ROGERS COMMUNICATIONS INC
Form F-10/A
June 03, 2003

As filed with the Securities and Exchange Commission on June 3, 2003

Registration No. 333-105590

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
To

Form F-10

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

Rogers Communications Inc.

(Exact name of Registrant as specified in its charter)

British Columbia	**4841**	**Not Applicable**
(Province or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

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333 Bloor Street East, 10th Floor
Toronto, Ontario M4W 1G9
(416) 935-7777
(Address and telephone number of Registrant s principal executive offices)

CT Corporation System

111 Eighth Avenue, 13th Floor
New York, New York 10011
(212) 894-8400
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies to:

John T. Gaffney, Esq.	**David P. Miller, Esq.**	**Christopher J. Cummings, Esq.**
Cravath, Swaine & Moore LLP	**Rogers Communications Inc.**	**Shearman & Sterling**
Worldwide Plaza	**333 Bloor Street East**	**Commerce Court West**
825 Eighth Avenue	**10th Floor**	**199 Bay Street**
New York, New York	**Toronto, Ontario**	**Suite 4405**
10019-7475	**Canada M4W 1G9**	**Toronto, Ontario**
		Canada M5L 1E8

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

Province of Ontario, Canada
(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box)

A. þ upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).

B. o at some future date (check the appropriate box below).

1. o pursuant to Rule 467(b) on ( ) at ( ) (designate a time not sooner than 7 calendar days after filing).

2. o pursuant to Rule 467(b) on ( ) at ( ) (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on .

3. o pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.

4. o after the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction s shelf prospectus offering procedures, check the following box o.

PART I

INFORMATION REQUIRED TO BE

DELIVERED TO OFFEREES OR PURCHASERS

I-1

PROSPECTUS

ROGERS COMMUNICATIONS INC.

CDN$250,000,000

12,722,647 CLASS B NON-VOTING SHARES

The outstanding Class B Non-Voting shares of Rogers Communications Inc. (RCI) are listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol RCI.B and on the New York Stock Exchange (the NYSE) under the symbol RG. The closing price of the Class B Non-Voting shares on May 27, 2003, the last trading day before RCI announced this offering, on the TSX was Cdn$19.91 and on the NYSE was US$14.44. The closing price of the Class B Non-Voting shares on June 2, 2003 on the TSX was Cdn$19.70 and on the NYSE was US$14.40. The 12,722,647 Class B Non-Voting shares offered hereby (the Offered Shares) are being sold in Canada and the United States by TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Griffiths McBurney & Partners (collectively, the Underwriters). See Underwriting .

Each of the TSX and the NYSE has conditionally approved the listing of the Offered Shares, subject to RCI fulfilling the requirements of the applicable exchange.

SEE RISK FACTORS BEGINNING ON PAGE 5 FOR A DISCUSSION OF INVESTMENT CONSIDERATIONS APPLICABLE TO THE CLASS B NON-VOTING SHARES.

PRICE: CDN$19.65 PER CLASS B NON-VOTING SHARE

	Price to Public	Underwriters Fee	Net Proceeds to RCI(1)
Per Class B Non-Voting share	Cdn$19.65	Cdn$0.786	Cdn$18.864
Total	Cdn$250,000,000	Cdn$10,000,000	Cdn$240,000,000

(1) Before deducting the expenses of the offering, estimated to be Cdn$1,000,000.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

RCI is permitted to prepare this prospectus in accordance with Canadian disclosure requirements, which are different from those of the United States. RCI prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles, and they are subject to Canadian auditing and auditor independence standards. They may not be comparable to financial statements of United States companies.

Owning the Class B Non-Voting shares may subject you to tax consequences both in the United States and Canada. This prospectus may not describe these tax consequences fully. You should consult your own tax advisor with respect to your own particular circumstances.

Your ability to enforce civil liabilities under the United States federal securities laws may be affected adversely because RCI is amalgamated under the laws of British Columbia, most of its officers and directors and some of the experts named in this prospectus are Canadian residents, and most of RCI s assets are located in Canada.

(Continued on next page)

Sole Bookrunner

TD Securities **Scotia Capital**

CIBC World Markets **RBC Capital Markets**

Griffiths McBurney & Partners Corp.

June 3, 2003

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale if, as and when issued by RCI and accepted by the Underwriters, in accordance with the conditions contained in the Underwriting Agreement referred to under Underwriting and subject to the approval of certain legal matters on behalf of RCI by Torys LLP, Toronto, Ontario and Cravath, Swaine & Moore LLP, New York, New York, and on behalf of the Underwriters by Davies Ward Phillips & Vineberg LLP, Toronto, Ontario and Shearman & Sterling, Toronto, Ontario. **Each of TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. is, directly or indirectly, a wholly-owned or majority-owned subsidiary of a Canadian chartered bank which is a lender to RCI and/or certain of its subsidiaries and to which RCI and/or its subsidiaries are presently indebted. Accordingly, under applicable securities laws, RCI may be considered a connected issuer of each of TD Securities Inc., Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. in connection with this offering. For more information, see the section entitled Underwriting .**

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that certificates evidencing the Class B Non-Voting shares will be available for delivery at the closing, which will take place on or about June 12, 2003, or such other date as RCI and the Underwriters may agree but in any event not later than July 15, 2003.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the Underwriters have not, authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell Class B Non-Voting shares and seeking offers to buy Class B Non-Voting shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the Class B Non-Voting shares.

Market data and certain industry forecasts used throughout this prospectus and the documents incorporated by reference herein were obtained from market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither we nor the Underwriters make any representation as to the accuracy of the information.

Unless the context otherwise requires, all references to RCI, the Company , we , us and our refer to Rogers Communications Inc. and its subsidiaries.

