new services were introduced into all of the Company's systems on a free preview basis in September, 1984. A variety of packages is offered including a Canadian "three-pack", which features the First Choice-Superchannel pay TV service and the two Canadian specialty services. A full service package has been successful which offers all of the authorized Canadian and U.S. specialty services with pay TV. The new Canadian services are also available on a stand-alone basis, but sales have been disappointing. We believe this will improve when the industry is authorized to market a competitive tier of fifteen to twenty satellite services which would include the most popular U.S. services.

The new services were introduced at the same time that the pay TV services First Choice and Superchannel were consolidated. This consolidation resulted in a loss to the Company of approximately 14,000 pay units, representing those subscribers formerly taking both services. However this loss has been offset by an increase in the penetration of the remaining pay TV service, attributable to the introduction of combined specialty-pay TV packages. An important objective for the industry is to further increase the number and variety of specialty services offered to subscribers.

"Continuing its forward looking policies, your Company is now installing in the Imperial Theatre in Toronto the Paramount Theatre television system for the transmission of television to the motion picture screen. This is the identical equipment now being successfully used in the Paramount, New York."

1947 ANNUAL REPORT

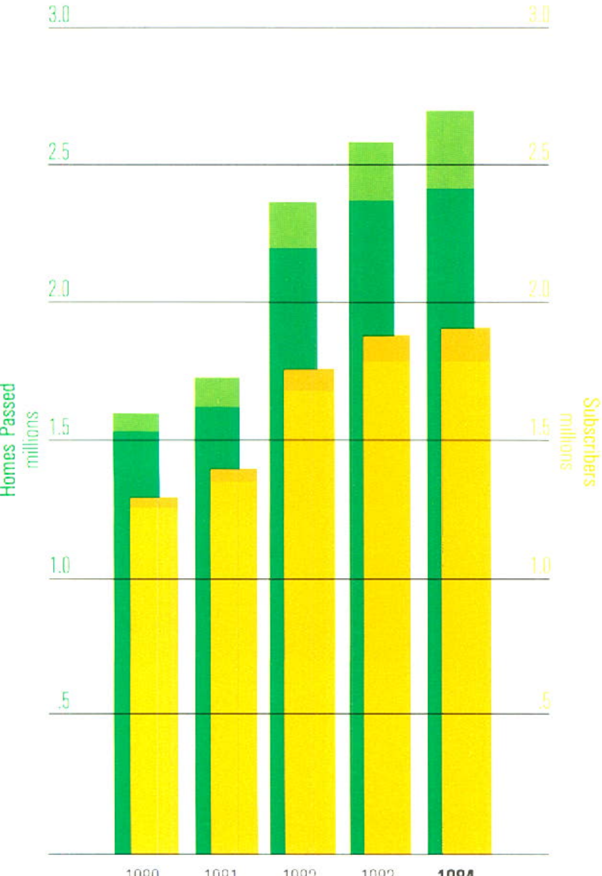
Review of U.S. Operations

Overview

The Company's U.S. systems are organized into seven operating groups. Four of these are large systems or system clusters which are geographically contiguous. These include systems located in the Greater Minneapolis, Minnesota area ; the Greater Portland, Oregon area ; the Greater San Antonio, Texas area and parts of Orange and Los Angeles Counties in Southern California. These four clusters contain two-thirds of the Company's U.S. subscribers and more than 80% of the homes in the Company's franchised areas. Two other operating groups control scattered systems located in the southwest and southcentral states. The seventh consists of a system serving the City of Syracuse, New York. The Company has determined that the Southern California and Syracuse groups are to be sold.

The individual systems are in various stages of development. Some are fully developed, having been constructed several years ago and having achieved mature levels of market penetration. Examples include San Angelo, Laredo, and Gainsville, Texas ; Fort Smith, Arkansas; Yuma, Arizona and El Centro, California. Others have only recently completed construction, and are now building market penetration, such as the suburbs of Minneapolis, the City of San Antonio and the City of Portland. A final group includes the most recently awarded new franchise areas in the City of Minneapolis and the Portland suburbs, which are still under construction.

Excluding discontinued operations, a total of 1.0 million homes are located in areas franchised to the Company in the U.S. At fiscal year end over 850,000 homes were passed by cable and approximately 454,000 basic subscribers were on service, resulting in an average basic penetration of over 53%. These subscribers were taking almost 600,000 pay TV services resulting in an average pay-to-basic penetration level of 132%. Total revenue from the U.S. for the year was $126 million. This translates to an average revenue of $26 per U.S. subscriber per month. It is worth noting that four years after commencing our U.S. expansion program, the Company is already generating close to half of its total revenue stream from the U.S.



The Year's Events

This has been an extremely busy year for U.S. operations with construction proceeding rapidly and reaching completion in several of the recently franchised areas. During the year intensive marketing programs were in effect in all areas resulting in substantial growth in the subscriber base. Approximately 87,000 basic subscribers and 126,000 pay TV services were added. Pay penetration in the urban systems ranges from a low of 131% in the Portland, Oregon system to a high of 178% in Minneapolis, Minnesota.

On the expense side, we have faced significant increases in the wholesale price of satellite services and in copyright charges. A number of satellite services that were formerly free have instituted service charges during the year. These include the Weather Channel, ESPN (Sports), MTV (Music) and Arts and Entertainment. Notwithstanding these external changes, we are seeing an improvement of the overall predictability of operating expenses as more of the new systems approach maturity.

This has been the first full year of operation subsequent to the division of Rogers UA Cablesystems, Inc.(RUAC) During the year the

RUAC systems were successfully integrated with the Company's other U.S. systems under common management. We have begun a broad upgrading program in several of the RUAC systems. These systems are in "classic" cable markets and have typically achieved high basic service penetration but low pay TV penetration. By adding new services and aggressively marketing discounted multi-pay packages, we anticipate that pay penetration in these systems will be considerably improved.

A key element of the business has improved significantly during 1984, with most of the Company's systems successfully implementing rate increases, the effect of which will become more apparent in 1985. Across the country we are seeing the price of basic cable and remote control converter service moving towards a uniform U.S.$17 per month while pay TV subscriptions stabilize at the U.S.$10 to U.S.$12 range. An important regulatory development, the passage of comprehensive cable legislation by Congress, also took place shortly after fiscal year end. Among other things this legislation will end cable rate regulation in two years.

We have begun an intensive re-examination of franchise ordinances to determine how certain service commitments in the new systems may be more efficiently honoured. The Company's system managers are working with their respective City authorities to review plans in light of the specific economic potential of each cable market. In some cases we have been able to achieve significant savings through substitution of alternative programs. In others we have been able to defer programs or have obtained relief.

The Company's overall profile in the U.S. cable industry continues to grow. During the year Philip B. Lind, Senior Vice-President, was elected to the Board of Directors of the National Cable Television Association (NCTA). This represents an important opportunity for the Company to participate in shaping the future of the industry in the U.S.

On the programming side, we have once again excelled in our performance with individual systems nominated for several ACE programming awards and winning three.

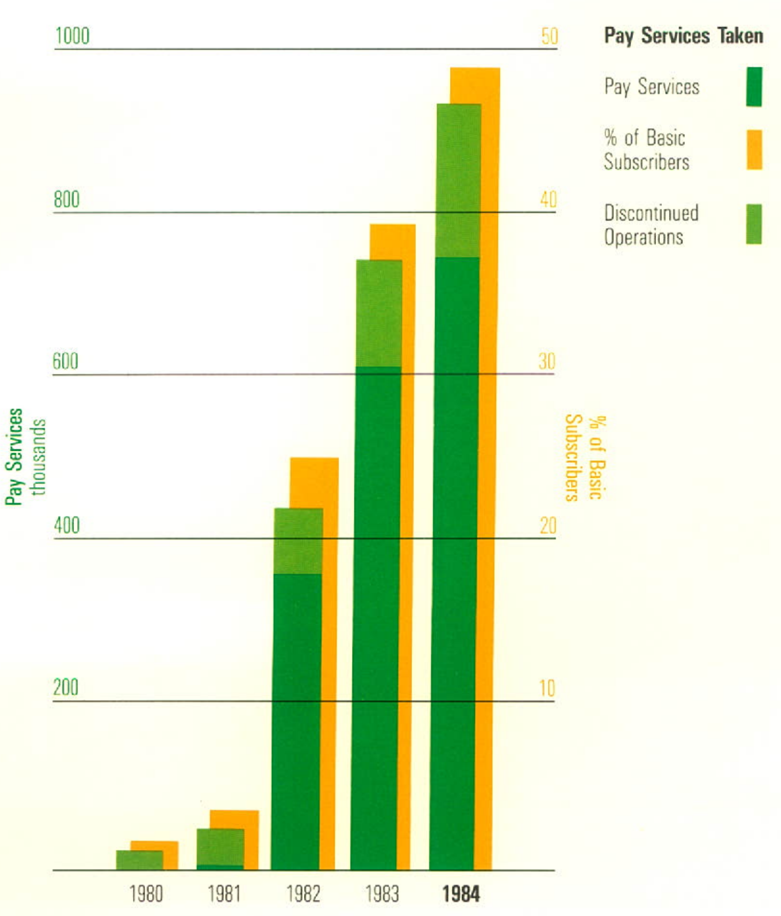
"There are now more than 200 community antenna systems in Canada serving approximately 140,000 subscribers. As this business is closely allied to the Television and Theatre business, your Directors feel that investments in it will be fully justified."

1958 ANNUAL REPORT

Greater Minneapolis, Minnesota

The Company's franchised areas include 170,000 homes in the City of Minneapolis and 60,000 homes in five contiguous suburbs. The Minneapolis City system is currently under construction whereas the suburban system was completed in 1983. The two systems will eventually be linked together to facilitate regional communications.

In Minneapolis, construction proceeded ahead of schedule during the year exceeding commitments to the City. A 120 channel, fully interactive cable system is being built in the City featuring four separate service tiers and most available pay TV and satellite services. By fiscal year end over 450 miles of cable had been installed and activated, completing close to half of the system. Cable service was available to



"In addition to co-operation in the various Victory Loan Drives, your Company's theatres have rendered full assistance to all other Government committees having to do with prosecution of the War Effort. Through special free morning shows, hundreds of tons of scrap metal, fats, paper, rubber, etc., have been collected."

1944 ANNUAL REPORT

approximately 73,000 homes and had been actively marketed in many areas. Almost 25,000 basic subscribers were taking service by year end, representing approximately 34% of homes passed. Pay to basic penetration of 175% was achieved, resulting in an average per subscriber monthly revenue of U.S.$29.45.

The Southwest suburbs are served by a single cable, one-way addressable system offering 54 channels. A multiple-hub design has been implemented involving over 700 miles of plant. Approximately 26,000 subscribers were taking basic service by year end, an increase of 3,000 during the year, bringing basic penetration to 45% of homes passed. Pay penetration has been maintained at 160% of basic subscribers. During the year basic rate increases of 15% were implemented, raising the price of basic service to U.S.$12.00. In addition, the Disney channel was launched and by year end this new service had achieved a penetration of 12%. These developments have helped to raise the system's average monthly per subscriber revenue to approximately U.S.$27.30.

Greater Portland, Oregon

The Company's systems in Oregon pass 117,000 homes in the City of Portland and will pass 72,000 homes in adjacent East Multnomah County. Construction of the City system was completed during the year. The system uses dual cable and is fully interactive and addressable. Over 45,000 subscribers were on service at fiscal year end representing a basic service penetration of 38%. Construction of the County system is in progress and by year end more than 300 miles of plant had been activated, or approximately half of the projected total. The system uses single cable 450 mhz technology providing 60 channels of service. More than 32,000 homes were passed by cable and over 14,000 subscribers were on service at fiscal year end.

The initial operating results in the City of Portland have been weak in comparison with those of the contiguous suburban system and the Company's other systems. The area was hard hit by the 1981-1982 recession and has yet to recover fully. Both basic and pay TV penetration levels have been lower than anticipated and the system has a comparatively high percentage of basic-only subscribers. Approximately 59,000 pay TV services had been sold at fiscal year end representing an overall pay TV penetration level of 131%.

The City system will introduce an economy service tier to help increase its basic penetration. It has also reorganized its service department to improve its ability to respond to subscriber inquiries. A product-oriented marketing strategy has been adopted designed to increase awareness of program choices available via cable. It is anticipated that these measures will help improve overall system performance in 1985.

To address the financial shortfall being experienced by the system, the Company has implemented rate increases during the year. Basic service has been increased to U.S.$12.95 and pay TV to U.S.$10.00. Further increases may be necessary in 1985. The Company has worked with the City of Portland to readjust some of the franchise conditions to the economic capability of the system. A plan has been approved which will defer supplemental access payments and certain local origination expenses, resulting in a cash deferment of over U.S.$3.7 million over a six year period.

Initial operating results in the suburban East Multnomah County system have been significantly better than in the City itself. The area is considered a good cable market and high subscriber penetration is anticipated when marketing is complete. The initial response to cable has been strong and pay TV penetration at fiscal year end was approximately 160%.

Greater San Antonio, Texas

At fiscal year end the San Antonio system passed more than 368,000 homes in the City of San Antonio and 23 surrounding communities, having passed approximately 70,000 new homes in fiscal 1984. The system has been under construction for almost five years and during 1984 all construction commitments specified in the original franchised were completed. Construction is continuing at a rate of 12 miles per month to accommodate population increases. San Antonio is a thriving

sunbelt City characterized by a stable economy and highly effective and responsible local government. These factors are contributing to a rapid growth rate which is expected to continue in the coming years.

At year end a total of just under 200,000 basic subscribers were on service, representing an increase of almost 22% over 1983 and raising basic cable penetration from 48% to 54%. In physical size San Antonio is now the second largest single system in the U.S. with more than 3,200 miles of plant in operation. It is the third largest in number of subscribers. During the year the entire plant was upgraded from 36 to 41 channel capacity.

The system has achieved excellent results in marketing pay TV. During the year the launch of two additional pay TV services, Cinemax and The Movie Channel, resulted in the sale of some 13,000 new pay subscriptions in a five week period. These services were launched in conjunction with the introduction of Zenith Z-view interactive-addressable converters, an industry first, which will permit impulse pay per view services to be offered in 1985. Pay subscriptions increased during the year by almost 15%, to a total of over 333,000 units, and pay penetration has stabilized at 167% Approximately 84% of basic subscribers buy pay TV and almost two-thirds currently take more than one pay TV service.

The San Antonio system has been subject to a five year basic rate freeze ending in December, 1984. During the year most pay TV rates were increased to U.S.$10.00.

Southwest U.S. Group

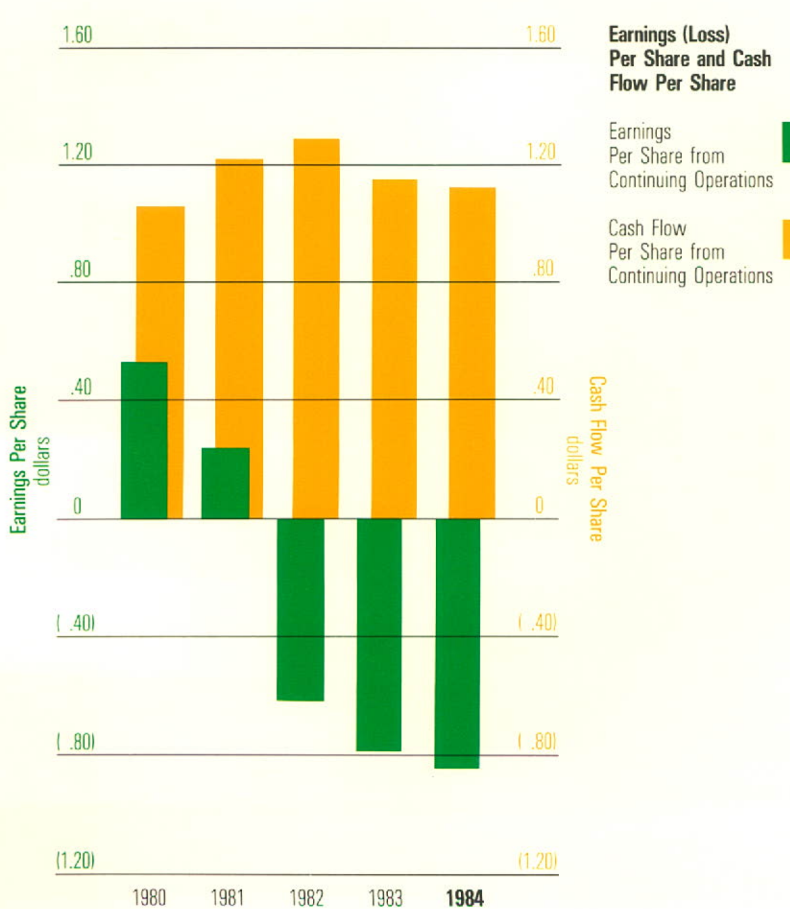
The Southwest U.S. operating group includes systems serving the cities of Alamogordo, New Mexico; El Centro, California and Yuma, Arizona. These systems pass approximately 64,000 homes and serve a total of 45,000 basic subscribers. Originally constructed in the 1960's with 12 channel capacity, the systems have all been upgraded and by mid fiscal 1985 will provide 35 channel service. Basic penetration in these systems is high, ranging from 62% in Yuma to over 94% in Alamogordo.

