



Wireless Products and Services

Wireless offers wireless voice, data and messaging services including related handset devices and accessories, across Canada. Wireless' services are generally all available under either postpaid or prepaid payment options. Wireless' networks provide customers with advanced high-speed wireless data services, including mobile access to the Internet, e-mail, digital picture and video transmission, mobile video, music and application downloading, video calling, two-way short messaging service ("SMS" or "text messaging"), and an increasing number of machine-to-machine wireless applications.

Wireless Distribution

Wireless' nationwide distribution network includes: an independent dealer network; Rogers Wireless, Fido and chatr stores; major retail chains; and convenience stores. Wireless markets its products and services under the Rogers Wireless, Fido and chatr brands through an extensive nationwide distribution network across Canada of approximately 3,400 dealer and retail third party locations and approximately 360 Rogers owned retail locations. The distribution network sells its service plans and devices, and there are also thousands of additional locations selling its prepaid services. Wireless also offers many of its products and services through telemarketing and on the rogers.com, fido.ca and chatrwireless.com e-business websites.

Wireless Networks and Spectrum

Wireless is a facilities-based carrier operating its wireless networks over a broad, national coverage area, much of which is interconnected by its own fibre-optic and broadband microwave transmission infrastructure. The seamless, integrated nature of its networks enables subscribers to make and receive calls and to activate network features anywhere in Wireless' coverage area and in the coverage area of roaming partners as easily as if they were in their home area.

Wireless' underlying GSM/General Packet Radio Service/Enhanced Data for GSM Evolution ("GSM/GPRS/EDGE") network provides coverage to approximately 95% of Canada's population. Overlaying the infrastructure used for the GSM network is a next generation wireless data technology called Universal Mobile Telephone System/Evolved HSPA ("UMTS/HSPA+") which covers approximately 91% of the population with wireless data services at speeds capable of up to 42 Mbps. Further overlaying the infrastructure is the latest generation wireless data technology called LTE which covers approximately 32% of the population with wireless data service speeds capable of up to 150 Mbps. Wireless was first in Canada in deploying LTE across the country, starting with Ottawa in July 2011 and followed by Toronto, Montreal and Vancouver. By the end of 2011, the LTE network expanded to several cities around the Greater Toronto Area such as Mississauga, Brampton, Vaughan, Richmond Hill and Markham, and the Greater Vancouver Area, such as West and North Vancouver, Port Coquitlam, Delta, Langley, Surrey and Maple Ridge.

Wireless holds 25 MHz of contiguous spectrum across Canada in the 850 MHz frequency range and 60 MHz in the 1900 MHz frequency range across the country, with the exception of southwestern Ontario, northern Québec, and the Yukon, Northwest and Nunavut territories, where Wireless holds 50 MHz in the 1900 MHz frequency range. Wireless also has Advanced Wireless Services ("AWS") spectrum, which operates in the 1700/2100 MHz frequency range, across all 10 provinces and 3 territories.

Wireless also holds certain broadband fixed wireless spectrum in the 2300 MHz, 2500 MHz and 3500 MHz frequency ranges, together with Bell Canada, through an equally-owned joint venture called Inukshuk. Late in 2011, Rogers and Bell Canada jointly agreed to dissolve the Inukshuk joint venture during 2012 and split the jointly owned spectrum between the two parties.

Rogers has initiated a network sharing arrangement with Manitoba Telecom Services ("MTS") for the purpose of building a joint HSPA+ 3.5G wireless network in the province of Manitoba. This joint network was completed in 2010 and was launched during the first quarter of 2011 covering approximately 96% of the Manitoba population. In addition, Rogers completed a business network sharing arrangement with TBayTel that enables our combined base of customers in North Western Ontario to receive HSPA+ 3.5G wireless services under a joint brand (TBayTel with the power of Rogers) and Rogers customers in the rest of Canada to receive such services within the Thunder Bay coverage area in North Western Ontario.

WIRELESS STRATEGY

Wireless' objective is to drive profitable growth within the Canadian wireless communications industry, and its strategy is designed to maximize subscriber share, cash flow and return on invested capital. The key elements of its strategy are as follows:

- Continually enhancing its scale and competitive position in the Canadian wireless communications market;
- Focusing on offering innovative voice and wireless data services into the targeted youth, family, and small and medium-sized business segments, and specifically to drive increased penetration of smartphones and other advanced wireless devices;
- Enhancing the customer experience through ongoing focus principally in the areas of wireless devices, network quality and customer service in order to maximize service revenue and minimize customer deactivations, or churn;
- Increasing revenue from existing customers by cross-selling and up-selling innovative new wireless data and other enhanced and converged services to wireless voice customers;
- Enhancing and expanding owned and third party sales distribution channels to deliver products, services and support to customers;
- Maintaining the most technologically advanced, high-quality and national wireless network possible with global coverage enabled by widely adopted global standard network technologies; and
- Leveraging relationships across the Rogers group of companies to provide bundled product and service offerings at attractive prices to common customers, in addition to implementing cross-selling, distribution and branding initiatives as well as leveraging infrastructure sharing opportunities.

RECENT WIRELESS INDUSTRY TRENDS

Focus on Customer Retention

The wireless communications industry's current market penetration in Canada is estimated to be 78% of the population, compared to approximately 103% in the U.S. and approximately 122% in the