This prospectus and the documents incorporated by reference herein include references to certain Internet websites that we maintain. None of these websites or their content forms a part of this prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements concerning the business, operations and financial performance and condition of RCI. When used in this prospectus, the words believe , anticipate , intend , estimate , expect , project and similar expressions are intended to ident forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements are based on current expectations and are naturally subject to uncertainty and changes in circumstances that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that may cause such differences include but are not limited to technological change, regulatory change, the general health of the economy and competitive factors. More detailed information about these and other factors is included in this prospectus under the section entitled Risk Factors . Many of these factors are beyond our control; therefore, future events may vary substantially from what we currently foresee. You should not place undue reliance on such forward-looking statements. We are under no obligation to update or alter such forward-looking statements whether as a result of new information, future events or otherwise.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Our consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in Canada (Canadian GAAP). For a discussion of the principal differences between Canadian GAAP and the accounting principles generally accepted in the United States, see Note 22 to our audited consolidated financial statements. We publish our consolidated financial statements in Canadian dollars. In this prospectus, except where otherwise indicated, all dollar amounts are stated in Canadian dollars. References to Cdn$ and $ are to Canadian dollars and references to US$ are to U.S. dollars.

EXCHANGE RATE INFORMATION

The following table sets forth: (i) the noon exchange rates for one Canadian dollar, expressed in U.S. dollars, in effect at the end of the periods indicated; (ii) the average noon exchange rates for such periods; and (iii) the high and low noon exchange rates during such periods, based on the inverse of the rates quoted by the Bank of Canada.

	March 31,	December 31,		
	2003	2002	2001	2000
Closing	$0.6806	$0.6331	$0.6279	$0.6666
High	0.6781	0.6329	0.6242	0.6413
Low	0.6814	0.6342	0.6695	0.6973
Average	0.6742	0.6368	0.6458	0.6733

On June 2, 2003, the noon rate payable in U.S. dollars for each Cdn$1.00 as reported by the Bank of Canada was US$0.7302.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in each of the provinces of Canada are specifically incorporated by reference in, and form an integral part of, this prospectus:

the audited consolidated financial statements of RCI as at and for the years ended December 31, 2001 and 2002, together with the auditors report thereon, and management s discussion and analysis in respect of these statements;

the interim unaudited consolidated financial statements of RCI as at March 31, 2003 and for the three months ended March 31, 2002 and 2003, and management s discussion and analysis in respect of these statements;

the Information Circular dated April 25, 2003 (except for the sections entitled Report on Executive Compensation , Performance Graph and Statement of Corporate Governance Practices) distributed in connection with the annual meeting of shareholders of RCI to be held on May 30, 2003;

the Annual Information Form of RCI dated May 14, 2003;

the Material Change Report of RCI, relating to the adoption of a dividend policy, dated May 28, 2003; and

the Material Change Report of RCI, relating to the $250,000,000 equity issuance to which this prospectus relates, dated May 28, 2003.

Any document of the type referred to in the preceding paragraph along with any material change reports (other than any confidential material change reports) filed by RCI with a securities commission or similar regulatory authority in any province of Canada, after the date of this prospectus and before the termination of this offering, will be deemed to be incorporated by reference in this prospectus.

ANY STATEMENT CONTAINED IN A DOCUMENT INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE HEREIN WILL BE DEEMED TO BE MODIFIED OR SUPERSEDED FOR THE PURPOSES OF THIS PROSPECTUS TO THE EXTENT THAT A STATEMENT CONTAINED HEREIN OR IN ANY OTHER SUBSEQUENTLY FILED DOCUMENT THAT ALSO IS OR IS DEEMED TO BE INCORPORATED BY REFERENCE HEREIN MODIFIES OR SUPERSEDES THAT STATEMENT. THE MODIFYING OR SUPERSEDING STATEMENT NEED NOT STATE THAT IT HAS MODIFIED OR SUPERSEDED A PRIOR STATEMENT OR INCLUDE ANY INFORMATION SET FORTH IN THE DOCUMENT THAT IT MODIFIES OR SUPERSEDES. THE MAKING OF A MODIFYING OR SUPERSEDING STATEMENT WILL NOT BE DEEMED AN ADMISSION THAT THE MODIFIED OR SUPERSEDED STATEMENT, WHEN MADE, CONSTITUTED A MISREPRESENTATION, AN UNTRUE STATEMENT OF A MATERIAL FACT OR AN OMISSION OF A MATERIAL FACT THAT IS REQUIRED TO BE STATED OR THAT IS NECESSARY TO MAKE A STATEMENT NOT MISLEADING IN LIGHT OF THE CIRCUMSTANCES IN WHICH IT WAS MADE. ANY STATEMENT SO MODIFIED OR SUPERSEDED WILL NOT BE DEEMED, EXCEPT AS SO MODIFIED OR SUPERSEDED, TO CONSTITUTE A PART OF THIS PROSPECTUS.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of documents incorporated by reference herein and not delivered with this prospectus may be obtained upon request without charge from the Corporate Secretary, Rogers Communications Inc., 333 Bloor Street East, 10th Floor, Toronto, Ontario, M4W 1G9, Tel: 416-935-7777 or by accessing the disclosure documents available through the Internet, on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at www.sedar.com, or the Securities and Exchange Commission s (the SEC) Electronic Data Gathering, Analysis and Retrieval System (EDGAR), which can be accessed at www.sec.gov. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Corporate Secretary of RCI at the above-mentioned address and telephone number.

SUMMARY

This summary highlights selected information contained elsewhere, or incorporated by reference, in this prospectus. As a result, it does not contain all of the information that you should consider before investing in our Class B Non-Voting shares. You should read the entire prospectus, including the Risk Factors section, and the documents incorporated by reference.

Rogers Communications Inc.

We are a diversified national Canadian communications company engaged in cable television, Internet access and video retailing through our wholly owned subsidiary, Rogers Cable Inc. (Rogers Cable or Cable); in wireless voice, data and messaging services through our 55.8% owned subsidiary, Rogers Wireless Communications Inc. (Rogers Wireless or Wireless); and in radio and television broadcasting, televised shopping, consumer magazines and trade and professional publications through our wholly owned subsidiary, Rogers Media Inc. (Rogers Media or Media). In addition, we hold other investment interests such as our interest in the Toronto Blue Jays Baseball Club, and in a pay-per-view movie service, as well as in several digital specialty channels, all of which are accounted for by the equity method.

