

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

RCI.B.TO - Rogers Communications Inc at BMO Capital Markets Media & Telecom Conference

EVENT DATE/TIME: SEPTEMBER 13, 2016 / 2:45PM GMT



CORPORATE PARTICIPANTS

Guy Laurence *Rogers Communications Inc. - President & CEO*

CONFERENCE CALL PARTICIPANTS

Tim Casey *BMO Capital Markets - Analyst*

PRESENTATION

Tim Casey - *BMO Capital Markets - Analyst*

Okay. Welcome back, everyone. We're going to start the next few meetings here and we're delighted to have Guy Laurence, CEO of Rogers here. There is a lot to talk about.

Before we get into some operational issues, Guy, I thought we'd touch on a couple of corporate items, the first being the dividend. There was quite a lot of concern earlier in the year when you didn't raise the dividend. Obviously, people have a better understanding of that given your share price performance since, which has been the best in the group, but we could start the discussion with you kind of table setting what capital priorities are at Rogers and giving investors your perspective on what expectations are for dividends going forward.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Okay. Well, morning, everyone, first of all.

So I think -- I understand that when you've been raising your dividends progressively over a -- for over a decade that when you pause that people tend to have an allergic reaction to that. And just to be clear, we didn't cancel the dividend. We didn't say we weren't going to raise it forever, we just paused. And we paused because we felt we wanted to work on a number of items, but primarily reducing our debt and that was one portfolio. I remember one gentleman in this room saying but, Guy, it's only CAD 50 million. But the truth is, the world is made up of CAD 50 millions. And so it was one item in amongst a number of things we're doing. And you've now seen with our latest results that we've -- that our leverage is starting to come down.

So at the appropriate time we'll go back to where we were and we'll resume, but I'm not going to signal when that's going to be. I'm just going to say it's going to happen when we're happy with the progress we've got on other items and I don't think people should be concerned about it. And despite that, if you look at our core metrics, we're progressing very well and I think that's where the focus should be right now and the dividend will come at the appropriate time.

Tim Casey - *BMO Capital Markets - Analyst*

Fair enough. The other item I wanted to talk about was, for lack of a better word, culture change at Rogers. You're a couple of years into Rogers 3.0, which is really an enterprise-wide set of changes at the Company. There's a lot going on up there. And relative to your expectations, how do you feel the people who work at Rogers are dealing with all these changes? Like, we can see the operating metrics, but underneath that how is it coming along?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Well, I actually think it's one of our strengths and I think we've made a lot of progressing a short amount of time. For those of you that's followed us for the sort of two-and-a-half years that I've been there, you'll know that in the very early days we kind of took three levels of management out. We actually had 10 layers of management from myself down to the front line, which is more than the Catholic church has. So having got down to



seven, it creates a lot of agility, but the Company was still very wide in silos. And so the next thing we did was remove all the offices and I mean literally remove all the offices. So we now work in an open plan. It's far more agile.

And then the third component was introducing Net Promoter Score, which is a way of measuring customer satisfaction at an extremely granular level. So every one of my call center operators, field techs, every one of my engineers knows their personal Net Promoter Score from the previous day, how they fit in their team and how their team fits in the overall company. And so a combination of more agile management, more modern working practices and a real focus on the customer has brought a lot of agility to the operation overall, but more importantly more customer focus. Now, we have a long way to go, in my view, on the customer focus side because it really is a journey, not a destination.

But nevertheless, if you come in to our company -- and I would encourage you to come in to our company and see it for real. And my kind of favorite thing is just to actually take someone to one of our floors where we have about 350 people, which is totally open plan, no offices, and just say, okay, I'm going to sit here, you come back in 15 minutes and let them wander around. And when they come back they go, my God, this is not Rogers. Well it is Rogers, it's just the new Rogers.

Tim Casey - *BMO Capital Markets - Analyst*

Fair enough. Let's get into operations and we'll start with wireless. I'd like to address network performance. George Cope was up here about an hour ago and told us that he is winning subscribers because his network is clearly superior to yours. I mean we just couldn't let that go without having you an opportunity to respond to that. What say you on that charge?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Well, he's obviously entitled to his opinion and I might agree with it but then we'd both be wrong. (Laughter from audience.) Took a bit of time for that one to sink in, didn't it.