Pay penetration is being increased in the Southwest systems by upgrading capacity and adding new pay TV services. During fiscal 1984 three additional pay TV services were added to each of the systems and by fiscal year end pay subscriptions stood at over 30,000 representing a 28% increase over fiscal 1983.

> "To take advantage of future opportunities, the company must be prepared to sacrifice some short term consideration for long term benefits. Costs of development in all areas are high, yet these must be absorbed if the company is to become a major factor in the communications area."
>
> **1980** ANNUAL REPORT

During the year a major system upgrade was completed in El Centro, expanding capacity and making possible the introduction of a 7 channel expanded service tier which will be implemented in fiscal 1985. It is anticipated that this will bring operating results in El Centro into line with the other systems in the group. All three systems introduced addressable converters during the year and a total of over 7,000 units were in the field by year end.

Substantial rate increases were implemented in each of the systems in fiscal 1984. Basic and pay service rates were each increased by U.S.



$1.00 in Alamogordo and Yuma and by U.S.$2.00 and U.S.$1.25 respectively in El Centro. Further increases are planned for fiscal 1985 which will raise the price of basic and pay service to approximately U.S.$12.00 each. The rate increases, in conjunction with the higher pay penetration, have raised the average monthly per subscriber revenue in 1984 to approximately U.S.$20 for these systems.

Southcentral U.S. Group

The Southcentral U.S. group includes several clusters of systems in Texas, Arkansas, Oklahoma and Tennessee. A total of almost 135,000 homes are passed by these systems with over 100,000 basic subscribers and an average basic penetration for the group of 74%. Penetration in the individual systems varies from a low of 62% in Laredo, Texas to a high of almost 85% in McAlester, Oklahoma. The systems are primarily located in classic cable markets and were constructed with 12 channel capacity in the 1960's prior to the recent wave of new cable construction. Pay TV penetration is low, averaging 69% of basic subscribers in 1984, since many of the systems were able to offer only one pay TV service. This results in comparatively low per subscriber revenue levels.

"The plan includes the sale of Company interests in non-cable businesses consistent with corporate determination to concentrate exclusively on controlled cable operations. The recent sale of the Company's Famous Players interest underlines the Company's 'pure cable' profile."

1981 ANNUAL REPORT

A major program of rebuilding is underway which is expanding channel capacity in these systems and permitting the introduction of multiple pay services and attractive service packages. Minimum capacity in the group is now 22 channels. During 1984 four additional pay services were introduced in a variety of packaging combinations in the Laredo system. The launch proved highly successful, resulting in a 38% overall increase in pay subscriptions over 1983. Similar results were obtained in San Angelo, Texas, where two new pay TV services were introduced. Effective packaging has been the key to this success, allowing systems to tap the significant percentage of subscribers willing to spend comparatively large amounts on cable services.

The upgrading process has already generated good results, increasing overall pay subscriptions within the group by almost 19% in the 1984 fiscal year. In 1985 additional rebuilding and service expansion will take place simultaneously in several areas. These include the Tennessee and the Arkansas groups. Further upgrading is also planned in San Angelo and Gainsville, Texas.

Southern California

The Company's systems in Southern California are located in Los Angeles and Orange Counties and serve a total of 12 individual Cities plus unincorporated areas. Technically, the cluster of systems is operated as one integrated entity using multiple channel AML microwave links between local headends and hubs. For management purposes in 1984, the Southern California systems were organized into two groups to achieve operating efficiencies. The first group serves approximately 166,000 homes in the contiguous communities of Huntington Beach, Fountain Valley, Westminster, Stanton, Los Alamitos, Garden Grove and unincorporated areas in Orange County. The second group serves approximately 85,000 homes in the contiguous Cities of Downey, Bell Gardens, Lynwood, Paramount, Santa Fe Springs and La Mirada, all in Los Angeles County.

In the Orange County group, approximately 60,000 subscribers were on service by fiscal year end, representing a basic penetration level of 44%. Pay TV penetration had stabilized at 175% of basic subscribers resulting in average per subscriber revenues of U.S.$29.00. In the Los Angeles County group, approximately 26,000 subscribers were on service, representing a basic penetration level of over 36%. Pay TV penetration had reached 187% of basic subscribers resulting in average per subscriber revenues of approximately U.S.$30.00. The performance of these systems illustrates the fundamental strength of demand for pay TV in the area. The excellent pay TV results achieved by the Company represent

some of the highest pay-to-basic ratios in the U.S. cable industry.

The technical development of the Southern California systems has been difficult and expensive for the Company. A large proportion of construction has been underground, resulting in considerably higher costs than initially anticipated and a longer construction period. Moreover franchise ordinances in the area have been generally demanding. As a result, the per subscriber cost of the overall systems has been exceptionally high, creating a significant drain on the Company. Further investment of between U.S.$12 and $15 million will be required for the completion of this group.

However the area has proved to be a good cable market generating high per subscriber revenues. Rates for basic and pay TV service are generally higher than elsewhere in the country and the Company is implementing a rate increase program to compensate for the higher than expected capital and operating costs. As in its other markets, the Company is working with the Cities to reassess the implications of certain franchise ordinances in light of economic factors. The relationships with local regulatory authorities have generally been excellent. During the year a five year extension of the franchise for the Dickinson Pacific system was awarded to the Company. The present franchise agreement will now extend to the year 2004.

Fiscal 1984 saw the completion of primary construction in much of the California area. System marketing emphasis is now shifting from a "new build" to a "re-market" mode. Marketing emphasis for 1985 will focus on the value of the basic cable package in an attempt to penetrate the more resistant market segments. Other major developments during the year have included the completion of a microwave link from the central headend site at Garden Grove to the Los Angeles County reception site. This link replaces a costly headend in Los Angeles County, streamlining the technical design of the overall system cluster. Subsequent to year end, the Company triggered a buy/sell clause in the Dickinson Pacific Partnership Agreement whereby Rogers will purchase the remaining 50% it does not already own.

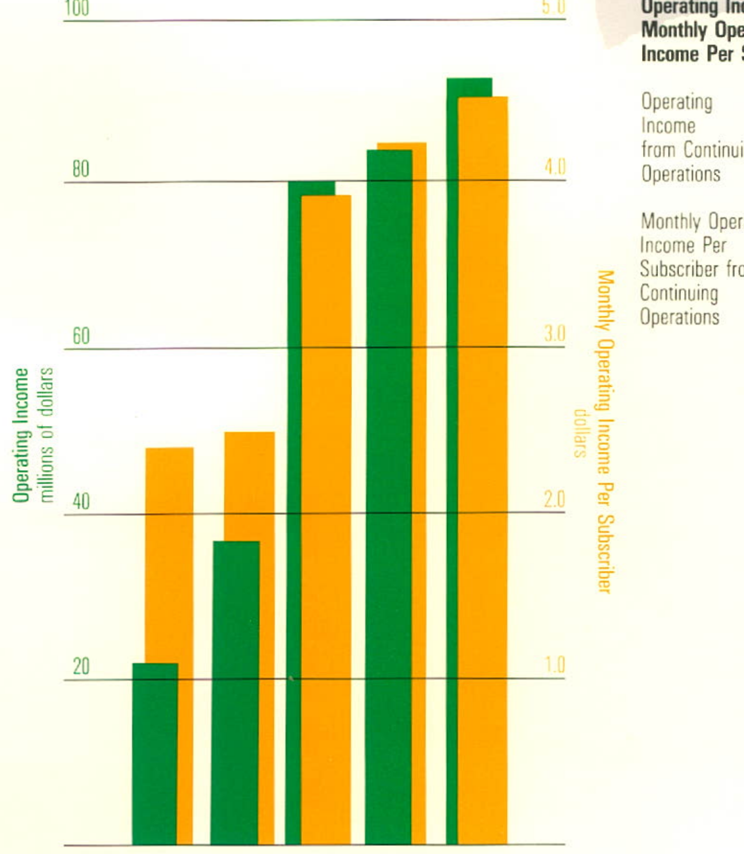
"The phenomenal success of Cinerama in a New York theatre has awakened an intense interest in a new dimension for motion pictures. Following Cinerama's highly successful presentation came the profitable showing of a picture produced in stereoscopic 3-D which required the use of special glasses. The widespread interest in three-dimension is one of the most striking developments in the motion picture business in years."

1951 ANNUAL REPORT

Syracuse, New York

The system in Syracuse, New York passes approximately 66,000 homes and currently serves over 36,000 basic subscribers. Completed in 1981, it was the first U.S. property to be franchised and developed by the Company. The system is now fully mature. It has achieved a high degree of operating stability and represents in many ways a model for the Company's less mature systems.

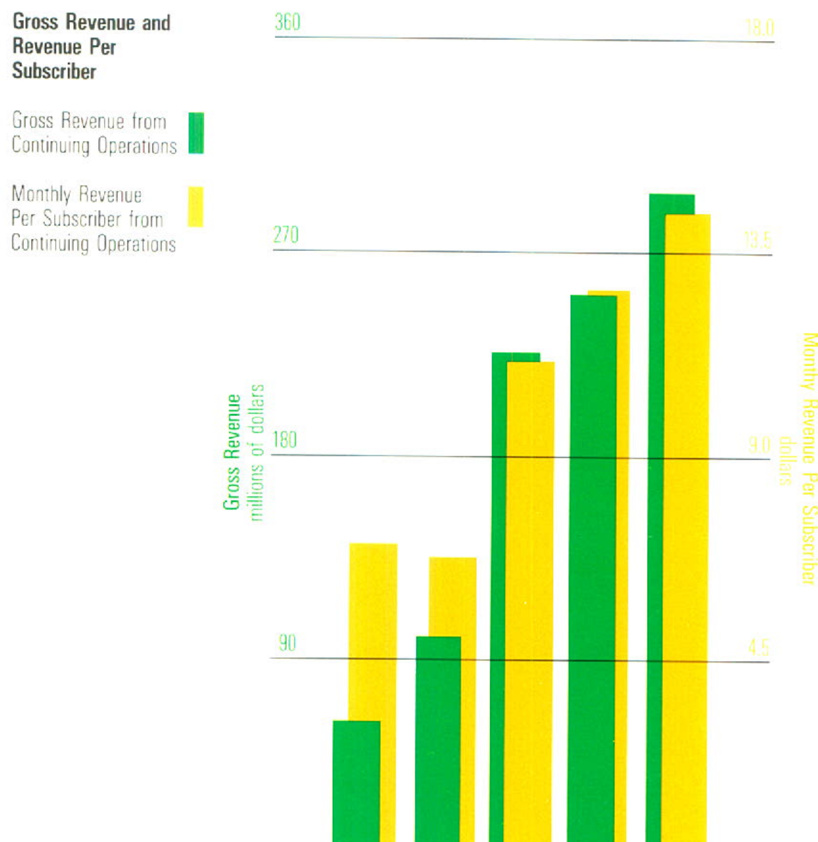
During the year basic penetration increased to 54%. Pay penetration increased from 83% to 98% reflecting the addition of two new pay TV



Gross Revenue and Revenue Per Subscriber

Gross Revenue from Continuing Operations

Monthly Revenue Per Subscriber from Continuing Operations

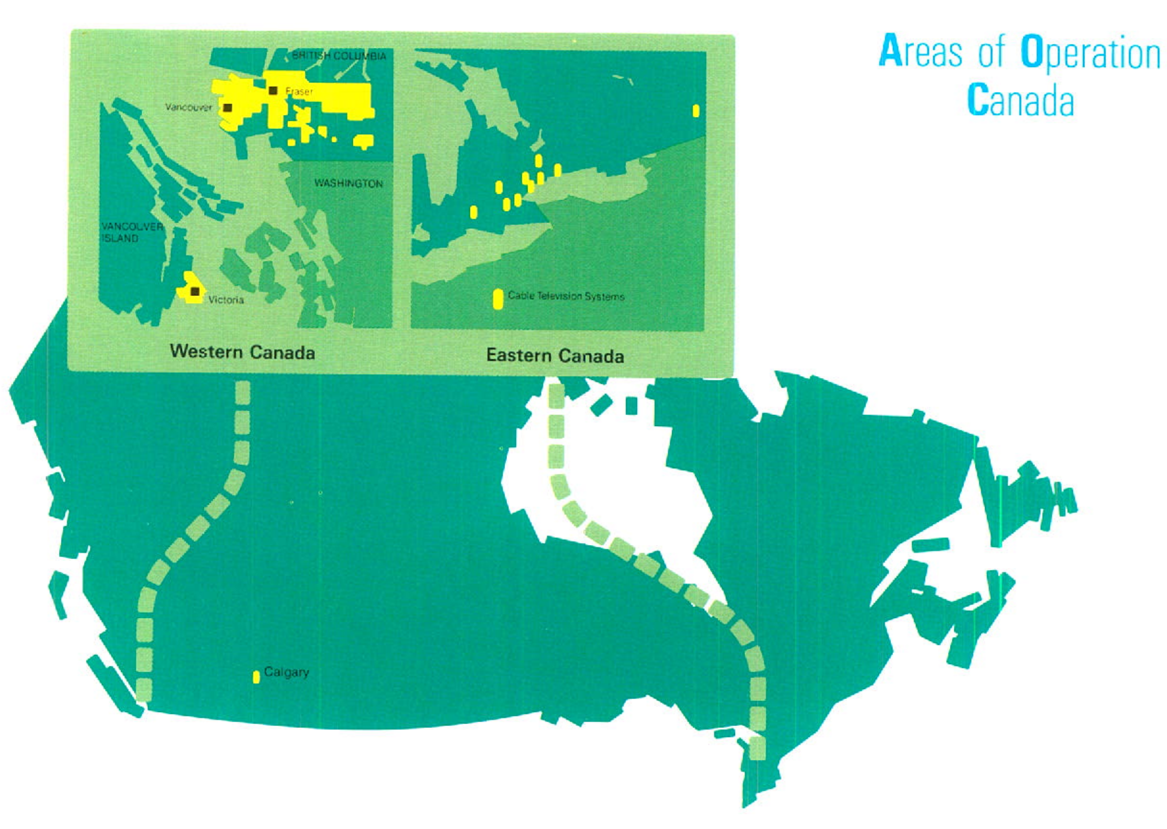


services: Showtime and the Disney Channel. The increase in pay penetration helped raise the system's monthly revenue per subscriber by over 8% to an average of U.S. $21.85.

Pay penetration in Syracuse is typical of first generation new-build cable systems in the U.S. The addition of services has necessitated a series of re-marketing campaigns to gradually upgrade subscribers. This contrasts with more recently constructed systems which are initially marketed with multi-pay options. To facilitate the ongoing transition to multi-pay status, the system has been equipping new pay subscribers with addressable converters. Close to 7,000 units are currently in the field, representing almost 20% of the subscriber base.

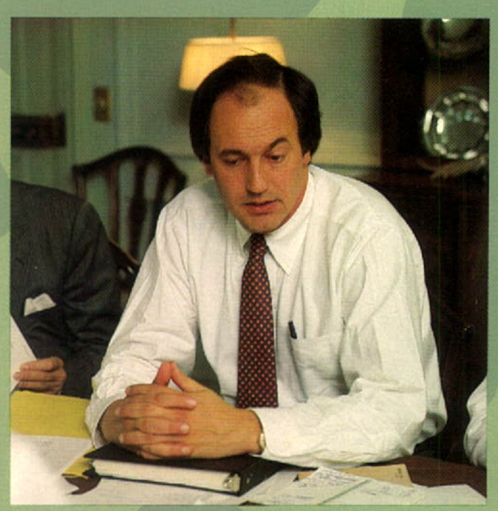
In partnership with NewChannels Cable which serves the suburban area, the Syracuse system has established a regional sales company, designed to facilitate the sale of cable television advertising time across the Upstate New York market. This company achieved gross sales of almost $500,000 during the year.

Areas of Operation Canada



The Regulatory Environment

"We and our regulators must balance our respective goals within a framework of economic reality.... and I believe we are beginning to achieve that".