Our Business

Rogers Cable

Rogers Cable is Canada s largest cable television company, serving approximately 2.3 million basic subscribers, representing approximately 31% of basic cable subscribers in Canada. Cable also provides digital cable services to approximately 434,600 subscribers and broadband Internet service to approximately 689,700 subscribers at March 31, 2003. Cable has highly-clustered and technologically advanced broadband networks in Ontario, New Brunswick and Newfoundland. Cable s Ontario cable systems, which comprise approximately 90% of these basic cable subscribers, are concentrated in three principal clusters: (i) in and around the greater Toronto area, Canada s largest metropolitan centre; (ii) Ottawa, the national capital city of Canada; and (iii) the Guelph to London corridor in southern Ontario. Cable s New Brunswick and Newfoundland cable systems in Atlantic Canada comprise the balance of its subscribers. Through its technologically advanced broadband networks, Cable offers a diverse range of services, including analog and digital cable television services and residential and commercial Internet services. At March 31, 2003, 98% of the homes passed in Cable s service areas had digital cable available and 94% of the homes passed were two-way capable. Cable also offers videocassette, Digital Video Disc (DVD) and video game sales and rentals through Rogers Video (Video), Canada s second largest chain of video stores. There were 270 Rogers Video Stores at March 31, 2003, many of which provide subscribers with the ability to pay their cable television, Internet or Rogers Wireless bills, to pick up and return cable TV and Internet equipment, and to purchase wireless handsets, services and accessories.

Rogers Wireless

Rogers Wireless is a leading Canadian wireless communications service provider serving approximately 3.75 million customers at March 31, 2003, including approximately 3.5 million wireless voice and data subscribers and approximately 289,000 one-way messaging subscribers. Wireless operates both a Global System for Mobile Communications/ General Packet Radio Service (GSM/GPRS) network, and a seamless integrated Time Division Multiple Access (TDMA) and analog network. The GSM/GPRS network provides coverage to approximately 93% of the Canadian population nationally. The seamless TDMA and analog network provides coverage to approximately 83% of the Canadian population in digital mode and approximately 93% of the Canadian population in analog mode. Wireless markets its products under the co-brand Rogers AT&T Wireless . Wireless estimates that its approximately 3.5 million wireless voice and data subscribers represent approximately 12% of the Canadian population residing in its coverage area. The service coverage of Wireless also extends throughout the U.S. and in approximately 70 countries throughout the world through roaming agreements with AT&T Wireless Services, Inc. (AWE) and other wireless communications providers. Wireless is 55.8% owned by us and 34.3% owned by AWE, with the balance publicly held.

Rogers Media

Rogers Media holds our radio and television broadcasting operations, our consumer and trade publishing operations, and our televised shopping service. The Broadcasting group (Broadcasting) comprises 43 radio stations across Canada (32 FM and 11 AM radio stations), two multicultural television stations in Ontario (OMNI.1 and OMNI.2), an 80% interest in a sports specialty service licenced to provide regional sports programming across Canada (Rogers Sportsnet), and Canada s only nationally televised shopping service (The Shopping Channel). Broadcasting holds minority interests in several Canadian specialty television services, including Viewers Choice Canada, Outdoor Life Network, TechTV Canada, The Biography Channel Canada, MSNBC Canada and Mystery Channel. The Publishing group (Publishing) produces over 80 consumer magazines and trade and professional publications and directories. In addition to the more traditional broadcast and print media platforms, the Media group also delivers content over the Internet for many of the individual broadcasting and publishing properties.

Our Strategy

Our strategic initiatives include the following:

Rogers Communications. Our business strategy is to maximize revenue, operating profit and return on our invested capital by maintaining and enhancing our position as one of Canada s leading national diversified media and communications companies. Our objective is to be Canadians preferred provider of communications, entertainment and information services. We seek to take advantage of opportunities to leverage our networks, infrastructure, sales channels and marketing opportunities across our group of companies to create value for our customers and shareholders. We help to identify and facilitate opportunities for our businesses to create bundled product and service offerings, as well as for the cross-marketing and cross-promotion of products and services to increase sales and enhance subscriber loyalty. We also work to identify and implement areas of opportunity for our businesses to improve operating efficiencies and capital utilization by sharing infrastructure and corporate services. During 2002, the sharing of call centre and information technology infrastructure enabled us to form a combined Cable and Wireless customer service group serving the needs of both Cable and Wireless customers and also to begin offering a combined bill for customers who subscribe to both Cable and Wireless services.

Rogers Cable. Cable seeks to maximize its revenue, operating profit and return on its invested capital by leveraging its technologically advanced cable network to meet the information, entertainment and communications needs of its subscribers, from basic cable television to advanced cable services including digital cable, Internet access, expanded pay-per-view, Video-On-Demand (VOD) and high-definition television. Cable s strategies to achieve this objective include:

- clustering of cable systems in and around metropolitan areas;
- offering a wide selection of products and services;
- maintaining technologically advanced cable networks;
- continuing to focus on increased quality and reliability of service;
- leveraging its relationships within our group of companies to identify opportunities for bundled product and service offerings; and
- continuing to develop brand awareness and to promote the Rogers brand as a symbol of a diversified media and communications company.

Rogers Wireless. Wireless seeks to maximize its revenue, operating profit and return on investment by providing high-quality, leading-edge wireless voice and data communications products and services in Canada. Wireless strategies to achieve this objective include:

- optimizing incremental customer mix through focusing its efforts on acquiring postpaid business and youth customers while reducing its emphasis on its prepaid services;

managing its existing customer base to increase revenues while reducing subscriber deactivations, or churn;

focusing on offering products and services that are profitable and competitive within the industry marketplace;

leveraging strategic relationships such as those developed within our group of companies and with AWE; and

maintaining a technologically advanced network to leverage the advantages of new and leading edge technologies, services, handsets and devices.

Rogers Media. Media seeks to maximize revenues, operating profit and return on invested capital across each of its businesses. Media s strategies to achieve this objective include:

continuing to leverage its strong brand names, both within Media by cross-promoting its properties across each of its media formats and with the promotion of the Rogers brand;

focusing on specialized content and audiences through continued development of its portfolio of specialty channel investments, radio properties and publications; and

focusing on organic growth and continuing to cross-sell advertising and share content across its properties and over its multiple media platforms.