Let's be clear. So I have a lot of respect for my competitors, but neither of them run a national network. So when they say they've got a world-class network, they may or they may not have in half the country and then they deal with somebody else in the other half of the country and then it's kind of stuck together with sticky tape. So first of all, we're talking about half a country at best, alright? Then they talk about carrier aggregation and how important it is and impressive, and it will be over time. But they defer to the PC Magazine who did 20 tests in the GTA. You need to do 1,117 tests in the GTA for it to be statistically significant. We actually do our own tests. We have data from 794,000 tests and it shows a very different picture from what you see in these pop-up articles that you get in the press.

So as far as I'm concerned, first of all, we run a national network. That's different to half a country the last time I looked. And secondly, we're very happy with the performance of our network and that's why we're winning customers as well. So I don't know who he's taking them off. I mean if he's not taking them off the other guys who he shares the network with or somebody else, I don't know where they're coming from based on network performance, but it's certainly not Rogers.

Tim Casey - *BMO Capital Markets - Analyst*

Fair enough. I doubt it's one single thing, but what do you think is behind the turn in performance in terms of the core operating, subscriber loading and things like that?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

It's basically three things. It is the quality of our networks, regardless of what the competitors say. It's the quality of our value-add offers with content, which have proved hugely popular. And then it's also our improvements in customer care. Now for each customer, the ratio between those three as to which one is important to them depends on the kind of person. If you're a young person it tends to be more the content. If you're a time-poor



person it tends to be the customer care. In both cases it tends to be the network. So it's different for different people and we don't try and force a customer to love us for one reason or another. We kind of provide quality in all three areas and that's why we're winning.

Tim Casey - *BMO Capital Markets - Analyst*

Alright. You mentioned your content offerings. That is clearly something that differentiates you from your competitors. You've got Spotify, you've got GameCentre Live. Can you talk about the economics of those? Are those products something that there's upfront costs and the economic returns will improve to you or how does that model work?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Well, there's clearly a cost to either producing the content or buying it in, depending on which the content partner is, and that's something we have to absorb in our margins. So it's kind of basically up to make -- it's down to us to make sure that we do absorb it in our margins and find cost savings in other places.

But we have different economic models. On the -- particularly on GameCentre Live, because we are the nation's provider of hockey coverage, then we are set up from the very beginning to produce content at source, i.e. the cameras at the game, in order to serve different devices and we've done that in quite an intelligent way. So when you look at a hockey game, we've actually got eight cameras there covering the TV coverage anyway. And what we do is, because hockey works -- the game is so fast, is that when there's an incident, which is about every 90 seconds, the producer can actually only cover one replay angle because you go back to the live game. He can't afford to show it from three or four angles, but we've actually captured that incident from all eight cameras.

So we actually take all eight cameras and we upload that particular incident to the cloud and then we can download it direct to people's phones depending on how they want to watch it, from which angle they want to watch it, in under two minutes, which means that basically you've got eight cameras' worth of goodness that you can see on your mobile phone or on your tablet while still watching the live coverage and the one replay the producer's stolen. So people -- shown. So people tend to think of it's either/or, but it's not either/or. So what we see is a lot of people actually watching the live feed on Sportsnet at the same time as watching the replays on their iPads so they can argue as to whether the referee got it right or not. And 87% of Canadians think they are better than the referee.

Tim Casey - *BMO Capital Markets - Analyst*

Oh, dear. So you've mentioned the content side. You touched briefly on customer care. You've always said, and you repeated it today, that it's a journey, not a destination, but give us an update of -- at least maybe some metrics you can give us or some perspective on how that's improving.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Well, the -- when I first came to this country I had to show my work visa, which I'd newly arrived from Canada. And the guy said to me at the customs, he said so you're moving here. I said, yeah. He said who you going to work for? I said Rodgers and he paused. I thought, oh, this is going to be interesting. And then he asked me a couple of other questions but his whole tone had changed. And he stamped my work visa and he said welcome to Canada. Your service sucks. (Laughter.)