Philip B. Lind
Senior Vice-President
Programming and Planning

OPERATING IN THE REGULATORY ENVIRONMENT

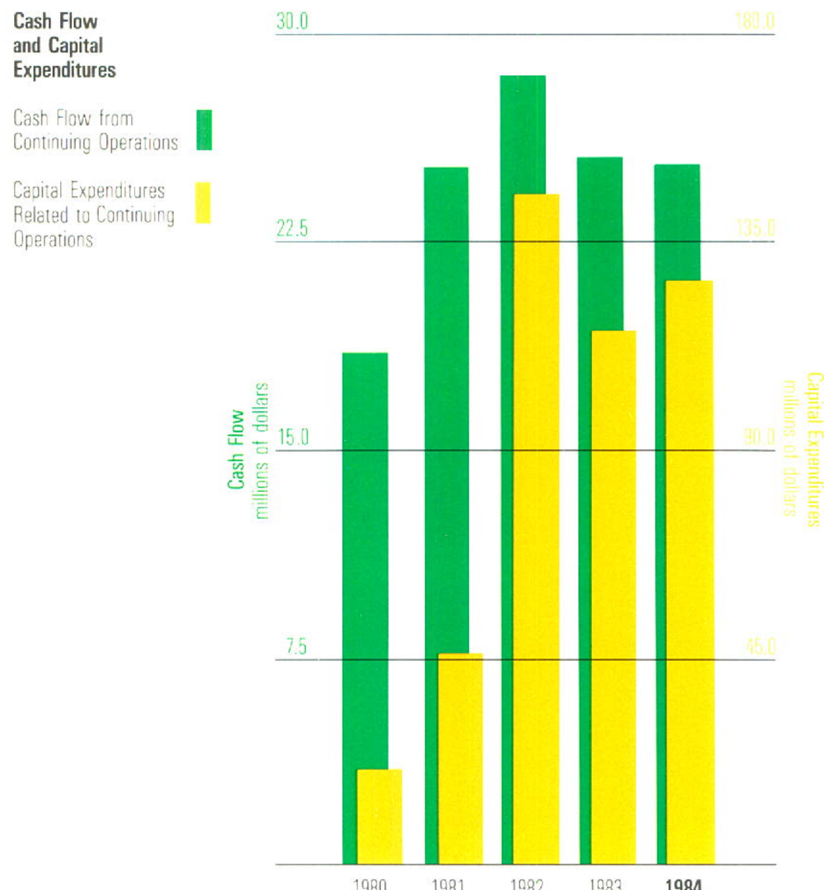
Overview

The Company exists in a regulated environment, the essence of which is that the Company's operating license is secured in return for performance which meets the objectives of the regulatory authorities. In Canada, where regulation is primarily federal, the emphasis has been on supporting national broadcasting and communications goals as well as providing local programming services. In the U.S., where regulation occurs primarily at the municipal level, the emphasis has been on providing the greatest variety of services to subscribers.

Your Company takes its commitments to the regulators in both countries very seriously. We have honoured the commitments we have made, creating a strong relationship with regulatory authorities. Moreover we have distinguished ourselves through technological, programming and service initiatives. Our expectation has been that, in return, we would be permitted to develop and expand our business, make a reasonable profit, and in so doing increase our capacity to contribute to the regulators' objectives. We have thus seen the relationship between the regulator and the Company as involving a basic quid pro quo which is of mutual benefit.

In recent years, the development of an imbalance between the regulators' expectations for cable and the economic reality of the cable business has become of paramount concern. Any such imbalance can erode the foundation of the business, with severe consequences for both the cable operator and the regulator. In a rapidly changing technological environment, the dangers increase. While greater demands are made on cable, the marketplace for cable's basic services has become increasingly competitive.

In light of these changes, it became a priority to address the perceptions of regulators with respect to the economic underpinning of the industry. During fiscal 1984 the Company has been very active in this task, and has noted significant changes which give grounds for cautious optimism. Below we review separately for Canada and the U.S., the key issues, and some of the recent regulatory developments.



The Canadian Regulatory System

Cable in Canada is an essential part of the national broadcasting system and a key to the government's broadcasting strategy. Through the assignment of channel priorities as well as program substitution, cable helps local broadcasters increase their audience and their advertising revenues. Cable also assists the distribution of UHF stations, many of which depend on cable carriage for economic viability. Cable operators provide community program services and facilities throughout Canada. In addition, the Company has committed many millions of dollars on Canadian research and development. It has also assisted the development of Canadian electronic manufacturing facilities, and created special funds which support Canadian programming and assist independent Canadian film producers.

Although these contributions are recognized, there remain serious inconsistencies in the regulatory treatment the cable industry has received in Canada. Basic cable rates have been held at artificially low levels for several years while the industry has been precluded from offering new services. Operators are currently

unable to implement revenue generating services such as pay-per-view and local advertising. Over the years the business has been generally constrained in deference to the interests of broadcasters, even though economic returns on cable are substantially lower than those of the broadcast media and despite the various support mechanisms cable provides to the broadcasters. Each of these problems has limited the industry's economic performance and weakened its capability to meet the strategic objectives of the regulator.

Addressing Rate Regulatory Problems

There are three major problems with the Canadian rate regulatory system: inadequate measurement of economic need, inadequate definition of information requirements and a persistent lag in applying the rate assessment process. These three problems, together with a mandatory ceiling on cable rate increases in effect since 1982, have combined to produce a basic cable rate which is too low. Poor returns make it difficult for the industry to attract the capital required to maintain and enhance the quality of service demanded by an increasingly discriminating and quality-conscious cable subscriber. Cable in Canada is vulnerable to subscriber erosion because of the high level of basic service penetration. A reduction in penetration jeopardizes cable's ability to carry out any supportive role within the overall broadcasting system.

Meeting Competitive Challenges

Unlike other regulated communications industries, cable has no monopoly on its market. While individual licensed areas are protected, cable must actively compete for the consumer's discretionary entertainment dollar. The services delivered via cable are alternatively available via satellite master antenna systems (SMATV), private ownership of earth stations, conventional broadcast reception antennas as well as video cassettes. A major competitive problem for cable has been that its menu of services has been artificially constrained. Pay TV was only introduced in Canada in February 1983, some seven years after its introduction in the U.S. This delay encouraged the use of video cassettes in Canada, making the marketing of Canadian pay TV much more difficult. Similarly, satellite services, available in the U.S. since 1975, were only authorized for Canadian cable distribution in 1984. This delay encouraged the growth of SMATV systems which were able to sell into cable's multiple unit dwelling markets.

Our essential concern has been that service providers operating outside regulatory control can offer services to the consumer which cable operators are precluded from carrying and without any of the obligations of a licensee. In effect, cable in Canada has been prevented from meeting competitive challenges, notwithstanding its contributions to the broadcasting system. The delay in approving new services has resulted in the entrenchment of the competing systems to the detriment of both the cable industry and the regulatory objectives. Using private earth stations, for example, consumers can access the full range of U.S. specialty services while cable is allowed to offer only a limited range of these services. In the future Direct Broadcast Satellite systems may also be able to offer U.S. services that are not permitted on cable.

The ability to compete freely with the video cassette market remains a major objective for cable. Typically new movies are released to the public through a series of "windows" which sequentially include first-run theatres, video cassettes, pay TV and television. Video retailers are therefore able to access new movies several months before they are released to pay TV networks. To offer a competing service, cable needs to be able to deliver movies on a pay-per-view basis, taking advantage of the simultaneous window which pay-per-view shares with video cassettes.

"The Company will continue to press for the introduction of pay television in Canada and to research and develop new revenue producing services such as teletext and residential protection."

1978 ANNUAL REPORT

"Your Montreal Theatre, which will be one of the finest in the British Empire, is expected to open in February, 1921."

1920 ANNUAL REPORT

"The number of theatres increased during the year from 146 to 196. These are all as rapidly as possible being supplied with sound equipment."

1929 ANNUAL REPORT

Applying the Technology

The regulatory system has also had the effect of constraining the application of cable technology in Canada, contributing to an underutilization of available capacity and weakening the industry's general international profile. While the industry is encouraged to invest in research and development it is often prevented from applying the results of such investment. Since 1980, Rogers has spent considerable sums on the development of two-way cable technology. However until these services are approved such two-way capabilities cannot be deployed. A result is that cable subscribers in Canada are not able to benefit from the technological and programming capabilities that the industry can deliver. Moreover Canada has been steadily losing the technological advantage it inherited from its historically earlier implementation of urban cable communications.

"Franchises have been granted to your Company for the establishment of community antenna systems in the cities of Three Rivers and Quebec in the province of Quebec and has pending applications for community antenna systems in Vancouver, New Westminster, Winnipeg, Toronto, Hamilton, Kingston, Peterborough and other Canadian cities."

1951 ANNUAL REPORT

Regulatory Outlook

Several developments are taking place which could help remedy some of the industry's structural problems. The new Chairman of the CRTC, André Bureau, has called on the industry to outline its objectives and projections for the rest of the decade. He has warned broadcasters that the historic protection they have enjoyed may no longer be possible and he has urged them to work with the cable industry to enhance Canadian programming. With regard to rate regulation, the CRTC has called for a comprehensive reassessment of current procedures and practices and has, in certain circumstances, been granting higher rate increases.

On the competitive front, the CRTC moved in 1984 to permit cable distribution of Canadian and selected U.S. specialty services, significantly improving the overall product offered via cable. The introduction of specialty services will also be vitally important for pay TV, permitting attractive packages which can improve the subscribers' perception of value. Early results have been favourable. However, more services are essential and the CRTC has recently held hearings with a view towards licencing distant Canadian signals. Such developments indicate that the regulatory environment in Canada is now changing for the better.

The U.S. Regulatory System

Although cable in the U.S.is regulated by federal and in some cases state agencies, primary regulatory activity takes place at the local level. The objectives of local authorities vary from area to area but generally focus on maximizing local benefits from cable franchising and re-franchising. This process has proved onerous for cable operators in recent years as competition for new franchise areas has intensified and expectations for cable have risen.

During the past year a flurry of regulatory and legislative activity has taken place which has affected this situation. Key events have included a series of legal and administrative decisions and the subsequent passage of the Cable Communications Policy Act of 1984. At the local regulatory level, there has been increasing evidence from local authorities of a willingness to scale down expectations for cable in line with economic realities.

New Cable Legislation

Shortly after the fiscal year end the Congressional enactment of new cable television legislation took place. The Cable Communications Policy Act of 1984 is the result of years of negotiation between the cable industry and the nation's cities. The measure contains a number of important provisions which define the industry's future operating environment. It offers some benefits for the cable television industry, particularly with regard to rate deregulation, but also imposes some burdens and legal requirements on cable operators. The new legislation is far reaching in its implications for the industry and covers a

wide range of issues including rates, franchise fees and obligations, channel use, license renewal and consumer protection among others.

Most significantly, the legislation will end all rate regulation of the cable industry by 1986. In the intervening period, rate increases up to 5% annually may be introduced on basic service where this is consistent with franchise provisions. Rates lawfully retiered or repriced prior to the Act will be grandfathered. The Company had done this in many of its markets. The Act also allows the cable operator to rearrange services and service tiers with the concurrence of the local authority.

Other provisions of the legislation include capping franchise fees at 5% of annual gross revenue for new franchises. Cable operators may obtain modifications of franchise requirements for facilities or equipment where "commercial impracticality" can be demonstrated.

The legislation also codifies an FCC rule prohibiting telephone companies from offering cable service in their areas and continues the FCC's jurisdiction over how cable companies offering data transmission services are regulated. It also provides procedural guidelines to be followed when franchises are being renewed. These guidelines will be helpful in renewing franchises which have no formal procedures for renewal.

Scaling Down Expectations

The year's regulatory developments at the federal level have been accompanied by advances at the local level which have been particularly significant for the Company. During the year considerable progress has been made in adjusting the requirements of franchise ordinances to the economic realities of some of the Company's U.S. systems. This activity reflects a new pragmatism at the local regulatory level as some of the earlier expectations for cable development are scaled down to meet the operating capabilities which have emerged in practice.

An ongoing problem for many operators is that the development of new state of the art systems has required larger capital commitments and generated larger operating losses than were

"All of our associated CATV companies are currently making good progress. We estimate that in 1968 they will duplicate the increase in subscribers obtained last year. Your Company's total CATV operations are the largest in North America. By the end of this year it will have more than 210,000 on service."

1967 ANNUAL REPORT

anticipated. In some areas, building an economic subscriber base has taken longer than expected because of construction difficulties or market resistance. In other cases the high pay TV penetration rates that were originally projected have proved as yet unattainable. Franchise limitations on rate increases have compounded these problems, precluding the adjustment of service rates to market levels.

A related problem is that some of the new cable services anticipated in the early 80's and specified in franchise ordinances are developing more slowly than expected as a result of market and regulatory factors. While some of these services will eventually become viable, the commitment of resources for their development at the present time makes sense only for systems which have reached economic maturity. Systems which are in the early stages of development, and which face continuing operating losses, must therefore defer such services until the basic business is well established.

"Your Directors view with alarm the fact that the taxes paid during the year, other than Dominion Income Tax, were the greatest since the inception of the Corporation's activities."

1932 ANNUAL REPORT

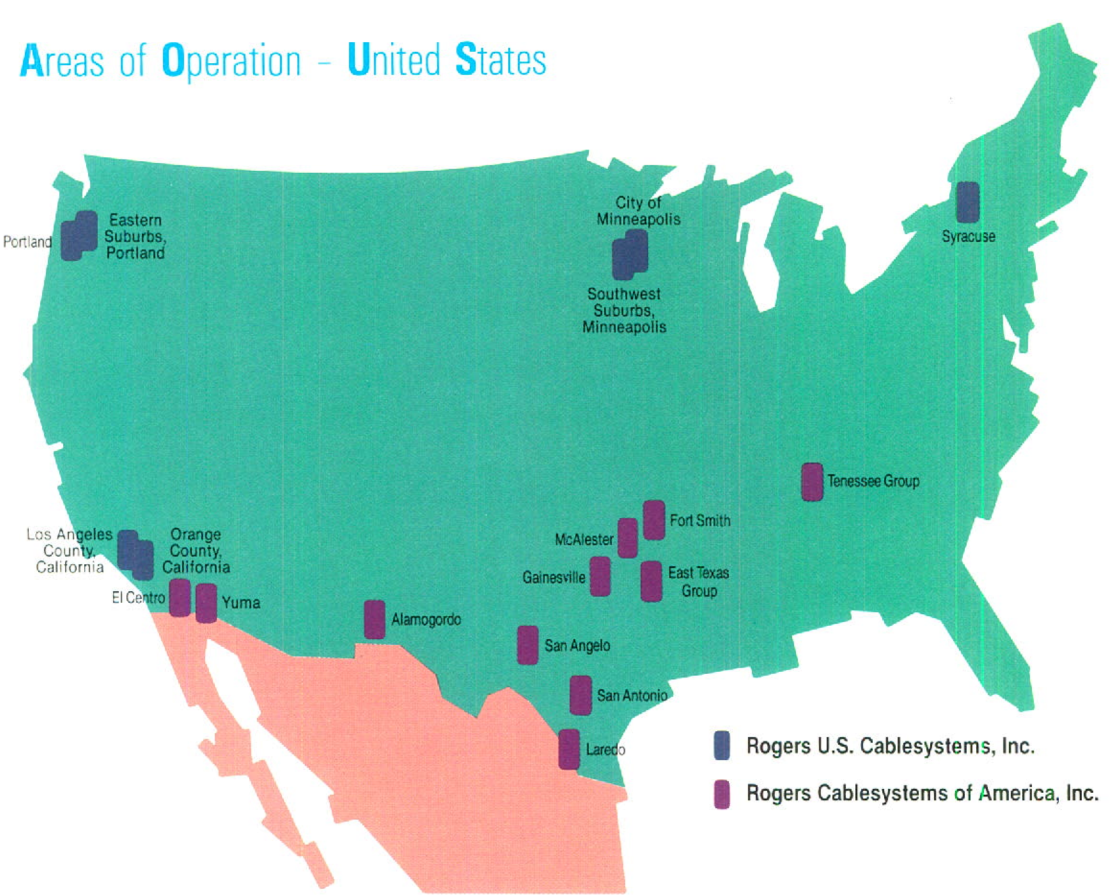
During the year the Company has worked with its local regulatory authorities to seek ordinance changes which will redress certain operating deficiencies and permit more efficient system development. These changes include rate relief as well as the modification of programming and service development plans. As discussed earlier, both Portland and Minneapolis have approved certain franchise modifications, as has the regulator for Dickinson Pacific in Southern California. In many cases the Company has found ways in which it can deliver the same

quality or variety of services using a less expensive approach. The implementation of the Minneapolis integrated institutional network is a case in point.

Regulatory Outlook

This has been a positive year for cable in the U.S. The changes at both federal and local levels have helped strengthen the industry and have improved the economic outlook considerably. Rate deregulation will enable the industry to manage its growth and deal with the changing competitive environment. At the local level, the new realism will permit the industry to concentrate on building cable and pay TV penetration, creating a healthy basic business which can support the technology and services of the future.