Recent Developments

At the annual meeting of shareholders of the Company held on May 30, 2003, the shareholders approved a special resolution to: (i) alter the Memorandum of the Company by canceling all authorized but unissued Class A Voting shares; and (ii) amend the Articles of the Company to provide that the directors may not attach any right to any series of Preferred shares of the Company created after the date of the meeting that entitles or would entitle the holder or holders of the shares of any such series to vote at any general meeting of the Company, and that the Preferred shares of any such series shall have no right to vote at any such general meeting. The Company has filed amendments to its Memorandum and Articles to effect these changes. See Description of Share Capital .

In May 2003, the RCI Board of Directors adopted a dividend policy that provides for the payment, each year, of dividends aggregating $0.10 per share on each outstanding Class A Voting share and Class B Non-Voting share held as of the record date, as determined by the Board. The dividend payments, payable twice yearly in the amount of $0.05 per share, are scheduled to be made on the first trading day following January 1 and July 1 in each year, commencing July 2, 2003. This policy will result in a semi-annual payment of dividends on the Series E Preferred shares in the amount of $0.05 per share. The dividend policy will be reviewed periodically by the Board. The declaration and payment of dividends are at the sole discretion of the Board and depend on various factors which the Board may consider. Pursuant to the foregoing policy, on May 29, 2003, the Board declared a dividend of $0.05 per share on each of the outstanding Class B Non-Voting shares, Class A Voting shares and Series E Preferred shares, payable on July 2, 2003 to shareholders of record on June 16, 2003. See Dividends .

On April 14, 2003, RCI redeemed all of its outstanding 9 1/8% Senior Notes due 2006 in an aggregate principal amount of US$54,643,000, together with accrued interest. The redemption price was 101.521%.

The Offering

Class B Non-Voting shares offered	12,722,647 Class B Non-Voting Shares
Class B Non-Voting shares to be outstanding after the offering	175,598,012 Class B Non-Voting Shares
Use of proceeds	We will use the net proceeds from the sale of our Class B Non-Voting shares, together with other available funds, to redeem certain of our outstanding indebtedness and for general corporate purposes. See Use of Proceeds .
Toronto Stock Exchange symbol	RCI.B
New York Stock Exchange symbol	RG

The number of Class B Non-Voting shares to be outstanding after the offering is based on the number of Class B Non-Voting shares outstanding at March 31, 2003 and excludes Class B Non-Voting shares that may be issuable upon the exercise of RCI s convertible securities. See Description of Share Capital .

RISK FACTORS

In considering whether to purchase our Class B Non-Voting shares, you should carefully consider all the information we have included or incorporated by reference in this prospectus. In particular, you should carefully consider the following risk factors.

Risks Relating to RCI

Our Holding Company Structure May Limit Our Ability to Meet Our Financial Obligations

As a holding company, RCI s ability to meet its financial obligations is dependent primarily upon the receipt of interest and principal payments on intercompany advances, management fees, cash dividends and other payments from its subsidiaries together with proceeds raised by RCI through the issuance of equity and debt and from the sale of assets.

Substantially all of RCI s business activities are operated by its subsidiaries, other than certain centralized functions such as payables, remittance processing, call centres and certain shared information technology functions. All of RCI s subsidiaries are distinct legal entities and have no obligation, contingent or otherwise, to make funds available to RCI whether by dividends, interest payments, loans, advances or other payments, subject to payment arrangements on intercompany advances and management fees. In addition, the payment of dividends and the making of loans, advances and other payments to RCI by these subsidiaries are subject to statutory or contractual restrictions, are contingent upon the earnings of those subsidiaries and are subject to various business and other considerations. The subsidiaries are parties to various agreements, including loan agreements, that restrict the ability of the respective subsidiaries to pay cash dividends or make advances or other payments to RCI.

We Are Controlled By One Shareholder, Whose Interests May Conflict With Those of Other Shareholders

As at April 1, 2003, there were outstanding 56,240,494 Class A Voting shares of RCI. To the knowledge of the directors and officers of RCI, the only person or corporation beneficially owning, directly or indirectly, or exercising control or direction over more than 10% of the outstanding voting shares of RCI is Edward S. Rogers. Edward S. Rogers beneficially owns or controls 51,116,099 Class A Voting shares of RCI, representing approximately 90.9% of the issued and outstanding Class A Voting shares, which class is the only class of issued shares carrying the right to vote in all circumstances. Accordingly, Edward S. Rogers is, and will continue to be after this offering, able to elect a majority of the board of directors of RCI and to control the vote on matters submitted to a vote of RCI s shareholders. The interests of Edward S. Rogers may not correspond with those of other shareholders. For purposes of the foregoing, a reference to Edward S. Rogers includes Edward S. Rogers, O.C., the President and Chief Executive Officer and a director of RCI, and certain corporations, other than RCI and its subsidiaries, owned or controlled directly or indirectly by him and trusts for the benefit of Mr. Rogers and his family.

The Operation of Our Business Requires Substantial Capital, and There Is No Guarantee That Financing Will Be Available to Meet Those Requirements

The operation of RCI s networks, the marketing and distribution of its products and services and future technology upgrades of the networks will require substantial capital resources. RCI and its subsidiaries had approximately $5.7 billion of long-term debt outstanding at March 31, 2003. RCI currently expects capital spending on a consolidated basis in 2003 to range from $930 to $990 million. Significant additional capital expenditures will also be required during 2004 and thereafter.

The actual amount of capital required to finance RCI s and its subsidiaries operations and network development may vary materially from its estimates. RCI and its subsidiaries may incur significant additional capital expenditures in 2003 and thereafter as a result of unforeseen delays in the development of its networks, cost overruns, customer demand, unanticipated expenses, regulatory changes or other events that affect their businesses, and may need to obtain additional funds as a result of these unforeseen events. RCI anticipates that additional debt financing may be needed to fund cash requirements in the future. RCI and its subsidiaries cannot predict whether such financing will be available, what the terms of such additional financing would be or whether existing debt agreements would allow additional financing at that time. If RCI and its subsidiaries cannot obtain additional financing when needed, they will have to delay, modify or abandon some of their plans. This could slow their growth and negatively impact the ability of RCI and its subsidiaries to compete.