So the good news is, when I come through the border now I don't get that. In fact, I don't get it in the cabs, I don't get it from dinner parties. There's still a lot of things we need to do but we're clearly making progress. And you can have all the MPS sort of parameters you like and all the measurement systems you like, but I rely a lot on what I hear on the street and what I get through the front door. I publish my e-mail address. The public can write to me any day of the week, and they do, and I see and hear what we're doing right and what we're doing wrong. So we still -- we will always have things to sort out. We will never finish this mission, but I think we're making incredible progress.



What's particularly interesting to me is the way that self-serve is really coming to the fore now and we're driving that. We did a brilliant deal with Facebook. A year ago we went down to see Facebook and said, look, so many people are using Facebook Messenger. It would be cool if they could connect with our call centers when they have an issue because why would you have to find another way of connecting with our call centers like e-mail if you can go through Messenger.

So we agreed to develop a new service with them which we launched a few months ago, and we didn't even want to add any proprietary. We said you can give it to everybody else in the world but we just want to be first with it. And we now see tens of thousands of people connecting with us every month through that app. So it just means, in the same way you've got your contacts with your friends, if you need to talk to us you can talk through Facebook Messenger. And that kind of innovation is making a huge difference to how people connect with us and how they feel about us because the truth is, unfortunately, nobody wakes up in the morning and says, oh, it's Tuesday. I want to call my cable company. It just doesn't happen like that. So when you call us, by and large it's still a distressed purchase and therefore, actually what you want to do is do that in the easiest way. You don't want to use a lot of your time because time is precious and therefore you want to use the technologies you use for other things.

So, it's about self-serve. It's about measuring customer service down to the rep level, down to the field tech level. It's all those kinds of things. For instance, even my -- people in my call centers, so for instance, they have to open and operate a lot of applications. When a customer calls up they might have a multi-layered issue that requires us to go to four to five screens. And so having sat in the call centers, which all the management team does each month, it was clear to us that the agents were having to jump around a lot because they have so many applications to pivot between. So we just took the call that we would give every single call center agent in the country two monitors instead of one. And then we realized that all the PCs that operate them were actually underpowered so we had to replace those as well. So we've replaced 13,000 monitors and PCs for all our frontline agents so that they can serve customers better, because they can keep the customer's record up on one screen and then they can cycle through the applications that they need.

So, it's not just about fixing processes. It's also about launching propositions that are simple for people to understand, like Roam Like Home. And then, it's making sure that our care agents and our field techs and everybody else, even in the retail stores, have the best equipment so that they can serve customers better. And we will just keep going at it. We've just been discussing our plans for next year and you'll see another raft of things come out from us as we continue to move the dial on this one.

Tim Casey - *BMO Capital Markets - Analyst*

One of the things that seems to have moved the dial, at least from a perception perspective, is Roam Like Home.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Yes.

Tim Casey - *BMO Capital Markets - Analyst*

Can you talk a little about that because that seems to be one that's really resonated in the marketplace.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Yes. Well, interestingly, that actually came from James Moore, because when he was in power, when the previous government was in power, he actually said to me, he said, look, international revenue is a real issue for us and your industry is not addressing it. And certainly that came through also in the research we did so we said we're going to make it very simple for people. A lot of people travel. They shouldn't have to worry about their phone bill so we made it [\$5] for the States and CAD 10 for pretty much everywhere else and it is our most-loved proposition. And the competition has tried to copy it but they haven't quite got it the way that we've got it. And customer love it. It keeps churn down because people see the value of it and customers save hundreds of dollars. I mean over the summer holiday every customer will have saved hundreds of dollars as



a consequence of having Roam Like Home. And because of the volumes we buy from the other operators in terms of capacity in the other countries and our unique deal with Vodafone, it allows us to have these wholesale deals in other countries that mean we can facilitate this. The only place it's not worked was Cuba and that was because, when we turned this on in Cuba, so many people were using it we melted the Cuban network, which was not quite the plan. So we had to take it out of Cuba for the time being until they put more capacity in and then one would hope one day we can get it back in there, but they are a long way behind.