Areas of Operation - United States



Financial **R**eview

"We've built the base. Our efforts are now being directed to bottomline profitability and a proper return on that base.

Robert M. Francis
Senior Vice-President
Finance

Fiscal 1984 was a year of continued consolidation for your Company. It marked the first full year of pay television operations in Canada and also the first full year of operations for the systems retained on the divison of Rogers UA Cablesystems, Inc. It was a year that saw the completion of primary construction of a number of U.S. cable systems, as well as the financing and start up of the last two cable construction projects - in the City of Minneapolis and the suburbs of Portland, Oregon. No new cable franchises were acquired or applied for, and two systems were divested, most notably the Company's operations in Ireland. Subsequent to year end, the Company made a decision to dispose of several of its U.S. cable television systems. Therefore the operating revenues and expenses of these systems have been eliminated from the financial statements and their impact is reflected as "loss from discontinued operations" in the Consolidated Statement of Income.

A. FRANCHISES AND SUBSCRIBERS

Subscriber activity over the fiscal 1984 year was the result of construction and internal growth on the one hand, and two divestitures on the other.

Canada

The Company's Canadian cable systems are wholly owned except for a 45% interest in Western Cablevision Limited in British Columbia, and are all fully constructed. In Canada, 31,000 basic subscribers were added over the year, (an increase of 2.6%), primarily as a result of the growth in household formation (all figures exclude Western Cablevision). This figure is adjusted to exclude the 15,000 subscribers in the Chatham/Leamington, Ontario, system which was sold at the beginning of the year. Total Canadian basic subscribers in wholly owned subsidiaries at year end were 1,246,000 giving a penetration rate of 84.9% of homes passed by cable. Total subscribers including Western were 1,336,000.

Pay televison services taken by subscribers over the year grew modestly, beginning the year at 131,000 and closing at 141,000, again excluding Chatham/Leamington, and Western. With the rationalization of the two primary pay networks on September 1st, 1984, approximately 14,000 pay services were lost from households who were taking both services, bringing the number of pay services down to 127,000.

Subscribers leasing converters from the Company decreased by 10,690 during the year to 172,095. However, over 45% of subscribers upgraded their corded and remote control models to the Rogers Wonderbox converter, at an increased monthly rate.

On September 1st, 1984, a number of satellite delivered specialty services were introduced to supplement the pay television services. Between September 1st and December 14th, 1984, the Canadian group, on a net basis, sold an additional 128,000 supplementary services to its basic subscribers, including the specialty channels, a pay service or a combination package. This is the largest net gain since the introduction of pay television in February, 1983.

As of the 14th of December, and excluding Western Cablevision, 13,000 subscribers were taking just specialty channels, 72,000 were taking just a pay service (which for First Choice - Superchannel subscribers includes as a bonus two specialty channels) and 85,000 were taking the pay service and all specialty channels. This is a penetration rate for all supplementary services as a percentage of basic services of 20.2%.

Although these results are encouraging, it is still premature to draw any meaningful conclusions concerning the long term attractiveness of supplementary services to subscribers.

The Canadian Group now has most of its subscribers concentrated into three clusters in Greater Toronto, in Southwestern Ontario and in Greater Vancouver, British Columbia. Approximately 85% of Canadian basic subscribers and potential homes are in these three clusters (See table next page).

United States

The Company's U.S. operations experienced continued high growth during the 1984 fiscal year. Excluding discontinued operations, over 850,000 homes were passed by cable and 454,000 basic subscribers were on service at fiscal year end for a basic penetration of 53%. These subscribers were taking almost 600,000 pay services at year end for a "pay-to-basic" penetration of 132%. During 1984, excluding discontinued operations, over 87,000 basic subscribers and 126,000 pay services were added.

The Company's U.S. cable television systems are contained in two corporate groups - Rogers U.S. Cablesystems, Inc. (RUSCI) and Rogers Cablesystems of America, Inc. (RCA). The former contains primarily the cable systems which were franchised over the past five years. The latter holds the systems retained on the division of Rogers UA Cablesystems, Inc. on August 31st, 1983. Two-thirds of homes passed by cable in the RCA group are contained in the San Antonio, Texas cable system which recently completed construction. The balance of RCA is composed of ten systems in smaller communities spread across the Southwest and Southcentral United States.

Excluding discontinued operations, the Company has three major urban clusters in the United States, with the non-urban RCA systems together being a fourth although not geographically concentrated as are the other three (see table next page).

While there are a number of franchises in the three major clusters, there are essentially five cable systems. Most of these urban franchises are recent and the systems are generally just completing primary construction. There are still two systems under construction, both of which will complete their primary construction during calendar 1985.

The three major urban clusters contain two-thirds of the Company's present U.S. basic subscribers, and over 80% of the homes in the Company's franchised areas. During fiscal 1984, the three clusters accounted for most of the Company's growth in the U.S. Almost 200,000 new homes were passed by cable, while over 86,000 basic subscribers and over 110,000 pay services were added in these three areas.

The San Antonio, Texas system alone experienced an increase of 36,000 basic subscribers and 43,000 pay services in 1984, closing out the fiscal year with approximately 200,000 subscribers, making this system one of the largest in the United States. The new Minneapolis system added 25,000 basic subscribers and 41,000 pay services.

Although the number of homes passed by cable in the U.S. grew to 850,000 by year end, excluding discontinued operations, over 144,000 homes in the franchised areas were not yet passed by cable. Most of these are in two remaining construction projects - in Minneapolis and the Portland, Oregon suburbs. During fiscal 1985, close to two-thirds of the total remaining unpassed homes will be passed by cable.

A summary of the six primary clusters the Company has (three in Canada and three in the U.S.) is shown below:

(as at August 31, 1984)

Cluster	Homes in Area	Homes Passed	Subscribers
Greater Toronto, Canada	647,000	647,000	535,000
Greater Vancouver, Canada (excluding Western Cablevision)	337,000	330,000	302,000
Southwestern Ontario, Canada	276,000	276,000	233,000
Greater San Antonio, Texas	370,000	369,000	199,000
Greater Minneapolis, Minnesota	227,000	133,000	51,000
Greater Portland, Oregon	190,000	149,000	59,000
	2,047,000	1,904,000	1,379,000
Total - All Systems (Excluding discontinued operations)	**2,591,000**	**2,425,000**	**1,790,000**
Six Clusters as a percent of Total	79%	79%	77%

As can be seen the six clusters account for over three-quarters of the Company's homes and subscribers on service. Three of the five largest individual cable television sytems in the world are now owned by your Company - in Toronto, Vancouver and San Antonio. All are fully constructed.

The subscriber position at August 31, is shown in the following table which represents 100% of subscribers in all systems in which the Company holds an interest. In the summer of 1984, the Company sold its interest in Dublin Cablesystems Limited serving the cities of Dublin and Waterford, Ireland. At the time of sale, these systems had approximately 110,000 basic subscribers. There is no pay television service in Ireland.

	Homes in Licensed or Franchised Areas (est.)	Homes Passed by Cable	Basic Cable Subscribers (penetration of homes passed)	Pay TV Units (pay to basic cable penetration)
CANADA	1,596,000	1,575,000	1,336,000 (84.8%)	150,000 (11.2%)
UNITED STATES	995,000	850,000	454,000 (53.4%)	598,000 (131.7%)
SUB-TOTAL	2,591,000	2,425,000	1,790,000 (73.8%)	748,000 (41.8%)
DISCONTINUED OPERATIONS	314,000	277,000	122,000	188,000
TOTAL	**2,905,000**	**2,702,000**	**1,912,000**	**936,000**

B. FINANCIAL RESULTS

Operations Summary

The following is a summary of financial statistics for continuing operations by region.

	CANADA	UNITED STATES	OTHER	TOTAL
Revenue ($000)	$164,059	$125,983	$4,737	$294,779
Per Subscriber per Month	$11.12	$26.39		
Revenue, Net of Purchased Programming ($000)	148,789	94,413	4,737	247,939
Per Subscriber per Month	$10.08	$19.78		
Operating Costs ($000)	91,946	59,551	2,606	154,103
Operating Income ($000)	56,843	34,862	2,131	93,836
Per Subscriber per Month	$ 3.85	$ 7.30		
Percent of net revenue	38.2%	36.9%		
Capital Expenditures ($000)	57,187	70,337		127,524

Canadian Operations

Gross revenue increased by $16.9 million, to $164.1 million an increase of 11.5%. Approximately 40% of this increase arose from revenue from basic cable, with the balance coming from pay television. Two-thirds of the increase in basic revenue in turn was due to modest rate increases which averaged 4%. Of the total gross revenue, 4.2% came from pay television operations. Fiscal 1984 represented the first full year of pay operations which commenced on February 1st, 1983.

Gross revenue per subscriber grew to $11.12 per month from $10.08 in 1983. The Company expects that revenue and revenue per subscriber in fiscal 1985 will grow significantly partly due to the introduction of specialty services on September 1st, 1984, as well the impact of rate increases approved in late fiscal 1984 and in early fiscal 1985.

Operating income increased to $56.8 million (38.2% of net revenue) from $53.3 million (38.4% of net revenue) in 1983. The continuing low margin results primarily from inadequate basic rate increases (a problem which was partially alleviated towards the end of the year) as well as unexpectedly high disconnect rates and promotion costs associated with pay television. Although pay television operations contributed $28.8 million to gross revenue, it made only a modest contribution to operating income. Operating income per subscriber grew slightly to $3.85 per month in 1984 from $3.63 in 1983.

Capital expenditures in 1984 amounted to $57.2 million up from $44.6 million in 1983. Over $22 million of the $57 million however, was for home terminal equipment, including addressable converters/descramblers. For fiscal 1985, capital expenditures are expected to be sharply lower, and estimated to be 60% of the fiscal 1984 level, because of reduced purchases of home terminal equipment. Should the new specialty services prove more successful than forecast however, this figure will vary accordingly.

United States Operations

United States operations, excluding discontinued operations, produced gross revenue of $126.0 million in 1984, compared with $97.9 million in 1983 (all figures are in Canadian dollars). This compares with no revenues five years ago from the United States. In addition, discontinued operations added $44.7 million of gross revenue in fiscal 1984. These increases from continuing operations result primarily from revenue generated by new cable subscribers attributable to the continuation of cable construction. Gross revenue per subscriber amounted to $26.39 per month. This compares to $11.12 in Canada, the difference being attributable to significantly higher levels of pay penetration. The U.S. figures exclude the impact of the Minneapolis system which is accounted for on an equity basis.

Operating income increased to $34.9 million compared with $29.6 million in 1983. This is an operating income per subscriber of $7.30 per month in 1984, compared with $7.47 in 1983.

Capital expenditures in the United States group (excluding Minneapolis and discontinued operations) were $70.3 million. The Minneapolis system which is non-consolidated had capital expenditures of just over $30 million in 1984.

Total assets in the United States at August 31, 1984 stood at $636.2 million compared with $10.2 million five years ago.

At the beginning of the 1981 fiscal year, the Company had 1,000 subscribers in its U.S. systems compared with 454,000 at the end of fiscal 1984 excluding discontinued operations.

Including Minneapolis and discontinued operations, the U.S. group encompasses over 10,000 miles of cable plant, most of which has been constructed in the past five years. Only one system is below 30 channel capacity. There were approximately 1,850 employees in total at year end.

C. DISCONTINUED OPERATIONS

The Board of Directors of the Company has determined that the Company will offer for sale its cable television systems in Syracuse, New York, and in Orange and Los Angeles Counties in California. At fiscal year end, these systems were serving over 122,000 basic subscribers who were subscribing for over 187,000 pay services. The Company expects to dispose of these systems by December 31, 1985 and will use the proceeds to reduce long term debt.

To reflect this decision, the results of operations of these systems have been segregated in the 1984 Consolidated Statement of Income and the after tax loss is included in the Consolidated Statement of Income under the caption "loss from discontinued operations". The 1983 comparative figures have been restated to reflect this accounting treatment. Similarly the operating review and most statistics in this report do not include results for these systems. However, the assets and liabilities pertaining to these systems continue to be carried in the Consolidated Balance Sheet.

To determine the likely effect of these sales on future operations, the Company carried out a careful review of estimated proceeds on sale. Adjustments were made for anticipated operating losses to the date of sale. The ultimate sale of these systems should have no material adverse impact on future operating results, unless the Company's estimate of proceeds on sale, or operating losses to the anticipated date of sale are materially in error.

D. NET INCOME

Consolidated interest expense increased to $80.8 million from $66.6 million in the previous year, largely resulting from an increase in the volume of funds borrowed to finance cable construction. The 1983 figure is restated to reflect the separation of assets of RUAC and the exclusion of discontinued operations.

The average interest rate charged during the year remained approximately the same as the prior year. Depreciation and amortization expense increased to $50.7 million from $40.2 million the previous year. The loss from continuing operations was $16.3 million ($0.86 per share) up from $14.0 million ($0.79 per share) the previous year. Discontinued operations posted a loss of $10.2 million compared with $4.9 million in 1983. There was an extraordinary loss in 1984 of $3.7 million reflecting the loss on the sale of the Company's Irish interests.

Funds derived from continuing operations reached $ 25.4 million in 1984, down from $ 25.7 million in 1983. Capital expenditures related to continuing operations, however, amounted to $127.5 million compared with $116.6 million in 1983. The difference between the cash generated from operations and the capital expenditures was funded largely by the increase in long term debt.

E. FINANCING

As with 1983, fiscal 1984 witnessed significant financing activity. As reported previously, the Company completed the financing of its last two cable construction projects - for the City of Minneapolis and the suburbs of Portland, Oregon. Both of these are financed using limited partnerships. The Company believes that the raising of equity at subsidiary levels is a more efficient form of financing for the consolidated group, as well as being more attractive for the common shareholders of the Company. All of the cable projects in the United States have now established their primary financing, although the California and Portland cable operations will require additional funding beyond their established credit lines in fiscal 1985 and possibly beyond. Funds required for these operations will in all likelihood be provided by the parent company under its credit lines (see below).

The Company completed a major refinancing during 1984 whereby U.S. $133 million of short term debt was retired and replaced by funds drawn under a U.S. $180 million long term facility. As reported in the third quarter report, this facility is on a revolving basis until 1986 when it converts to a seven year term loan. The RCA group also established a U.S. $20 million operating line of credit.

During the second quarter, the Company's Canadian group realized approximately $2.2 million in cash from the renouncement of certain research and development tax benefits. These tax benefits which had little present value to the company were transferred by the issuance and retraction of promissory notes.

During the fourth quarter, the Company completed the sale of its Irish cable systems to the government broadcasting system in Ireland. At the time of sale, this group had approximately 110,000 subscribers and your Company owned a 75% interest in these systems. Net of debt associated with those systems, cash proceeds of approximately $5.7 million were received. Although the Company incurred only a small loss in Irish punts on its investment, it realized a loss on translation into Canadian dollars due to the weakening of the Irish punt over the past several years. No tax was payable on the transaction.

The parent company has renegotiated its corporate loans with its bankers to provide for an increase of U.S. $26 million in its credit line and the extension of the term of that line to February 28, 1986. The increased line will, among other things, provide the funds necessary to fund capital requirements of the California and Portland groups.

Long term debt of the consolidated group is summarized as follows:

	August 31	
	1984	1983
	$000's	
Rogers Cablesystems Inc. (Unconsolidated)	**$130,417**	$142,523
Canadian Cablesystems Limited	**263,905**	248,566
Rogers U.S. Cablesystems, Inc.	**176,906**	130,565
Rogers Cablesystems of Canada Limited*	**181,636**	—
Rogers Cablesystems of America, Inc.	**9,579**	113,202
Dublin Cablesystems Limited	—	2,509
	$762,443	$637,365
Floating rate debt	**$134,875**	$222,260
Fixed rate debt	**627,568**	$415,105
	$762,443	$637,365

*Guaranteed by Rogers Cablesystems of America, Inc.

Complete detail of the major loans are shown in note 7 of the Company's consolidated financial statements.

As the table shows, total long term debt increased by $125.1 million from $637.4 million at the end of 1983. This debt excludes US$29.5 million associated with the Minneapolis cable system which is a non-consolidated investment for the Company. The debt, however, does include 100% of the debt contained in the RUSCI cable systems, notwithstanding that the Company's interest in those systems ranges from 50% to 100%.

When conditions warrant, the Company expects to refinance several of its construction loans in the RUSCI group to substitute the floating rate bank loans with fixed rate, institutional debt financing. This will have the effect, as these cable systems become mature, of extending the maturity and deferring principal payments. The Company also hopes to renegotiate some of the terms of its existing bank construction loans in the RUSCI group to provide for somewhat modified sinking fund schedules. On a consolidated basis, total long term debt, will continue to grow as each cable project reaches its maximum draw down and yet does not begin sinking fund payments until several years thereafter. There are still several cable projects which have not reached their maximum credit lines. It is expected that the debt increase will continue to deccelerate from the levels experienced over the past several years.