Our Substantial Leverage May Have Adverse Consequences

The substantial debt of RCI and its subsidiaries may have important consequences. For instance, it could:

- make it more difficult for RCI and its subsidiaries to satisfy their financial obligations;
- require RCI and its subsidiaries to dedicate a substantial portion of any cash flow from operations to the payment of interest and principal due under the debt of RCI and its subsidiaries, which will reduce funds available for other business purposes;
- increase the vulnerability of RCI and its subsidiaries to general adverse economic and industry conditions;
- limit the flexibility of RCI and its subsidiaries in planning for, or reacting to, changes in their businesses and the industries in which they operate;
- place RCI and its subsidiaries at a competitive disadvantage compared to some of its competitors that have less financial leverage; and
- limit the ability of RCI and its subsidiaries to obtain additional financing required to fund working capital and capital expenditures and for other general corporate purposes.

The ability of RCI and its subsidiaries to satisfy their obligations and to reduce their total debt depends on the future operating performance of RCI and its subsidiaries and on economic, financial, competitive and other factors, many of which are beyond the control of RCI and its subsidiaries. The business of RCI and its subsidiaries may not generate sufficient cash flow and future financings may not be available to provide sufficient net proceeds to meet these obligations or to successfully execute their business strategies.

We May Experience Adverse Effects due to Exchange Rate and Interest Rate Fluctuations

Nearly all of our business is transacted in Canadian dollars. Accordingly, we are exposed to foreign exchange rate risk on our U.S. dollar denominated debt. The exchange rate between Canadian dollars and U.S. dollars, although historically less volatile than those of certain other foreign currencies, has varied significantly over the last three years. See Exchange Rate Information . Foreign exchange and interest rate fluctuations may materially adversely affect our financial performance or results of operations. For a more complete discussion on the impact of exchange rate and interest rate fluctuations, see the section entitled Interest Rate and Foreign Exchange Management in our 2002 management s discussion and analysis, incorporated by reference in this prospectus.

Regulatory Changes Could Adversely Affect Our Results of Operations

Substantially all of the business activities of RCI and its subsidiaries (except for the non-broadcasting operations of Rogers Media) are regulated by the Canadian Federal Department of Industry, Science and Technology, on behalf of the Minister of Industry (Canada) (collectively Industry Canada) and the Canadian Radio-television and Telecommunications Commission (the CRTC) under the *Telecommunications Act* (Canada), the *Radiocommunication Act* (Canada) and the *Broadcasting Act* (Canada), and accordingly RCI s results of operations on a consolidated basis are affected by changes in regulations and decisions by these regulators. Such regulation relates to, among other things, licensing, competition, the specific cable television programming services that RCI or its subsidiaries must distribute, the rates RCI or its subsidiaries may charge to provide access to its network by third parties, resale of its networks and roaming on to its networks, the operation and ownership by RCI or its subsidiaries of its communications systems and the ability of RCI or its subsidiaries to acquire an interest in other communications systems. In addition, the cable, cellular, PCS, paging and broadcasting licences of RCI or its subsidiaries may not generally be transferred without regulatory approval.

Changes in the regulation of the business activities of RCI and its subsidiaries, including decisions by regulators affecting RCI s and its subsidiaries operations (such as the granting or renewal of licences or decisions as to rates RCI or its subsidiaries may charge its customers), or changes in interpretations of existing regulations by courts or regulators, could adversely affect RCI s consolidated results of operations.

Restrictions on Non-Canadian Ownership and Control May Adversely Affect Our Cost of Capital

The regulated subsidiaries of RCI must be Canadian-owned and controlled under requirements enacted or adopted under the *Broadcasting Act* (Canada), the *Telecommunications Act* (Canada) and the *Radiocommunication Act* (Canada). The requirements generally provide that Canadians must own at least 80% of the voting shares of the regulated entities, at least 80% of the members of the board of directors must be Canadian, and the entities must not be controlled in fact by non-Canadians. In addition, no more than 33 1/3% of the voting shares of a parent company, such as RCI or Rogers Wireless, may be held by non-Canadians and the parent company must not be controlled in fact by non-Canadians in order that such parent corporation may qualify as Canadian. These restrictions on non-Canadian ownership and control may have an adverse effect on us, including on our cost of capital. The Articles of RCI and Rogers Wireless contain provisions which constrain the issue and transfer of certain classes of shares, including the Class B Non-Voting shares, for the purpose of ensuring that the corporations and their subsidiaries remain eligible to hold licences or to carry on businesses which are subject to non-Canadian ownership and control restrictions. RCI and its subsidiaries are in compliance with all applicable Canadian ownership and control requirements.

Our Relationship with Rogers Wireless May Create Conflicts of Interest

Because Restricted Voting shares of Rogers Wireless representing approximately 10% of Rogers Wireless total equity are currently publicly traded, RCI s transactions with Rogers Wireless and its subsidiaries are currently subject to Rogers Wireless obligation to its minority shareholders. The directors and officers of RCI who are also directors or officers of Rogers Wireless have certain fiduciary duties to Rogers Wireless and may find themselves in a position where their duties as a director or officer of RCI are in conflict with their duties as a director or officer of Roger Wireless with respect to transactions involving the two corporations. There can be no assurance that any such conflict will be resolved in favour of RCI.

We May Engage in Unsuccessful Acquisitions and Divestitures

Acquisitions of complementary businesses and technologies, development of strategic alliances and divestitures of portions of our business are an active part of our overall business strategy. Services, technologies, key personnel or businesses of acquired companies may not be effectively assimilated into our business or service offerings and our alliances may not be successful. We may not be able to successfully complete any divestitures on satisfactory terms, if at all. Divestitures may result in a reduction in our total revenues and net income.

Risks Relating to Our Cable Business

Cable May Fail to Achieve Expected Revenue Growth from New and Advanced Cable Products and Services

It is expected that a substantial portion of future growth will be achieved from new and advanced cable products and services. Accordingly, Cable has invested significant capital resources in the development of a technologically advanced cable network in order to support a wide variety of advanced cable products and services, and has invested significant resources in the development of new services to be provided over the network. However, consumers may not provide sufficient demand for the enhanced cable products and services that are offered. Alternatively, Cable may fail to anticipate demand for certain products and services, or may not be able to offer or market these new products and services successfully to subscribers. Cable s failure to attract subscribers to new products and services, or failure to keep pace with changing consumer preferences for cable products and services, could slow revenue growth and have a material adverse effect on Cable s business and financial condition.