Cable Subscriber Growth*

	Canada	United States	Discontinued Operations	Ireland	Total
1984					
Homes in licensed areas	1,596,000	994,900	314,100	–	2,905,000
Homes passed by cable	1,574,626	850,245	277,193	–	2,702,064
Subscribers	**1,335,853**	**454,025**	**122,359**	**–**	**1,912,237**
Basic penetration	84.8%	53.4%	44.1%	–	70.8%
Pay TV subscription units	149,881	598,828	187,623	–	936,332
Pay-to-basic penetration	11.2%	131.9%	153.3%	–	49.0%
1983					
Homes in licensed areas	1,584,000	954,000	315,000	148,000	3,001,000
Homes passed by cable	1,565,057	645,970	223,230	142,578	2,576,835
Subscribers	**1,315,956**	**366,466**	**94,612**	**110,418**	**1,887,452**
Basic penetration	84.1%	56.7%	42.4%	77.4%	73.2%
Pay TV subscription units	138,952	472,682	132,979	–	744,613
Pay-to-basic penetration	10.6%	129.0%	140.6	–	39.5%
1982					
Homes in licensed areas	1,555,000	770,000	315,000	147,000	2,787,000
Homes passed by cable	1,537,612	520,259	165,000	141,059	2,363,930
Subscribers	**1,285,898**	**293,162**	**67,604**	**109,710**	**1,756,374**
Basic penetration	83.6%	56.3%	41.0%	77.8%	74.3%
Pay TV subscription units	–	359,138	82,704	–	441,842
Pay-to-basic penetration	–	122.5%	122.3	–	25.2%
1981					
Homes in licensed areas	1,500,000	183,000	196,000	138,000	2,017,000
Homes passed by cable	1,485,554	3,000	106,244	137,236	1,732,034
Subscribers	**1,243,692**	**1,112**	**43,094**	**109,867**	**1,397,765**
Basic penetration	83.7%	37.1%	40.6%	80.1%	80.7%
Pay TV subscription units	–	755	49,692	–	50,447
Pay-to-basic penetration	–	67.9%	115.3	–	3.6%
1980					
Homes in licensed areas	1,455,000	–	170,000	94,000	1,719,000
Homes passed by cable	1,437,997	–	66,500	94,000	1,598,497
Subscribers	**1,200,131**	**–**	**27,427**	**73,348**	**1,300,906**
Basic penetration	83.5%	–	41.2%	78.0%	81.4%
Pay TV subscription units	–	–	22,042	–	22,042
Pay-to-basic penetration	–	–	80.4%	–	1.7%

*Represents cable systems in which the Company held an interest at that fiscal year end. However, only the systems in UA-Columbia Cablevision, Inc. that the Company ultimately retained are shown for 1982.

Five Year Financial History

	1980	1981	1982	1983	**1984**
	$000's except per share amounts				
Income and Cash Flow					
Revenue	$ 65,596	$101,389	$225,320	$250,561	**$ 294,779**
Operating income	22,230	37,256	80,097	84,984	**93,836**
Income (loss) from continuing operations	2,424	3,610	(8,859)	(14,038)	**(16,332)**
Equity in earnings of Famous Players	6,902	2,424	—	—	**—**
Income from RUAC operations not retained	—	—	—	3,919	**—**
Loss from discontinued operations	(770)	(3,276)	(1,083)	(4,947)	**(10,171)**
Income (loss) before extra-ordinary items	$ 8,556	$ 2,758	$ (9,942)	$ (15,066)	**$ (26,503)**
Cash flow from continuing operations	$ 18,624	$ 25,346	$ 28,618	$ 25,694	**$ 25,425**
Capital expenditures related to continuing operations	21,009	46,292	146,342	116,552	**127,521**
Balance Sheet					
Fixed Assets	$135,022	$185,465	$543,291	$530,602	**$ 647,356**
Investments	55,430	98,796	55,988	54,045	**57,190**
Other assets	29,354	35,470	48,036	65,648	**39,773**
Goodwill, subscribers and deferred charges	86,079	98,657	257,820	264,090	**265,064**
	$305,885	$418,388	$905,135	$914,385	**$1,009,383**
Long term debt	$128,542	$167,198	$574,862	$637,365	**$ 762,443**
Subscriber prepayments and other payables	40,291	49,160	93,091	100,069	**109,047**
Deferred taxes	15,059	21,032	21,654	18,127	**5,383**
Minority interest	4,626	3,526	44,404	4,933	**4,495**
Equity	117,367	177,472	171,124	153,891	**128,015**
	$305,885	$418,388	$905,135	$914,385	**$1,009,383**
Average shares outstanding (thousands)	17,418	20,561	22,037	22,126	**22,584**
Per share					
Income (loss) from continuing operations*	$ 0.54	$ 0.25	$ (0.61)	$ (0.79)	**$ (0.86)**
Cash flow from continuing operations	1.07	1.23	1.30	1.16	**1.13**
Shareholders' equity**	6.09	6.37	5.72	4.88	**3.71**

*Net of dividends on preferred shares
**Excluding preferred shares

FINANCIAL STATISTICS

Share Price And Volume (Calendar Year)

TORONTO AND MONTREAL STOCK EXCHANGES ($CDN)	CLASS A High	CLASS A Low	CLASS A Shares Traded	CLASS B High	CLASS B Low	CLASS B Shares Traded
1982 1st quarter	$10.00	$ 6.88	288,390	$ 9.88	$ 6.75	422,120
2nd quarter	9.00	5.75	101,940	9.00	5.88	229,300
3rd quarter	9.00	5.13	106,400	9.00	5.25	394,900
4th quarter	9.75	7.00	168,731	9.88	7.00	458,522
1983 1st quarter	13.25	8.25	200,164	10.38	8.13	1,431,870
2nd quarter	14.88	11.63	200,136	15.00	11.63	1,515,104
3rd quarter	14.00	10.00	123,026	14.13	10.38	1,739,271
4th quarter	11.30	9.25	107,407	11.50	10.00	851,820
1984 1st quarter	13.00	8.50	170,697	13.75	9.00	3,655,054
2nd quarter	8.50	7.13	104,229	9.38	7.38	711,561
3rd quarter	7.88	5.50	147,391	8.63	5.63	741,613
NASDAQ ($US)*						
1983 1st quarter				10.88	6.50	2,442,932
2nd quarter				12.25	9.38	2,060,367
3rd quarter				11.50	8.38	1,101,526
4th quarter				9.25	7.88	779,953
1984 1st quarter				11.00	7.00	1,801,776
2nd quarter				7.38	5.75	451,983
3rd quarter				6.63	4.38	1,160,902

Share Price**	1980	1981	1982	1983	**1984**
Canada Class A high	$19.50	$17.88	$10.00	$14.88	**$13.00**
($Cdn) low	5.38	6.38	5.13	8.25	**5.50**
Class B high	17.00	16.25	9.88	15.00	**13.75**
low	5.50	6.38	5.25	8.13	**5.63**
U.S.* Class B high	14.75	13.25	8.38	12.25	**11.00**
($U.S.) low	4.38	5.63	4.00	6.50	**4.38**

*Over-the-counter market. Representative lowest bid prices and highest ask prices.

**Calendar years to December 31, 1984

ROGERS CABLESYSTEMS INC., CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED AUGUST 31, 1984

	1984	1983
		As restated (notes 2 and 10)
	$000's	
Revenue		
Cable services	$181,367	$168,715
Rental of converters	20,300	15,207
Pay television	93,112	66,639
	294,779	250,561
Less cost of pay television	46,840	33,028
	247,939	217,533
Operating, general and administrative expenses	154,103	132,549
Operating income	93,836	84,984
Depreciation and amortization	50,675	40,190
Interest on long term debt	80,632	66,326
Other interest	158	287
	(37,629)	(21,819)
Share of income (losses) of associated companies	720	(319)
Other income (expenses)	1,351	(377)
Investment income	5,364	6,042
Loss before the undernoted items	30,194	16,473
Income taxes (note 9)		
Current	120	313
Deferred reduction	(10,848)	(1,527)
	(10,728)	(1,214)
Loss before the following	19,466	15,259
Minority interest in loss of subsidiary companies	(3,134)	(1,221)
Loss from continuing operations	16,332	14,038
Income from the operations of Rogers UA Cablesystems, Inc. not retained (note 2)		(3,919)
Loss from discontinued operations (note 10)	10,171	4,947
Loss before extraordinary item	26,503	15,066
Loss on sale of Dublin Cablesystems Limited (note 11)	3,744	
LOSS FOR THE YEAR	$ 30,247	$ 15,066
LOSS PER SHARE (note 12)		
From continuing operations	$0.86	$0.79
Before extraordinary item	$1.31	$0.84
Loss for the year	$1.48	$0.84

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED AUGUST 31, 1984

	1984	1983
		As restated (notes 2 and 10)
	$000's	
SOURCE OF FUNDS		
Operations		
Loss from continuing operations	**$(16,332)**	$(14,038)
Items not affecting funds		
Depreciation and amortization	**50,675**	40,190
Deferred income tax reduction	**(10,848)**	(1,527)
Interest on Zero Coupon Notes	**5,784**	1,971
Share of losses (income) of associated companies	**(720)**	319
Minority interest in loss of subsidiary companies	**(3,134)**	(1,221)
Funds (deficiency) from discontinued operations	**(12)**	1,868
	25,413	27,562
Increase in long term debt	**86,404**	138,375
Increase in capital stock (net)	**2,654**	2,702
Increase in accounts payable and accrued expenses and prepayments for services	**6,307**	29,501
Decrease in investments		1,695
Decrease in other assets		1,667
Proceeds on sale of Dublin Cablesystems Limited	**5,654**	
Foreign currency translation adjustments	**11,427**	845
	137,859	202,347
USE OF FUNDS		
Additions to fixed assets	**159,788**	148,328
Increase in accounts receivable, inventories and prepaid expenses	**4,480**	3,983
Increase in deferred charges	**348**	23,403
Dividends paid	**3,186**	3,521
Increase in investments	**2,425**	
Increase in other assets	**1,847**	
Other	**658**	171
	172,732	179,406
INCREASE (DECREASE) IN FUNDS	**(34,873)**	22,941
Transfer of net assets resulting from division of Rogers UA Cablesystems, Inc. (note 2)		9,250
	(34,873)	32,191
FUNDS AT BEGINNING OF YEAR	**32,202**	11
FUNDS (DEFICIENCY) AT END OF YEAR	**$ (2,671)**	$ 32,202

Funds are defined as cash and short term notes and marketable securities less bank advances.

CONSOLIDATED BALANCE SHEET AS AT AUGUST 31, 1984

ASSETS	1984	1983
	$000's	
Fixed assets (note 3)	$ 647,356	$530,602
Subscribers	174,026	171,922
Excess of carrying value of subsidiaries over value of underlying net assets acquired, less amortization	49,188	49,924
Investments (note 4)	57,190	54,045
Deferred charges (note 5)	34,568	41,481
Cash and short term notes		32,073
Marketable securities, at cost		129
Accounts receivable	13,724	13,904
Inventories of materials at the lower of cost and net realizable value	5,499	1,125
Prepaid expenses	4,975	4,689
Deferred foreign exchange	7,282	763
Other assets (note 6)	15,575	13,728
	$1,009,383	$914,385

Approved by the Board

Director

Ted Rogers Director

LIABILITIES AND SHAREHOLDERS' EQUITY

	1984	1983
	$000's	
Long term debt (note 7)	**$ 762,443**	$637,365
Bank advances	**2,671**	
Accounts payable and accrued expenses	**78,485**	74,056
Prepayments for services	**27,891**	26,013
Deferred income taxes	**5,383**	18,127
Minority interest	**4,495**	4,933
	881,368	760,494
Shareholders' equity		
Capital stock (note 8)	**77,341**	92,204
Reorganization surplus	**6,235**	6,235
Contributed surplus (note 8 (a))	**63,200**	45,683
Equity adjustment from foreign currency translation	**2,196**	(2,707)
Retained earnings (deficit)	**(20,957)**	12,476
	128,015	153,891
	$1,009,383	$914,385

Long term leases (note 15)
Commitments (note 16)
Contingent liabilities (note 17)
Rate regulation (note 19)

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (DEFICIT)
YEAR ENDED AUGUST 31, 1984

	1984	1983
	$000's	
RETAINED EARNINGS AT BEGINNING OF YEAR	**$ 12,476**	$31,063
Loss for the year	**30,247**	15,066
	(17,771)	15,997
Dividends on Preferred shares	**3,186**	3,521
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	**$(20,957)**	$12,476

AUDITORS' REPORT

To the Shareholders of Rogers Cablesystems Inc.

We have examined the consolidated balance sheet of Rogers Cablesystems Inc. as at August 31, 1984 and the consolidated statements of income, retained earnings (deficit) and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at August 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
November 30, 1984

Thorne Riddell

Chartered Accountants

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AUGUST 31, 1984

1. ACCOUNTING POLICIES

(a) Consolidation

(i) The consolidated financial statements include the accounts of the Company and all its subsidiaries.

(ii) Investments in companies and other business ventures in which the Company has a substantial ownership but not greater that 50% are accounted for on the equity basis providing that the Company is able to exercise significant influence over the affairs of these companies. Accordingly, the Company's equity in the earnings of these companies is included in the consolidated statement of income.

(b) Capitalization policy

Costs incurred directly in connection with the application for new cable franchises are capitalized to the extent that such costs do not exceed the estimated net realizable value of cable franchises obtained. These costs are amortized on a straight line basis over the composite average life of the franchises.

During the development and pre-operating phases of new cable systems, all costs including interest are capitalized. During the pre-maturity phase a portion of all costs including interest costs are capitalized and amortized. The pre-maturity period generally ends at the earlier of two years from the time of the first subscriber revenue and the completion of construction of the distribution system. The pre-maturity period may extend beyond two years for systems being built in large urban areas.

During construction of new cable systems or during the rebuilding of cable systems, direct costs plus a portion of interest and overhead costs are capitalized.

Leases that transfer substantially all of the benefits and risks of ownership are accounted for by the Company as capital leases. Accordingly, the asset values and related liabilities are recorded in the financial statements.

Interest capitalized during the year aggregated $4,604,000 (1983, $5,421,000).

(c) Depreciation

The cable plant and other fixed assets are depreciated over their estimated useful lives as follows:

Buildings	- 5% diminishing balance
Towers and head-ends	- 6-2/3% straight line
Distribution cable	- 6-2/3% straight line
Subscriber drops and devices	- 6-2/3% straight line
Computer equipment and development costs	- mainly 20% straight line
Converters and descramblers	- 20% and 13-1/2% straight line
Other equipment	- mainly 20% and 30% diminishing balance
Leasehold improvements	- over the term of the lease
Pre-maturity costs	- 6-2/3% straight line

(d) Income and expenses

Income from cable, rental of converters and pay television services includes earned subscriber service revenue and charges for installations and connections. Subscriber service

fees paid in advance are taken into income as earned. The cost of the initial cable subscriber installation is capitalized as part of the distribution system. Costs of all other connections and disconnections are expensed.

(e) Foreign exchange

(i) The accounts of foreign subsidiary companies, all of which are considered to be self sustaining, are translated into Canadian dollars on the following basis:

Assets and liabilities at the year end rates of exchange.
Revenue and expense items at the average exchange rate for the year.

Exchange gains or losses arising from the translation of the financial statements of self sustaining foreign subsidiary companies are deferred and included in a separate component of shareholders' equity.

(ii) Monetary assets and liabilities of the Company and its Canadian subsidiary companies, denominated in foreign currencies, are translated into Canadian dollars at the year end rates of exchange. Exchange gains or losses on translating non-current monetary assets and liabilities are deferred and amortized over the remaining life of the respective assets and liabilities. In those instances when monetary assets or liabilities act as a hedge of a foreign currency item or a foreign currency net asset/liability position, gains or losses on translation of the monetary asset or liability are deferred and included in a separate component of shareholders' equity.

(iii) All other exchange gains or losses are included in income.

The following table shows the changes in the equity adjustment from foreign currency translation for the years ended August 31, 1984 and 1983:

	1984	1983
	$000's	
Balance at beginning of year	**$(2,707)**	$(1,359)
Net effect of foreign currency translation adjustments	**4,903**	(1,348)
Balance at end of year	**$ 2,196**	$(2,707)

(f) Deferred charges

Deferred charges include various expenditures the benefit of which will relate to future years. These costs are amortized over various periods up to fifteen years.

(g) Subscribers and goodwill

Effective April 1, 1974, generally accepted accounting principles require a determination of the fair value of intangible assets acquired and the value of items designated as goodwill must be amortized over a period not exceeding forty years.

Prior to September 1, 1979 the excess of the purchase price over the estimated fair value of net assets acquired was not separated between amounts paid for cable subscribers and for goodwill. Since September 1, 1979 the Company has determined the cost of subscribers in each purchase. This amount is not being amortized but will be written down pro rata if the subscriber base falls below the level capitalized at the date of acquisition. Such a write down has not been necessary to date.

Goodwill acquired before April 1, 1974 in the amount of $19,006,000 will not be amortized but will be written down if there should be a diminution in its value. In accordance with generally accepted accounting principles amounts designated as goodwill acquired after

April 1, 1974, totalling $34,195,000 at August 31, 1984, are being amortized over forty years from the dates of acquisition. Amortization of goodwill for the year amounted to $951,000 (1983, $729,000).

(h) Canadian program production lending fund
Funds advanced in relation to film production ventures are capitalized and are included in investments. These advances are carried at the lower of cost and estimated net realizable value for each specific film venture (note 16(b)(iv)).

(i) Research and development costs
Research costs are expensed in the year incurred. Computer software development costs are deferred and amortized on a straight line basis over periods not exceeding five years commencing from the date the computer software is first used. Development costs are charged to expense in total where projects are deemed unfeasible, or in part when project costs are deemed excessive in amount.

(j) Pensions
Current service pension costs are expensed in the year incurred. Based on the most recent actuarial valuation dated as of August 31, 1983, the Company has no significant liability for unfunded past service pension liabilities.

(k) Income taxes
The Company records income tax expense on the tax allocation basis. Tax deferred as a result of claiming, for tax purposes, amounts different from those recorded in the accounts are charged against current operations and recorded in the balance sheet as deferred income taxes. Timing differences consist principally of tax depreciation in excess of book depreciation, interest capitalized for accounting purposes and expensed for tax purposes and the capitalization of certain costs for accounting purposes and expensing them for tax purposes.

No provision is made for withholding taxes on the unremitted earnings of foreign subsidiaries as these earnings are expected to be reinvested in the jurisdiction earned.

2. DIVISION OF ROGERS UA CABLESYSTEMS, INC. (RUAC)
Effective August 31, 1983 the assets and liabilities of RUAC were divided in accordance with the terms of a shareholders agreement which division allowed each shareholder group to own and be responsible for 100% of the assets and liabilities allocated to it. In order to provide shareholders with an understanding of the effect of this transaction the 1983 consolidated statement of income and the 1983 consolidated statement of changes in financial position shown for comparative purposes have been restated to exclude the revenues and expenses of the RUAC division allocated to the other shareholder group with an adjustment being made in the consolidated statement of income to account for the income differential between the two divisions which adjustment is described as income from the operations of Rogers UA Cablesystems, Inc. not retained. This method of presentation was chosen to permit a more comparable review of the results of operations for the fiscal years 1983 and 1984.

3. FIXED ASSETS, at cost

	1984	1983
	$000's	
Land and buildings	**$ 18,928**	$ 14,505
Towers and head-ends	**33,931**	23,091
Distribution cable	**390,650**	311,320
Subscriber drops and devices	**147,793**	119,795
Computer equipment and development costs	**16,405**	10,908
Converters and descramblers	**124,278**	72,486
Other equipment	**61,901**	71,804
Leasehold improvements	**12,304**	9,537
Pre-maturity costs	**30,448**	22,375
Construction in progress	**1,160**	15,187
	837,798	671,008
Less accumulated depreciation and amortization	**190,442**	140,406
	$647,356	$530,602

4. INVESTMENTS

	1984	1983
	$000's	
Hees International Corporation	**$18,500**	$19,500
General Cable T.V. Limited	**24,000**	24,000
Associated companies	**7,457**	6,737
Canadian Program Production Lending Fund (note 16(b)(iv))	**1,951**	2,000
Rogers-Minneapolis Cablesystems Limited Partnership	**3,814**	
Other investments	**1,468**	1,808
	$57,190	$54,045

(a) The shares of Hees International Corporation owned by the Company have exactly the same characteristics as the Company's Series V and VI Preferred shares which are issued to an associated company of Hees International Corporation.

(b) The shares of General Cable T.V. Limited, a company controlled by the controlling shareholder of the Company, have exactly the same characteristics as the Company's Series IV Preferred shares. Of the Series IV Preferred shares issued, 240,000 shares have been issued to another company controlled by the same shareholder.

(c) Associated companies

	1984	1983
	$000's	
Western Cablevision Limited	**$5,551**	$5,258
Cableshare Inc.	**1,906**	1,479
	$7,457	$6,737

The carrying value of the Company's investments in associated companies is equal to their cost plus the Company's share of equity or losses in undistributed earnings since the date of acquisition.

The excess of the carrying value of the Company's investment in associated companies over its equity in the value of the underlying net assets amounted to $3,345,000 at August 31, 1984 (1983, $3,430,000). This excess is being amortized over its estimated useful life of forty years.

(d) Effective December 14, 1983, the Company completed an offering of limited partnership units to partially finance the construction and operation of a cable system in the City of Minneapolis, Minnesota which is adjacent to the cable system owned and operated by Rogers Cablesystems of Minnesota. The offering totalled U.S. $25,000,000 of which U.S. $1,875,000 was paid on closing and U.S. $7,167,000 was paid on January 20, 1984 with the remaining U.S. $8,833,000 and U.S. $7,125,000 being due on January 20, 1985 and 1986 respectively. A wholly owned subsidiary of the Company is the general partner of the partnership. The general partner will invest capital contributions totalling U.S. $3,000,000 of which U.S. $1,900,000 has been invested to date and in addition it transferred franchise rights for a portion of the City to the partnership in exchange for a non-interest bearing promissory note in the amount of U.S. $4,960,000 due December 14, 1993. Initially, the Company will have a nominal interest in profits, losses and distributions, increasing to a 50% interest if certain profit and cash distribution levels are attained. Under the terms of a management agreement the Company is entitled to receive a management fee equal to the greater of 5% of gross revenue and $200,000. Management fee income earned for the year ended August 31, 1984 was $299,000. The Company accounts for this investment on the equity method.

The partnership has also entered into an agreement with three banks to provide long term financing in the amount of U.S. $55,800,000 for the construction of the system. The Company has provided a guarantee of the bank loan up to a maximum amount of U.S. $14,000,000 of which U.S. $10,000,000 is supported by a letter of credit. In addition, the Company is contingently liable to provide financing for capital expenditures of the partnership up to a maximum amount of U.S. $5,000,000.

5. DEFERRED CHARGES

	1984	1983
	$000's	
Financing costs	**$13,157**	$13,689
Franchising costs	**11,046**	16,793
Pre-operating costs	**9,641**	10,534
Other	**724**	465
	$34,568	$41,481

Deferred franchising costs represent all costs incurred since September 1, 1980 in connection with applications for new cable television franchises, net of accumulated amortization. The cumulative amount capitalized at August 31, 1984 is not materially different from that which would have been capitalized if the Company had capitalized only the costs of successful and pending franchise applications from the date of commencement of its major franchising activities in 1979.

Amortization of deferred charges for the year amounted to $4,468,000 (1983, $2,790,000).

6. OTHER ASSETS

	1984	1983
	$000's	
Receivable under share purchase plans, including $2,342,000 from officers and officers who are also directors (1983, $2,089,000)	**$ 8,253**	$ 5,866
Miscellaneous notes and loans receivable including $241,000 from officers and officers who are also directors (1983, $248,000)	**1,869**	1,863
Long term contracts receivable for MATV service	**495**	868
Prepaid franchise fees and franchise deposits	**4,958**	5,131
	$15,575	$13,728

7. LONG TERM DEBT

	1984	1983
	$000's	
(a) ROGERS CABLESYSTEMS INC.		
(i) Term bank loans	**$102,023**	$114,527
(ii) 9% Convertible Subordinated Debentures, maturing October 1, 2000	**27,921**	27,996
(b) ROGERS CABLESYSTEMS OF CANADA LIMITED		
(iii) Term bank loans	**181,636**	
(c) CANADIAN CABLESYSTEMS LIMITED		
(iv) Series I 13-1/2% Zero Coupon Senior Secured Notes due May 1, 1988	**25,731**	21,455
(v) Series II 13-1/2% Zero Coupon Senior Secured Notes due May 1, 1989	**22,579**	18,828
(vi) 13-5/8% Senior Debentures due April 1, 1998	**97,305**	92,460
(vii) 14-1/4% Senior Subordinated Debentures due April 1, 1998	**97,305**	92,460
(viii) Term bank loans		
(ix) Series A 12.55% Sinking Fund Debentures, due March 31, 1996	**8,160**	8,760
(x) Promissory note payable to the Mutual Life Insurance Company of New York	**10,275**	10,984
(xi) Promissory note payable to Chemical Bank of Canada Limited		1,000
(xii) Mortgages payable	**2,273**	
(d) ROGERS U.S. CABLESYSTEMS, INC.		
(xiii) Term bank loans, Rogers-Portland Cablesystems	**44,112**	32,053
(xiv) Term bank loans, Rogers Cablesystems of California, Inc.	**47,122**	30,820
(xv) Term bank loans, Dickinson Pacific Cablesystems	**35,030**	33,286
(xvi) Term bank loans, Rogers Cablesystems of Minnesota	**22,056**	18,492
(xvii) Promissory note payable to the Mutual Life Insurance Company of New York, by Rogers Cablesystems of Syracuse	**14,271**	13,561
(xviii) Term bank loans, Rogers-Multnomah Cablesystems	**11,677**	
(e) ROGERS CABLESYSTEMS OF AMERICA, INC.		
(xix) Term bank loans		110,952
(f) DUBLIN CABLESYSTEMS LIMITED		
Loan payable to Chase Bank (Ireland) Ltd.		1,944
(g) OTHER LONG TERM DEBT	**12,967**	7,787
	$762,443	$637,365

Further details of indebtedness outstanding are as follows:

ROGERS CABLESYSTEMS INC.

(i) Effective November 9, 1984 the Company entered into arrangements with its bankers to refinance the U.S. $78,637,000 loan outstanding at August 31, 1984. The new loan arrangements provide for a total credit facility of U.S. $106,000,000. Of this total credit facility loans of U.S. $22,000,000 are fixed rate loans bearing interest at approximately 16.5%, U.S. $58,000,000 loans bear interest at the U.S. base rate plus 1-1/2% while amounts borrowed in excess of U.S. $80,000,000 bear interest at the U.S. base rate plus 2%. The loan is secured by a fixed and floating charge debenture on all assets and undertakings of the Company in the amount of U.S. $300,000,000, guarantees of certain subsidiary companies and the pledge of shares and promissory notes of certain subsidiary companies. The loan is due on February 28, 1986 with no principal repayments required prior to that date. However, any proceeds on the sale of assets or the issuance of debt and/or equity securities during the period the loan is outstanding must be used to repay the bank loan and will reduce availabilty under the credit facility. The Company has provided an undertaking to sell assets, if necessary, to repay the loans by February 28, 1986. The provisions of the loan agreement contain certain covenants restricting the operations and activities of the Company, the most significant of which relate to the maintenance of a minimum net worth position, mergers and acquisitions, creation of additional indebtedness and encumbrances of assets, and changes in the capitalization of the Company.

The loan agreement also provides the banks with the right to convert the loan from a term loan to a demand loan should there be, in the banks' opinion, an adverse change in the financial position of the Company.

A U.S. $35,000,000 revolving loan owing by the Company was repaid during the year by funds received on borrowings by a subsidiary company.

(ii) These Debentures are unsecured, subordinated and are convertible into Class B shares at the holders' option at any time prior to October 1, 1985 at $10.15 per share, and thereafter to October 1, 1990 at $11.05 per share. The Debentures cannot be redeemed in the period ending October 1, 1985 unless the weighted average price at which the Class B shares of the Company traded on The Toronto Stock Exchange for 20 consecutive days exceeded 125% of the conversion price of the Debentures.

The Company is required to make mandatory sinking fund payments in the amount of 5% of the Debentures outstanding on October 1, 1990 in each of the years 1991 to 1999.

ROGERS CABLESYSTEMS OF CANADA LIMITED (RCCL)

(iii) During the year RCCL, a wholly owned subsidiary of the Company, entered into a loan agreement with a consortium of banks. The loan agreement provides for a maximum credit facility being available to the company of U.S. $180,000,000 of which U.S. $140,000,000 had been drawn at August 31, 1984. In addition the loan agreement also provides for a U.S. $20,000,000 line of credit to a subsidiary company which amount can be drawn only after the entire U.S. $180,000,000 credit facility has been drawn.

Of the U.S. $140,000,000 borrowed at August 31, 1984, U.S. $133,000,000 has been used to retire and/or replace other long term debt within the consolidated group.

The Company has the option to select an interest rate which is principally based on the prime rate or the London InterBank Offer Rate (LIBOR). Interest rates payable will be LIBOR plus 1-1/8% to LIBOR plus 1-5/8% or prime rate plus 1/2% to prime rate plus 1% depending on the results of certain financial tests which govern the applicable interest rate. The loan is secured by the guarantees of RCA and certain of RCA's subsidiary companies which guarantees are secured by the pledge of all of the assets of those companies.

Principal repayments are required quarterly beginning in 1986. On the basis that the loans have been fully drawn down, principal repayments by fiscal year amount to U.S. $3,375,000 in 1986, U.S. $13,500,000 in 1987, U.S. $13,500,000 in 1988, U.S. $18,000,000 in 1989, U.S. $24,750,000 in 1990, U.S. $27,000,000 in 1991, U.S. $29,250,000 in 1992, U.S. $33,187,500 in 1993, and U.S. $17,437,500 in 1994.

Additional drawings under the credit agreement are subject to debt incurrence tests at the time of the proposed drawing. The provisions of the loan agreement impose restrictions on the operations and activities of the Company, RCA and certain of RCA's subsidiary companies, of which the most significant relate to maintenance tests governing amounts borrowed, use of proceeds under the loan agreement, additional indebtedness, additional investments, sales of assets and dividends.

CANADIAN CABLESYSTEMS LIMITED (CCL)

(iv) and (v) The Zero Coupon Notes (the Notes) were sold in units, each unit consisting of U.S. $1,000 principal amount of Series I Zero Coupon Senior Secured Notes due May 1, 1988, and U.S. $1,000 principal amount of Series II Zero Coupon Senior Secured Notes due May 1, 1989, and are secured obligations of CCL guaranteed by a subsidiary company, Rogers Cable T.V. Limited (RCTV). The Notes were sold at a substantial discount from the principal amount thereof, which amount includes interest to maturity at a specified annual rate of 13-1/2%. The Notes are not redeemable prior to maturity. The Notes rank equally in right of payment with other senior indebtedness of CCL, including bank debt and the Senior Debentures, and rank senior to the Senior Subordinated Debentures.

The Notes are secured by a demand bond of CCL. The bond is secured by security interests in all the assets of CCL and RCTV.

As interest accrues on the Notes but is not payable until maturity, accrued but unpaid interest will be added to the face value of the Notes to the maturity date at which point the entire balance owing of U.S. $32,000,000 on each of the Series becomes payable. Unpaid interest at August 31, 1984 amounted to $8,187,000 (August 31, 1983, $2,163,000).

The provisions of the Notes impose restrictions on the operations and activities of CCL, of which the most significant relate to limitations on payments to the parent and affiliated companies, additional investments, additional indebtedness, contingent liabilities, leases, liens, dividends, sales of assets and mergers.

(vi) The Senior Debentures which mature on April 1, 1998 are unsecured obligations of CCL guaranteed by RCTV, and bear interest at the rate of 13-5/8% per annum, payable semi-annually. The Senior Debentures rank equally in right of payment with other senior indebtedness of CCL, including bank debt and the Notes, and rank senior to the Senior Subordinated Debentures.

The Senior Debentures require annual mandatory sinking fund payments in the amount of U.S. $6,560,000 from April 1, 1990 to April 1, 1997 with the balance of U.S. $22,520,000 being due on maturity. In addition, CCL has the option to redeem the whole or a part of the Senior Debentures after April 1, 1988 subject to certain prepayment penalty clauses.

The provisions of the Senior Debentures relating to restrictions on the operations and activities of CCL are, with minor exceptions, substantially identical to those contained in the Zero Coupon Series I and Series II Notes as described in note (iv) and (v) above.

(vii) The Senior Subordinated Debentures which mature on April 1, 1998 are unsecured obligations of CCL, are guaranteed by RCTV, and bear interest at the rate of 14-1/4% per annum, payable semi-annually. The Senior Subordinated Debentures are subordinated in right of payment to senior indebtedness of CCL, including bank debt, the notes and the Senior Debentures.

The Senior Subordinated Debentures require annual mandatory sinking fund payments in the amount of U.S. $6,560,000 from April 1, 1990 to April 1, 1997 with the balance of U.S. $22,520,000 due on maturity. In addition, CCL has the option to redeem the whole or a part of the Senior Subordinated Debentures after April 1, 1988 subject to certain prepayment penalty clauses.