Cable Faces Substantial Competition

Technological, regulatory and public policy trends have resulted in a more competitive environment for cable television service providers, Internet Service Providers (ISPs) and video sales and rental services in Canada. Cable faces competition from entities utilizing other communications technologies and may face competition from other technologies being developed or to be developed in the future. The ability to attract and retain customers is also highly dependent on the quality and reliability of service provided, as well as execution of business processes in relation to services provided by competitors. Competitors of cable include direct-to-home, or DTH, satellite providers, and other distributors of multi-channel television signals to homes for a fee, including grey market satellite service providers, which are U.S. direct broadcast satellite, or DBS, providers whose signals are not sold but can be acquired in Canada, microwave multi-point distribution system, or MMDS, operators, satellite master antennae television systems, or SMATVs, and over-air television broadcasters. Other competitors of the cable television business are providers of black market , pirate systems to Canadian customers that enable customers to take, without paying a fee, programming services from U.S. satellite providers by defeating the operation of the systems preventing unauthorized access. Competitors of the high-speed Internet business include other ISPs offering competing residential and commercial Internet access services. Competitors of the videocassette, DVD and video games sales and rental business include other video rental and retail outlets, as well as alternative entertainment media, such as theatres, sporting events, pay-per-view services and broadcasting services, as well as competition from emerging VOD services introduced by cable television providers. In addition, the Canadian Broadcasting Distribution Regulations do not allow Cable or its competitors to obtain exclusive contracts in buildings where it is technically feasible to install two or more systems.

Forecasting PP&E Expenditures May Become More Difficult, Which May Increase the Volatility of Our Operating Results

An increasing component of Cable s property, plant and equipment (PP&E) expenditures will be to support a series of more advanced services. These services include Cable s Internet, digital television, VOD and other enhanced services that require advanced subscriber equipment. A substantial component of the capital required to support these services will be demand driven. As a result, forecasting PP&E expenditure levels for Cable will likely become less precise, which may increase the volatility of our operating results from period to period.

Failure by Programming Suppliers to Continue Their Operations May Reduce Cable s Revenue

There are over 70 digital specialty channels currently available in Canada. Cable believes that subscriber selection of these digital specialty service channels, whether individually, in pre-set theme packs or in customer-designed channel packages, will provide a consistent and growing stream of new revenue. In addition, the ability to attract subscribers to digital cable service is enhanced by the expanded variety of programming choices that are currently available. If a number of programmers that supply digital specialty channels face financial or operational difficulty sufficient to cause them to cease their operations, and the number of digital specialty channels decreases significantly, it may have a significant negative impact on Cable s revenue.

Cable is Required to Provide Access to Its Cable Systems to Third Party Internet Providers, Which May Result in Increased Competition

Cable is required by the CRTC to provide access to its cable systems to third party ISPs at mandated wholesale rates. The CRTC has approved cost-based rates for third party Internet access service and is currently considering proposed rates for third party interconnection and other outstanding terms and conditions of the service. As a result of the requirement that Cable provide access to third party ISPs, Cable may experience increased competition for high-speed Internet retail subscribers. In addition, these third party providers would utilize network capacity that Cable could otherwise use for its own retail subscribers. We are in the process of providing access to our network to a third party that signed the prescribed form of agreement with Cable in late 2002.

Failure to Obtain Access to Support Structures and Municipal Rights of Way Could Increase Cable s Costs and Adversely Affect Its Business

Cable requires access to support structures and municipal rights of way in order to deploy facilities. Where access to municipal rights of way cannot be secured, Cable applies to the CRTC to obtain a right of access under the *Telecommunications Act* (Canada). However, in a recent decision, the Supreme Court of Canada has determined that the CRTC does not have the jurisdiction to establish the terms and conditions of access to the poles of hydroelectric companies. As a result of this decision, the costs of obtaining access to support structures of hydroelectric companies could be substantially increased. A number of municipalities have also appealed a decision of the CRTC asserting jurisdiction over the terms and conditions of access to municipal rights of way by telecommunications carriers and distribution undertakings such as RCI. The Federal Court of Canada has denied this appeal. The municipalities have now sought leave to the Supreme Court of Canada. If leave is granted and the appeal is successful, the costs of deploying facilities in urban areas could also be significantly increased.

Risks Relating to Our Wireless Business

Wireless May Fail to Achieve Expected Revenue Growth From New and Advanced Wireless Services

It is expected that a substantial portion of future revenue growth will be achieved from new and advanced wireless voice and data transmission services. Accordingly, Wireless has invested significant capital resources in the development of the GSM/ GPRS network in order to offer these services. However, consumers may not provide sufficient demand for these advanced wireless services. Alternatively, Wireless may fail to anticipate demand for certain products and services, or may not be able to offer or market these new products and services successfully to subscribers. Wireless failure to attract subscribers to new products and services, or failure to keep pace with changing consumer preferences for wireless products and services, could slow revenue growth and have a material adverse effect on its business and financial condition.

Wireless May Face Increased Competition

Wireless could face increased competition if there is a removal or relaxation of the limits on foreign ownership and control of wireless licences. A Canadian parliamentary committee recently issued a report recommending the relaxation of these limits. Legislative action to remove or relax these limits could result in foreign telecommunication companies entering the Canadian wireless communications market, either through the acquisition of wireless licences or of a holder of wireless licences. Such companies could have significantly greater capital resources than Wireless.

Price Competition Could Adversely Affect Wireless Churn Rate

Aggressive pricing over time has reduced Canadian wireless communications pricing to among the lowest in the industrialized world. Wireless believes that competitive pricing is a factor in causing churn. It cannot predict the extent of further price competition and customer churn into the future, but it anticipates some ongoing re-pricing of its existing subscriber base, as lower pricing offered to attract new customers is extended to or requested by existing customers. In addition, as wireless penetration of the population deepens, new wireless customers may generate lower average monthly revenues than Wireless existing customers, which could slow revenue growth.

Rate Increases Could Adversely Affect Wireless Results of Operations

Commencing January 1, 2001, Wireless was required to make payments equal to an annual percentage of adjusted revenues in accordance with the new revenue-based contribution scheme. The percentage of adjusted revenues payable is revised annually by the CRTC. The CRTC has announced the final rate for 2002 and interim rate for 2003 of 1.3%. Wireless cannot anticipate the final rate for 2003 or for future years.

Late in 2002, Industry Canada released a consultation paper proposing a new methodology for calculating spectrum fee assessments (excluding auction spectrum). Spectrum fees are currently assessed on a per radio channel basis in the case of cellular and a per site basis for PCS. The new regime proposes an annual cost per

MHz per population for both cellular and PCS, and therefore fees would be based on the amount of spectrum held by the carrier, regardless of the degree of deployment or the number of sites. The rate proposed by Industry Canada results in overall increases for all major carriers, and is proposed to come into effect on April 1, 2004. Increases would be phased in over a seven-year period to 2011.

An increase in any of the foregoing rates would have a negative impact on Wireless results of operations.

EDGE Technology May Not Be Competitive or Compatible with Other Technologies

There is no guarantee that the deployment by Wireless of Enhanced Data for GSM Evolution (EDGE) technology will be competitive or compatible with other technologies. Wireless expects to provide EDGE on a commercial basis in 2004. While Wireless and its strategic partners have selected these technologies as an evolutionary step from their current to future networks, there are other competing technologies that are being developed and implemented in Canada and in other parts of the world. None of the competing technologies is directly compatible with each other. If the next generation technology that gains the most widespread acceptance is not compatible with Wireless networks, competing services based on such alternative technology may be preferable to subscribers.

Concerns About Radio Frequency Emissions May Adversely Affect Wireless Business

Media and other reports have linked radio frequency emissions from wireless handsets to various health concerns, including cancer, and to interference with various medical devices, including hearing aids and pacemakers. While there are no definitive reports or studies stating that such health issues are directly attributable to radio frequency emissions, concerns over radio frequency emissions may discourage the use of wireless handsets or expose Wireless to potential litigation. It is also possible that future regulatory actions may result in the imposition of more restrictive standards on radio frequency emissions from low powered devices such as wireless handsets. Wireless is unable to predict the nature or extent of any such potential restrictions.

Restrictions On the Use of Wireless Handsets While Driving May Reduce Subscriber Usage

Certain provincial government bodies are considering legislation to restrict or prohibit wireless handset usage while driving. Legislation banning the use of hand-held phones while driving was implemented in Newfoundland in April 2003, which permits the use of hands-free devices. Legislation has been proposed in some other jurisdictions to restrict or prohibit the use of wireless handsets while driving motor vehicles. Some studies have indicated that certain aspects of using wireless handsets while driving may impair the attention of drivers in various circumstances, making accidents more likely. If laws are passed prohibiting or restricting the use of wireless handsets while driving, it could have the effect of reducing subscriber usage. Additionally, concerns over the use of wireless handsets while driving could lead to potential litigation relating to accidents, deaths or bodily injuries.

Risks Relating to Our Media Business

Further Decline In Demand For Advertising Would Adversely Affect Media s Results of Operations

Media depends on advertising as a material source of its revenue, and its businesses would be adversely affected by a further material decline in the demand for local and/ or national advertising. Media derived approximately 52.1% of its revenue in 2002 from the sale of advertising, which is expected to continue to be a material source of Media s revenue in the future. Advertising revenue, which is largely a function of consumer confidence and general economic conditions, remains unpredictable. Most of Media s advertising contracts are short-term contracts that can be terminated by the advertiser with little notice. It is also well established that advertising dollars migrate to media properties that are leaders in their respective markets and categories when advertising budgets are tightened. Continued weakness and/or instability in the global economy could cause a further decline in future advertising revenue.

In addition, expenditures by advertisers tend to be cyclical, reflecting overall economic conditions as well as budgeting and buying patterns outside of Media s control. Moreover, because a substantial portion of Media s advertising revenue is derived from local advertisers, its ability to generate advertising revenue in specific markets could be adversely affected by local or regional economic downturns. This is particularly true in the concentrated Toronto market, where Media s four radio and two over-the-air television stations combined totaled approximately 14.1% of Media s revenue in 2002. Advertisers base a substantial part of their purchasing decisions on statistics such as ratings and readership generated by industry associations or agencies. If Media s radio and television ratings and/or magazine readership levels were to decrease substantially, Media s advertising sales volumes and rates which it charges advertisers could be adversely affected.

Media s Failure to Identify, Complete and Integrate Acquisitions Could Slow the Growth of Its Business and Adversely Affect Its Financial Condition and Results of Operations

Historically, Media s growth has been generated in part by strategic acquisitions and Media intends to continue to selectively pursue acquisitions of radio and television stations and publishing properties. Media is not able to predict whether it will be successful in acquiring properties that enhance its businesses. If Media is unable to identify and complete acquisitions, its growth could slow from historical levels. In addition, Media could face difficulties associated with integrating the operations of businesses that it does acquire and this could have a material adverse effect on Media s business, financial condition or results of operations.

Media Faces Increased Competition

New programming or content services as well as alternative media technologies, such as digital radio services, direct-to-home satellite, wireless and wired pay television, Internet radio and video programming, and on-line publishing content have all recently begun competing for programming and publishing content, audiences and advertising revenues. These competing technologies may increase audience fragmentation, reduce Media s ratings or have an adverse effect on its local and/or national advertising revenue. These or other technologies and business models may have a material adverse effect on Media s business, results of operations or financial condition.

Increased Access to Canadian Advertising By Foreign Publishers Could Adversely Affect Media s Results of Operations

The Canadian magazine industry, for many years, benefited from government legislation designed to promote Canadian content in magazines and to prevent the entry into Canada of so-called split run magazines, which replace foreign advertisements with advertisements directed at Canadians, but carry little or no Canadian content. In 1997, the World Trade Organization upheld a complaint filed by the U.S. that certain measures adopted by Canada with respect to the Canadian publishing industry contravened the General Agreement on Tariffs and Trade. In 1998, the Government of Canada repealed the contravening legislation and, in May 1999, enacted the *Foreign Publishers Advertising Services Act* (Canada), which allows foreign publishers access to the Canadian advertising market, subject to certain restrictions. Increased access to Canadian advertising by foreign publishers, many of whom have significant financial resources and large readership bases, could have a significant adverse effect upon Media s publishing advertising revenue and results of operations.