The provisions of the Senior Subordinated Debentures relating to restrictions on the operations and activities of CCL, are with minor exceptions, substantially identical to those contained in the Zero Coupon Series I and Series II Notes as described in note (iv) and (v) above.

(viii) Term Bank loans are available under a Credit Agreement with three Canadian chartered banks. At August 31, 1984, the line of credit available under the facility amounted to approximately $21,625,000 of which no amount had been drawn. Borrowings under the facility are limited to funds required for the purchase and installation of pay television descramblers at the rate of $108 for each descrambler placed in service.

Any borrowings under this facility are on a revolving basis until August 31, 1985 at which time the borrowings convert to a term loan, due on August 31, 1992, with quarterly repayments commencing on November 30, 1985. Borrowings bear interest at the banks' prime rates plus 1/2% to August 31, 1985 and thereafter at the banks' prime rates plus 3/4%. The facility is secured, together with the Notes and Senior Debentures by a pledge of the shares of two of CCL's subsidiaries, a fixed and floating charge on the assets of CCL and RCTV and a guarantee of RCTV. The Credit Agreement contains restrictions on the incurrence of debt and various maintenance tests principally relating to interest and debt coverage. In addition, the Credit Agreement restricts dividend payments and sales of assets. Subsequent to August 31, 1984 the company borrowed $19,000,000 under the facility.

(ix) The Series A Debentures which were issued by a wholly owned subsidiary of CCL are secured by letters of credit issued by two Canadian chartered banks. The covenants under the Debentures have been waived until August 15, 1985 when the letters of credit expire. The Debentures are redeemable and require sinking fund payments of $600,000 annually on March 31, 1985 to 1995 and a final payment of $1,560,000 on March 31, 1996.

(x) The promissory note payable which was issued by a wholly owned subsidiary of CCL to the Mutual Life Insurance Company of New York bears interest at 9-1/8% and is repayable in U.S. dollars. The note is repayable in annual instalments of U.S. $990,000 due June 15, 1985 to 1992. The terms of the note include certain financial and operational obligations on the part of the subsidiary company, Premier Cablesystems Limited.

(xi) The promissory note payable by a wholly owned subsidiary of CCL to Chemical Bank of Canada Limited was repaid during the year.

(xii) The mortgages payable consist of two mortgages in the principal amounts of $579,000 and $1,694,000 bearing interest at 13-1/4% and 12-1/2% per annum respectively. The mortgages mature in 1988 and 1989 respectively with the majority of the principal balance owing being payable upon maturity.

ROGERS U.S. CABLESYSTEMS, INC.

(xiii) Rogers-Portland Cablesystems (a limited partnership in which a wholly owned subsidiary of the Company has an interest) has arranged long term financing with a group of five banks in the amount of U.S. $34,000,000 which amount was fully drawn as at August 31, 1984 (1983, U.S. $26,000,000). The loan bears interest at the lead bank's California prime rate plus 1-1/2% and is secured by substantially all the assets of the partnership. The limited partners will be primarily liable together with the partnership for repayment of a portion of the loan, however, the Company has guaranteed directly and indirectly a total of U.S. $6,000,000 of the loan. The agreement restricts distributions to partners without the prior written consent of the banks. Principal repayments are required quarterly beginning in 1985 and by fiscal year amount to U.S. $1,000,000 in 1985, U.S. $2,500,000 in 1986, U.S. $3,998,000 in 1987, U.S. $6,004,000 in 1988, U.S. $6,004,000 in 1989, U.S. $7,001,000 in 1990 and U.S. $7,493,000 in 1991. The loan agreement contains both financial maintenance tests and tests for additional debt incurrence.

(xiv) Rogers Cablesystems of California, Inc. a wholly owned subsidiary of the Company, has arranged long term financing with two banks in the amount of U.S. $36,500,000. At August 31, 1984, U.S. $36,320,000 was outstanding (1983, U.S. $25,000,000). The loans bear interest at each bank's California prime rate plus 1-1/4% and are secured by the assets of Rogers Cablesystems of California, Inc. Principal repayments are required quarterly beginning in 1986 and by fiscal year amount to U.S. $1,825,000 in 1986, U.S. $3,650,000 in 1987, U.S. $4,563,000 in 1988, U.S. $4,562,000 in 1989, U.S. $7,300,000 in 1990, U.S. $7,300,000 in 1991 and U.S. $7,300,000 in 1992. The loan agreement contains both financial maintenance tests and tests for additional debt incurrence.

(xv) Dickinson Pacific Cablesystems, (a general partnership in which a wholly owned subsidiary of the Company has an interest) has arranged long term financing with two banks in the amount of U.S. $27,000,000 which amount was fully drawn as at August 31, 1984 (1983, U.S. $27,000,000). The loans bear interest at the banks' California prime rate plus 1-1/4%, are secured by the assets of Dickinson Pacific Cablesystems and a guarantee of the Company in the amount of U.S. $15,000,000. Principal repayments are required quarterly beginning in fiscal 1985 and by fiscal year amount to U.S. $1,000,000 in 1985, U.S. $3,000,000 in 1986, U.S. $4,000,000 in 1987, U.S. $6,000,000 in 1988, and U.S. $13,000,000 in 1989. The loan agreement contains both financial maintenance tests and tests for additional debt incurrence.

(xvi) Rogers Cablesystems of Minnesota, (a limited partnership in which a wholly owned subsidiary of the Company has an interest) has arranged long term financing with two banks in the amount of U.S. $18,000,000. At August 31, 1984 U.S. $17,000,000 was outstanding (1983, U.S. $15,000,000). The loan bears interest at the banks' New York prime rate plus 1-1/2% with a standby fee of 1/4% charged on the portion of the loan not advanced and is secured by substantially all the assets of the partnership. Principal repayments are required quarterly beginning in 1986. On the basis that the loan has been fully drawn down principal repayments required by fiscal year amount to U.S. $1,000,000 in 1986, U.S. $1,500,000 in 1987, U.S. $2,000,000 in 1988, U.S. $3,000,000 in 1989, U.S. $5,000,000 in 1990 and U.S. $5,500,000 in 1991. The loan agreement contains both financial maintenance tests and tests for additional debt incurrence.

(xvii) The promissory note payable in the amount of U.S. $11,000,000 by Rogers Cablesystems of Syracuse (a limited partnership in which a wholly owned subsidiary of the Company has an interest) bears interest at 12-7/8% and is secured by the assets of the partnership. Principal repayments are required semi-annually beginning in 1988 and by fiscal year amount to U.S. $750,000 in 1988, U.S. $1,250,000 in 1989, U.S. $1,800,000 in 1990, and U.S. $2,400,000 in each year to 1993. The terms of the note include certain financial and operational obligations on the part of the partnership.

(xviii) Rogers-Multnomah Cablesystems (a limited partnership in which a wholly owned subsidiary of the Company has an interest) has arranged long term financing with four banks in the amount of U.S. $25,200,000. At August 31, 1984, U.S. $9,000,000 was outstanding (1983, Nil). The loan bears interest at the option of the partnership at either the New York prime rate plus 1-1/2% or the New York Interbank Offered Rate plus 2-1/2%, with a standby fee of 1/2% per annum charged on the portion not advanced, and is secured by substantially all the assets of the partnership. The limited partners will be primarily liable together with the partnership for repayment of the loan, however, the Company has guaranteed directly and indirectly $5,000,000 of the loan.

The agreement restricts distributions to partners without the prior written consent of the banks. Principal repayments are required quarterly beginning in 1988 based on a percentage of the amount drawn down. On the basis the loan has been fully drawn down, principal repayments required by fiscal year amount to U.S. $630,000 in 1988, U.S. $1,890,000 in 1989, U.S. $3,150,000 in 1990, U.S. $5,040,000 in 1991, U.S. $6,300,000 in 1992, U.S. $5,670,000 in 1993, and U.S. $2,520,000 in 1994.

ROGERS CABLESYSTEMS OF AMERICA, INC.

(xix) Term bank loans of the company outstanding as at August 31, 1983 were repaid during the year by advances from an affiliated company.

OTHER LONG TERM DEBT

(xx) Included in other long term debt are obligations of the Company in the amount of $11,089,000 (1983, $5,061,000) in respect of long term capital leases.

(xxi) As at August 31, 1984 the Company has entered into the following interest exchange agreements:

Dollar value of agreement	Reference interest rate	Maturity date
U.S. $48,000,000	12.2%	March, 1990
25,000,000	10.75%	June, 1986
25,000,000	11.25%	June, 1988
U.S. $98,000,000		

These agreements have the effect of converting U.S. $98,000,000 of floating rate debt of the Company to fixed interest rate debt at interest rates generally equal to the reference interest rates specified above plus the Company's cost of money in excess of money market rates. The exchange agreements include certain covenants on behalf of both parties to the agreement and provide for early termination of the agreements under specified conditions.

Principal repayments due within each of the next five years on all long term debt are as follows:

	$000's
1985	$ 6,288
1986	120,086
1987	34,686
1988	71,357
1989	82,389
	314,806
Due after 1989	447,637
	$762,443

8. CAPITAL STOCK
Rights and conditions

Preferred shares

There are an unlimited number of Preferred shares without par value, issuable in series, with rights and terms of each series to be fixed by the directors prior to the issue of each series.

Series IV Preferred shares are without par value, are non-voting and have a cumulative dividend rate equal to 50% of the prime lending rate of a Canadian chartered bank plus 1-1/2% payable monthly. These shares are both redeemable and retractable at any time.

Series V and VI Preferred shares are without par value, are non-voting and have a cumulative dividend rate equal to 50% of the prime lending rate of a Canadian chartered bank plus 1-1/2% payable quarterly. The Company is obligated on each dividend payment date to redeem 12,500 Series V and 12,500 Series VI Preferred shares. These shares are retractable at the holder's option at any time after March 31, 1992.

Common shares

There are an unlimited number of voting Class A shares without par value. The Class A shares may receive a dividend at an annual rate of up to 35 cents per share only after the Class B shares have been paid a dividend at an annual rate of 35 cents per share.

There are an unlimited number of non-voting Class B shares without par value. The Class A and Class B shares will share equally in dividends after payment of a dividend of 35 cents per share for each class.

Issued

	1984	1983
	$000's	
250,000 Series IV Preferred shares	**$25,000**	$25,000
925,000 Series V Preferred shares (1983, 975,000 shares)	**9,250**	9,750
925,000 Series VI Preferred shares (1983, 975,000 shares)	**9,250**	9,750
5,146,459 Class A shares	**32,094**	32,094
17,641,512 Class B shares (1983, 17,261,392 shares)	**1,747**	15,610
	$77,341	$92,204

(a) During the year ended August 31, 1984, the Company effected the following capital stock transactions:

(1) 7,385 Class B shares were issued as a result of the conversion of $75,000 of Convertible Debentures.

(2) 50,000 Series V Preferred shares and 50,000 Series VI Preferred shares were redeemed for $1,000,000 cash.

(3) 372,735 Class B shares were issued from treasury to employees pursuant to the Company's share purchase plans.

(4) By a special resolution of the shareholders, the Company reduced the stated capital of the Class B shares by $17,517,000 and transferred this balance to contributed surplus.

(b) The Articles of Continuance of the Company under the Canada Business Corporations Act impose restrictions on the transfer, voting and issue of voting Class A and non-voting Class B shares in order to ensure that the Company remains qualified to hold or obtain any licence pursuant to the Broadcasting Act (Canada) and any licence required to carry on a cable television or similar undertaking.

(c) At August 31, 1984, an option was outstanding to Rogers Telecommunications Limited (a company which indirectly controls the Company) for the purchase of 500,000 Class A shares at $11.875 per share.

This option which was due to expire in 1983 was extended to December 31, 1987 in consideration for Rogers Telecommunications Limited providing certain financial assistance in connection with the bank financing of two cable systems of the Company in the United States.

9. INCOME TAXES

Total income taxes vary from the amounts that would be computed by applying the average deferred tax rate of accumulation to the loss before income taxes for the following reasons:

	1984	1983
	$000's	
Average deferred tax rate of accumulation	**53.6%**	53.6%
Tax based upon the loss before income taxes	**$(21,963)**	$(8,726)
Increase (decrease) results from:		
Effect of losses of foreign subsidiaries not recognized for income tax purposes	**7,232**	6,026
Non-deductible depreciation of fixed assets and amortization of goodwill related to acquisitions	**1,474**	1,561
Loss on sale of assets and shares not recognized for income tax purposes	**2,364**	
Foreign exchange losses not recognized for income tax purposes	**567**	1,790
Non-taxable dividend income	**(1,685)**	(2,035)
Other items	**1,283**	170
Actual income taxes	**$(10,728)**	$(1,214)

At August 31, 1984, certain United States subsidiaries have tax losses of approximately U.S. $51,023,000 available to be claimed against taxable income in future years, the tax effect of which has not been reflected in the accounts. These tax losses expire principally in the years 1995 to 1999. In addition, the Company's U.S. subsidiaries have approximately U.S. $9,469,000 of unclaimed investment tax credits which are available to reduce future income taxes until approximately 1999.

10. DISCONTINUED OPERATIONS

Effective August 31, 1984 the Board of Directors of the Company determined by resolution that the Company would offer for sale its cable television system in Syracuse, New York and its cable television systems in Los Angeles and Orange Counties, California. It is anticipated that these cable systems will be sold to third parties by December 31, 1985.

(a) The results of the 1984 operations of these systems are presented in detail below and included in the consolidated statement of income as loss from discontinued operations. The 1983 comparative figures for these systems have been restated accordingly.

	1984	1983
	$000's	
Revenue	**$44,740**	$28,655
Less cost of pay television	**11,218**	6,293
	33,522	22,362
Operating, general and administrative expenses	**23,191**	15,139
Operating income	**10,331**	7,223
Depreciation and amortization	**10,235**	6,786
Interest expense	**10,129**	4,542
Other expenses	**214**	813
Loss before income taxes	**10,247**	4,918
Deferred income tax (reduction)	**(76)**	29
Loss from discontinued operations	**$10,171**	$ 4,947

(b) The assets and liabilities of the systems to be sold included in the consolidated balance sheet of the Company are presented below on a combined basis as at August 31, 1984 and 1983.

ASSETS	**1984**	1983
	$000's	
Fixed assets	**$120,338**	$ 94,240
Excess of carrying value of subsidiaries over value of underlying net assets acquired, less amortization	**1,782**	1,229
Deferred charges	**10,106**	5,080
Cash and short term notes	**451**	2,087
Accounts receivable	**2,831**	1,624
Inventories	**3,638**	4,119
Prepaid expenses	**1,129**	890
Other assets	**4,710**	9,920
Deferred income taxes	**2,546**	2,341
	147,531	121,530
LIABILITIES		
Long term debt	**97,629**	78,343
Accounts payable and accrued expenses	**10,758**	8,427
Prepayments for services	**3,012**	3,035
Payable to parent and affiliated companies	**1,486**	618
	112,885	90,423
Investment in cable television systems, at equity	**$ 34,646**	$ 31,107

11. LOSS ON SALE OF DUBLIN CABLESYSTEMS LIMITED

The loss on sale of Dublin Cablesystems Limited is comprised of the following:

	$000's
Loss on sale based upon historical exchange rates	**$ 277**
Loss resulting from devaluation of the Irish Punt from the date of acquisition to the date of disposal	**3,467**
	$3,744

12. LOSS PER SHARE

Loss per share has been calculated based on the weighted average number of outstanding shares during the year, after adding dividends on Preferred shares to the loss for the year.

13. SEGMENTED INFORMATION

During the years ended August 31, 1984 and 1983, the Company operated cable and pay television systems in Canada, the United States and Ireland which are considered to be a single industry segment. Ireland was sold in June of 1984 and the results of operations are only included for the ten months ended June 30 in the 1984 segmented information presented below. Information by geographic segment is presented below:

	Canada	United States	Ireland	Corporate items and elimina- tions	Consoli- dated totals
August 31, 1984			$000's		
Revenue	$164,059	$125,983	$ 4,737		$ 294,779
Operating income	$ 56,843	$ 34,862	$ 1,618	$ 513	$ 93,836
Depreciation and amortization	27,102	22,546	763	264	50,675
	$ 29,741	$ 12,316	$ 855	249	43,161
Interest				(80,790)	(80,790)
Other corporate items, net				7,435	7,435
Income taxes				10,728	10,728
Minority interest				3,134	3,134
Loss from discontinued operations				(10,171)	(10,171)
Loss on sale of Dublin Cablesystems Limited				(3,744)	(3,744)
				$ (73,159)	
Loss for the year					$ 30,247
Identifiable assets	$320,378	$636,213	Nil	$ 52,792	$1,009,383
August 31, 1983 - As restated (notes 2 and 10)					
Revenue	$147,153	$ 97,942	$ 5,466		$ 250,561
Operating income	$ 53,285	$ 29,570	$ 1,636	$ 493	$ 84,984
Depreciation and amortization	22,072	16,510	966	642	40,190
	$ 31,213	$ 13,060	$ 670	(149)	44,794
Interest				(66,613)	(66,613)
Other corporate items, net				5,346	5,346
Income taxes				1,214	1,214
Minority interest				1,221	1,221
Income from RUAC operations not retained					3,919
Loss from discontinued operations				(4,947)	(4,947)
				$ (63,928)	
Loss for the year					$ 15,066
Identifiable assets	$307,876	$543,482	$11,974	$ 51,053	$ 914,385

14. RESEARCH AND DEVELOPMENT

During the year ended August 31, 1984, the Company incurred research and development costs in the amount of $1,997,000 ($5,769,000 in 1983). Of this total, research and development costs of $991,000 (1983, $1,020,000) were charged to expense and computer system software development costs of $1,006,000 (1983, $4,749,000) are included in fixed assets on the balance sheet.