An Increase In Paper Prices, Printing Costs or Postage Could Adversely Affect Media s Results of Operations

A significant portion of Publishing s operating expenses consist of paper, printing and postage expenses. Paper is Publishing s single largest raw material expense, representing approximately 8% of Publishing s operating expenses in 2002. Publishing depends upon outside suppliers for all of its paper supplies, holds relatively small quantities of paper in stock, and has no control over paper prices, which can fluctuate widely. Moreover, Publishing is generally unable to pass paper cost increases on to customers. Printing costs represented approximately 11.0% of Publishing s operating expenses in 2002. Publishing relies on third parties for all of its printing services. Media relies on the Canadian Postal Service to distribute a large percentage of its publications. In addition, Canadian publishers, including Media, receive certain financial assistance from the Government of Canada, which reduces operating costs. The Government of Canada is currently reviewing these subsidies. A material increase in paper prices, printing costs or postage, or a change in governmental subsidies, could have a material adverse effect on Media s business, results of operations or financial condition.

Changes to the CRTC s Radio and Television Policies May Adversely Affect Media s Business

In 2003, the CRTC may consider the replacement of its transitional digital radio policy with a final policy. The CRTC has released its digital television licensing policy, covering issues such as priority carriage and simultaneous substitution. Media believes that the Digital Television decision provides a positive framework for the introduction of digital television broadcasting in Canada. The Commercial Radio Policy 1998 was also intended for review after five years. We expect a CRTC review this year to involve issues such as multiple licence ownership and Canadian content. The CRTC will also monitor the on-going transition or migration of analog to digital as well as the introduction of interactivity.

Tariff Increases Could Adversely Affect Media s Results of Operations

Copyright liability tends to escalate over time for radio and television as a result of the introduction of new tariffs, together with pressure from existing rightsholders to increase existing tariffs. The Copyright Board held a merged Tariff 2 (Broadcast TV) and Tariff 17 (non-broadcast TV) hearing in April 2003. At this hearing, the Society of Composers, Authors and Music Publishers of Canada (SOCAN) was seeking an increase for each of the television tariffs. No decision has been issued to date. SOCAN and the Neighbouring Rights Collective of Canada (NRCC) have also proposed increased performing rights radio tariffs, with the NRCC also proposing to eliminate important exemptions for all-talk stations. An increase in tariffs would have an adverse effect on Media s results of operations.

USE OF PROCEEDS

We estimate that our net proceeds from this offering will be approximately $239.0 million (US$162.7 million based on the noon rate of exchange as reported by the Bank of Canada on March 31, 2003 of Cdn$1.4693 = US$1.00) after deduction of expenses and commissions. We currently intend to use these proceeds, together with other available funds (including funds from the repayment of all of the Cable intercompany debt owing to RCI from a drawdown of Cable bank debt), to redeem US$205.4 million aggregate principal amount of RCI s Senior Notes, due 2007, together with associated premiums, and for general corporate purposes.

DIVIDENDS

In May 2003, the RCI Board of Directors adopted a dividend policy that provides for the payment, each year, of dividends aggregating $0.10 per share on each outstanding Class A Voting share and Class B Non-Voting share held as of the record date, as determined by the Board. The dividend payments, payable twice yearly in the amount of $0.05 per share, are scheduled to be made on the first trading day following January 1 and July 1 in each year, commencing July 2, 2003. This policy will result in a semi-annual payment of dividends on the Series E Preferred shares in the amount of $0.05 per share. The dividend policy will be reviewed periodically by the Board. The declaration and payment of dividends are at the sole discretion of the Board and depend on, among other things, our financial condition, general business conditions, legal restrictions regarding the payment of dividends by us and other factors which the Board may in the future consider to be relevant. As a holding company with no direct operations, we rely on cash dividends and other payments from our subsidiaries and our own cash balances to pay dividends to our shareholders. The ability of our subsidiaries to pay these amounts is limited. See Risk Factors Risks Relating to RCI .

Pursuant to the foregoing policy, on May 29, 2003, the Board declared a dividend of $0.05 per share on each of the outstanding Class B Non-Voting shares, Class A Voting shares and Series E Preferred shares, payable on July 2, 2003 to shareholders of record on June 16, 2003.

During the year ended December 31, 2002, no dividends were declared on Class A Voting shares, Class B Non-Voting shares, Series B Preferred shares and Series E Preferred shares held by members of our Management Share Purchase Plan. Prior to 2000, no dividends had been declared on the Class A Voting shares or Class B Non-Voting shares since the fiscal year ended August 31, 1982. In fiscal 2000, dividends aggregating $10.2 million were paid on the Class A Voting shares, the Class B Non-Voting shares, the Series B Preferred shares and the Series E Preferred shares. During the year ended December 31, 2001, $14,000 of dividends declared in 2001 were paid on Series B Preferred shares and Series E Preferred shares held by members of our Management Share Purchase Plan. Dividends may not be paid in respect of the Class A Voting shares or Class B Non-Voting shares unless all accrued and unpaid dividends in respect of our Preferred shares have been paid or provided for. As at December 31, 2002, we had declared and paid all dividends scheduled to be paid in respect of our Preferred shares pursuant to the terms of such Preferred shares. We paid dividends in respect of our Preferred shares and distributions in respect of our Convertible Preferred securities in aggregate amounts of approximately $30.0 million, $20.3 million, $18.6 million, $18.6 million and $20.3 million for the years ended December 31, 1998, 1999, 2000, 2001 and 2002, respectively, and approximately $5.1 million for the three month period ended March 31, 2003, in each case net of income taxes and exclusive of dividends paid to subsidiary companies.

PRICE RANGE AND TRADING VOLUMES OF CLASS B NON-VOTING SHARES

Our Class B Non-Voting shares are listed and posted for trading on the TSX and the NYSE. The following table sets forth, for the periods indicated, the reported high and low sales prices and the aggregate volume of trading of our Class B Non-Voting shares on the TSX and the NYSE.

	TSX			NYSE		
Month	**High**	**Low**	**Volume**	**High**	**Low**	**Volume**
2000						
First Quarter	$49.80	$33.00	82,292,704	US$34.50	US$22.63	17,783,000
Second Quarter	44.00	36.35	34,886,200	29.88	24.31	9,135,100
Third Quarter	43.00	34.50	58,677,400	29.06	23.06	11,955,000