15. LONG TERM LEASES

The Company has entered into various lease agreements for the rental of premises, distribution facilities, equipment and microwave towers. These leases have been accounted for as operating leases. Based upon all operating leases in force at August 31, 1984, the minimum amount that will be incurred by the Company and its subsidiaries per annum will be $11,030,000. The aggregate amount that will be paid under lease arrangements now in force is approximately $43,063,000.

16. COMMITMENTS

(a) U.S. commitments for cable construction

The Company is presently building a number of cable systems in the United States. At August 31, 1984, total costs to complete these systems are estimated to be U.S. $58,000,000. This construction program is financed largely by bank indebtedness and proceeds from the sale of limited partnership units.

(b) Canadian commitments

A Canadian Radio-television and Telecommunications Commission decision has required the Company to:

(i) Spend 2-1/2% of Canadian regulated revenue on research and development activities on a cumulative basis to August 31, 1985. At August 31, 1984, the Company has funded expenditures of approximately $4,400,000 in excess of its commitment which may be offset against its estimated commitment for 1985 of approximately $3,400,000.

(ii) Spend 1% of Canadian regulated revenue on various programming and production activities. It is estimated that this commitment will amount to approximately $1,300,000 in the next fiscal year. At August 31, 1984, the Company has accrued as a liability and set aside funds in the amount of $339,000 to satisfy the unexpended portion of this commitment.

(iii) Improve the cable plant facilities of the Vancouver system. This system is in the process of being increased to a 35 channel capacity. This process is expected to be completed by August 31, 1985 and costs to complete are estimated at $3,000,000.

(iv) Establish a Canadian Program Production Lending Fund of $5,000,000 with its then affiliate, Famous Players Limited, with each company investing a minimum of $2,500,000 to provide loans to Canadian program production ventures. As at August 31, 1984, the Company had advanced or set aside $3,761,000 to fund Canadian program production ventures of which $1,810,000 has been provided as an allowance for doubtful loans.

(c) U.S. Partnerships

Under the terms of certain partnership arrangements in which the Company has an interest, the Company is required under certain conditions and at the request of the other partners, to purchase all or a portion of their partnership interests. The prices will be based

upon the fair market value of the partnerships at the time of purchase. The requests by the other partners to the general partners can only be made during certain years varying between 1988 and 1992 with the exception of Dickinson Pacific Cablesystems as described below.

On October 2, 1984, pursuant to the terms of the partnership agreement of Dickinson Pacific Cablesystems, the Company exercised its option to purchase the 50% partnership interest owned by Dickinson Communications Limited (DCL). The purchase price to be paid to DCL will be based upon the fair market value of the partnership as at October 2, 1984 as determined by an independent valuation. To date the fair market value of the partnership has yet to be determined. Upon the closing of the purchase the Company will own 100% of Dickinson Pacific Cablesystems (note 17(d)).

In addition the Company is committed to capital contributions of U.S. $2,228,000 at August 31, 1984 to provide financing to two limited partnerships in which it has an interest.

(d) During 1983, the Company was granted an option by Rogers Telecommunications Limited (RTL) to purchase, at cost, RTL's interest in any licence awarded to provide cellular radio services in Canada. RTL is a member of a consortium which was awarded 23 such licences in December, 1983. This option expires on December 31, 1984.

17. CONTINGENT LIABILITIES

(a) Under the reorganization effective January 3, 1971, Famous Players Limited assumed liability under all leases pertaining to the theatre business, and provided the Company with a formal indemnity against any loss in this regard. While the Company has been released from its obligations under some of these leases, there are still many lease commitments under which it remains contingently liable. The Company's management, however, believes that the Company will incur no liability under these outstanding lease commitments.

(b) The Company has issued the following Class B shares which are held by a trustee under the terms of the Employee Share Purchase Plans:

Date of issue	Number of shares	Issue price
January 3, 1983	82,540	$8.75
June 29, 1984	68,005	$9.375
August 22, 1984	64,985	$9.375

Should the market price of the shares held in trust two years from the date of issue be below 85% of the issue price, the Company has agreed to pay to the employees an amount equal to the difference between 85% of the issue price and the market price.

(c) An action has been commenced against Dickinson Pacific Cablesystems, Rogers Cablesystems of California, Inc. and Rogers Cablesystems Inc. by a subcontractor who was responsible for the construction of the community television network for Orange County in Southern California. The subcontractor is claiming amounts are owing to him for various matters and the amounts sought by him aggregate U.S. $2,440,000. In the opinion of management, the litigation is without merit and the ultimate resolution is not expected to have a material adverse effect on the consolidated financial position of the Company.

(d) During 1983 Dickinson Communications Limited (DCL) (a 50% owner of Dickinson Pacific Cablesystems) commenced an action against Rogers Cablesystems of California, Inc. (the other 50% owner of Dickinson Pacific Cablesystems) and Dickinson Pacific Cablesystems

(DPC) seeking injunctive relief and damages based upon an alleged breach of both usury laws and the DPC partnership agreement. This action is based upon the issuance of certain debentures which issuance DCL claims required its approval. To date no specific monetary amounts have been sought by DCL in its action (note 16(c)).

(e) On June 1, 1983 litigation was initiated against Rogers Cablesystems of Texas, Inc. The complainant seeks damages of $10,000,000 to be trebled pursuant to anti-trust laws and an injunction against continued construction. While it is too early to predict the final outcome of this matter, management believes that it will not have a material adverse effect on the consolidated financial position of the Company.

(f) On or about August 8, 1980, James H. Truett Construction Company (Truett), commenced an action in the District Court for the 166th Judicial District, Bexar County, Texas against Rogers Cablesystems of Texas, Inc. (RCT). Truett's petition alleges that RCT wrongfully terminated its contract with Truett, dated March 26, 1979, under which Truett was to provide excavation and cable-laying operations in the Bexar County, Texas area. Truett alleges a loss of profits totalling U.S. $1,711,000, an unspecified loss from the sale of equipment allegedly purchased by Truett in order to perform the contract, a right to exemplary damages grounded in its contention that the termination of the contract was intentional and malicious and a right to attorneys' fees. An answer has been filed by RCT denying the allegations in Truett's petition. No trial date has been set. Management is of the opinion that if the final disposition of the suit is unfavorable it will not have a material adverse effect on the Company's consolidated financial position.

(g) There exist numerous other legal actions against the Company and its subsidiary companies both in Canada and the United States none of which are expected to have a material adverse effect on the consolidated financial position of the Company.

(h) The Company has outstanding letters of credit aggregating approximately U.S. $12,500,000 issued to third parties in connection with the division of Rogers UA Cablesystems, Inc. and certain financing arrangements.

18. RELATED PARTY TRANSACTIONS

(a) The Company incurred charges from Cableshare Inc., an associated company, for data processing services in the year ended August 31, 1984 in the amount of $1,858,000 (1983, $2,245,000). The Company's investment in this associated company is accounted for using the equity method.

(b) Rogers Telecommunications Limited, the Company's parent company, has guaranteed bank loans of a subsidiary company and a partnership in which the Company has an interest to a maximum of U.S. $15,000,000.

(c) Effective December 31, 1981, the Company subscribed for 240,000 cumulative, redeemable, retractable, non-voting Second Preference Shares with a par value of $100 each in the capital of General Cable T.V. Limited (General) for an aggregate subscription price of $24,000,000. The dividend rate and redemption rights on the General Second Preference Shares are essentially the same as the dividend rate and redemption rights on the 240,000 Series IV Preferred Shares of the Company (the RCI Preferred Shares) held by RCI Cablesystems Holdings Limited (RCHL). The subscription by the Company was conditional upon the execution of an agreement between RCHL, the Company and a Director of the Company pursuant to which RCHL agreed that the 240,000 RCI Preferred Shares held by RCHL would be placed in trust with the Director as Trustee. The agreement further provides that if there is any default in the payment of dividends on General's Second Preference Shares, during the continuance of such default, the

Company need not pay dividends on the RCI Preferred Shares beneficially owned by RCHL. In addition, in the event that RCHL or the Company determines to retract the RCI Preferred Shares, the Company can satisfy the redemption price therefore by transferring one General Second Preference Share for each RCI Preferred Share retracted. General and RCHL are companies associated with Rogers Telecommunications Limited.

(d) The Company has guaranteed payment, supported by a letter of credit in the amount of U.S. $1,445,000, of capital contributions required to be made by certain officers and directors of the Company who purchased limited partnership units of Rogers-Minneapolis Cablesystems Limited Partnership (note 4(d)).

19. RATE REGULATION

(a) The Company's Canadian subsidiary companies are subject to basic service rate regulation administered by the Canadian Radio-television and Telecommunications Commission (CRTC). During the years ended August 31, 1983 and August 31, 1984, the Company has been limited to basic rate increases of 6% from September 1, 1982, 5% from July 1, 1983 and 4% from July 1, 1984. However, the Company applied to the CRTC for additional rate increases for certain cable systems and as a result of these applications has been granted rate increases higher than the guidelines imposed above for two cable systems in Ontario and three cable systems in British Columbia.

After June 1985, the rate ceilings will no longer apply although there can be no assurance that the same or different ceilings will not then be imposed. The current rate limitations do not apply to the Company's converter rental and pay television operations.

(b) United States subsidiary companies are currently subject to rate regulation at the municipal level. It is possible that based upon new legislation recently enacted, rate regulation in the United States will be discontinued within two years.

Organization and Subscriber Information

EASTERN CANADA

Cable System	System Manager	Subscribers as at August 31, 1984
Canadian Operations East - William R. Rogers, Vice President		
Toronto	Clifford D. Williams	360,924
Mississauga	Chris C. Kofler	65,962
Brampton	Roger Gilodo	46,978
Newmarket	Mary E. Blackwell	13,629
Oshawa	Lorne F. McFadden	47,076
London	Gordon E. Symons	64,211
Brantford	James A. Yardy	26,941
Kitchener	Donald A. MacAlpine	103,246
Hamilton	Lee Martini	38,814
Cornwall	Andre D. Cammaert	17,916
WESTERN CANADA		
Canadian Operations West - Michael J. Jervis, Vice President		
Vancouver	Frank L. Eberdt	250,674
Fraser	Frank Radelja	51,285
Victoria	Glenn C. Terrell	76,773
Surrey*		90,172
Calgary	Rudi Engel	81,252

*All Canadian systems are wholly-owned, except Surrey which is 45% owned and not managed by Rogers.

Organization and Subscriber Information (cont.)

UNITED STATES Cable System	System Manager	% Ownership	Subscribers as at August 31, 1984
Minneapolis, Minnesota	Gary L. Mizga	10.71%**	24,828
Minneapolis Suburbs (Edina, Hopkins, Minnetonka, Eden Prairie, Richfield)	(Regional Manager)	82.18%	25,993
Portland, Oregon	Dan C. Churchill	66.7%	45,265
Multnomah County, Oregon (Eastern suburbs of Portland)	(Regional Manager)	62.6%**	14,159
Orange County, California (Huntington Beach, Westminster, Fountain Valley, Stanton)	Robert J. LaTourette (Regional Manager)	50.0%	42,090
(Garden Grove, Los Alamitos)		100%	18,329
Los Angeles County, California (Downey, Santa Fe Springs, Lynwood, Bell Gardens, Paramount, La Mirada)		100%	26,272
Syracuse, New York	Mary L. Cotter	70.3%	35,668
San Antonio, Texas	David Edwards	100%	199,442
Southwest Regional Manager - Robert A. Singer			
San Angelo, Texas	Donald R. Dooley	100%	23,964
Laredo, Texas	Steven Merritt	100%	20,487
East Texas	James C. Blanchard	100%	5,654
Gainesville, Texas	Ricky W. Allen	100%	4,945
Fort Smith, Arkansas	Edward D. Davidson	100%	27,972
Pulaski, Tennessee	Martha M. Hoskins	100%	10,035
McAlester, Oklahoma	Larry O. Stark	100%	7,079
Southcentral Regional Manager - Clay Blanco			
El Centro, California	Tom Mixon	100%	17,053
Yuma, Arizona	Clay Blanco	100%	17,710
Alamagordo, New Mexico	William L. Mason	100%	9,439

**Ownership will increase as certain profit and cash flow targets are met.

Directors and Officers

DIRECTORS

Ronald D. Besse
Chairman, President
& Chief Executive Officer
Canada Publishing Corporation
Toronto, Ontario

Claude Ducharme, Q.C.
Partner
Desjardins, Ducharme,
Desjardins & Bourque
Montreal, Quebec

George A. Fierheller
Vice-Chairman
Rogers Cablesystems Inc.
Vancouver, British Columbia

Robert M. Francis
Senior Vice-President,
Finance
Rogers Cablesystems Inc.
Toronto, Ontario

John W. Graham, Q.C.
Partner
Cassels, Brock & Blackwell
Toronto, Ontario

Gordon C.Gray, F.C.A.
Chairman
Royal LePage Limited
Toronto, Ontario

Thomas I. Hull
President
Thomas I. Hull Insurance
Limited
Toronto, Ontario

Philip B. Lind
Senior Vice-President
Programming & Planning
Rogers Cablesystems Inc.
Toronto, Ontario

William D. McGregor
President
CAP Communications
Limited
Kitchener, Ontario

Edward S. Rogers
Vice-Chairman &
Chief Executive Officer
Rogers Cablesystems Inc.
Toronto, Ontario

Loretta A. Rogers
Company Director
Rogers Cablesystems Inc.
Toronto, Ontario

Robert Smith
Chairman & President
Talcorp Limited
Toronto, Ontario

The Hon. Richard J. Stanbury Q.C.
Partner
Cassels, Brock & Blackwell
Toronto, Ontario

John A. Tory, Q.C.
President
The Thomson Corporation
Limited
Toronto, Ontario

J. Christopher C. Wansbrough
President
The National Victoria and Grey
Trust Company
Toronto, Ontario

Colin D. Watson
President
Rogers Cablesystems Inc.
Toronto, Ontario

W.David Wilson
Vice-President & Director
McLeod Young Weir Limited
Toronto, Ontario

OFFICERS

John W. Graham, Q.C.
Chairman

Edward S. Rogers
Vice-Chairman &
Chief Executive Officer

George A. Fierheller
Vice-Chairman

Colin D.Watson
President

Robert M. Francis
Senior Vice-President,
Finance

Philip B. Lind
Senior Vice-President,
Programming & Planning

Barry A. Ross
Senior Vice-President,
Corporate

Bruce D. Day
Vice-President, Treasurer

David E. Friesen
Vice-President,
Administration & Control

Nicholas F. Hamilton-Piercy
Vice-President, Engineering
& Technical Services

W. Wayne Howard
Vice-President, Controller

Graham W. Savage
Vice-President,
Investment Planning

Donald E. Taylor
Vice-President,
Technical Operations and
Purchasing

Albert Gnat, Q.C.
Secretary

Daphne Evans
Assistant Secretary

Corporate Information

Corporate Office

Suite 2602
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Commercial Union Tower
Toronto-Dominion Centre
Toronto, Canada
M5K 1J5
(416) 864-2373

Transfer Agent

Royal Trust Company

Bankers

- The Toronto-Dominion Bank
- The Bank of Nova Scotia
- The Royal Bank of Canada

Auditors

Thorne Riddell

Exchange Listings-Canadian

- Toronto Stock Exchange
- Montreal Stock Exchange
- Alberta Stock Exchange
- Vancouver Stock Exchange

Stock symbols

Class A RCI.A
Class B RCI.B

United States Over-the-Counter

National Association of
Securities Dealers Inc.
(NASDAQ)

Stock symbol

Class B RCINZ

Design: **Ian Jaffray**
Writing: **Stephen Moss**/Moss, Roberts and Associates Inc.

UNION
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