Tim Casey - *BMO Capital Markets - Analyst*

Right. You touched on the deal with Vodafone. It's one of those ones that I think is a bit below the radar screen of most investors. Could you talk about what that relationship means to you? And I'm assuming there are implications for your planning process for 5G as well coming out Vodafone.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Absolutely. So we -- so it's actually a very simple thing. Vodafone are the largest procurer of equipment in the world, with the exception of maybe one Chinese operator, but they are the largest in the world. And they have a facility where you can be a partner network that allows you to buy at the same price they do. So let me give you an example. When we were buying a server for our data centers we would probably have half of one person in supply chain management that would scan the market to see how many servers there were out there, look at the different specifications, make a recommendation, and so that's probably maybe half of their job is probably that. Vodafone has six people who do nothing else but look at server specifications every day of the week. Not the most interesting job, I have to say, but it is for those people who love doing that. And therefore, they not only know what's coming up, they're involved in the supplier roadmaps. And then, of course, when we come to buy we can buy at scale. So when we equipped a recent data center, we had a large tender, parts of Vodafone were also tendering at the same time. We put all the volumes together we get a much better price.

Now when I say this, people say, well, how come then (inaudible) isn't coming down faster than it is? Well the answer is, is because -- if the -- it's price times quantity, P times Q. So as the P comes down it allows me to buy more Q, which is why I can roll out things faster than my competitors. So if you look at the way that we're rolling out in -- a one-gig capability, for instance, in residential, and if you look at the way that we rolled our LTE and you look at the way that we're rolling out other technologies, it's because I have this buying power that allows me to buy at the global rate. There are no other operators in Canada that are buying at a global price book. I'm the only one. And therefore, I'm deploying that advantage to increase my Q and then I can get penetration faster because, just to remind you, I run a national network, not half a country's network.

Tim Casey - *BMO Capital Markets - Analyst*

Yes. That's good thing. We haven't heard that before.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Yes.

Tim Casey - *BMO Capital Markets - Analyst*

So it's a good thing you reiterated that. And are there implications for 5G with Vodafone or is it more in the (inaudible)?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Yes. We will -- we are partnered with a 5G. I was in China a couple of weeks ago, in fact, discussing 5G with a partner both Vodafone and us are using. I'm in London with Vodafone in a couple of weeks' time talking about 5G. So we are going down the 5G path. I mean, people have to be



careful with the 5G because there's a lot of operators claiming they've got 5G when they really haven't. So they've got what's called a pre-standard version of 5G. The real 5G isn't coming until 2020. So what happens is people claim they're doing 5G tests. They're claiming these -- they're kind of grabbing the space or trying to. They're not actually using the real 5G. This is all pre-standard stuff. It'll have to be torn down and rebuilt from scratch.

And 5G is being hijacked for all kinds of things. They're trying to justify their fibre investments because of 5G. Well that's nonsense, to be quite frank, because most of the fibre investment is going into suburban areas where you won't need all that fibre for 5G. I mean, you run it -- you run fibre to a node and that's what you need for 5G. You don't need to run it into a house for 5G. So it's actually a nonsense that you need to -- you can't justify your expenditure on fibre because of 5G. It's really an urban core use case. It's business-to-business primarily. And where it is used in suburban it's only run to the node anyways, it's not run to the home. So unfortunately, there's lots of hot air around 5G at the moment and there's even more hot air about why 5G justifies fibre investment. It's just not true.

Tim Casey - *BMO Capital Markets - Analyst*

Fair enough. Let's switch over the wireline. I just -- the big announcement there you made in June. You profiled your new IP platform. Some of the people in the room are probably not that familiar with it and the rollout plans. Can you sort of walk us through what it is and how you plan to roll it out across the network?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Yes. I think it's very clear to everyone that our TV product is not as good as it needs to be and there are better products out there. And it's taken us some time to develop a pure IPTV solution. So we've had the advantage -- sometimes there's an advantage of being late. And the advantage of being late is it allows us to integrate the very latest technologies. So we've built a platform, an IPTV platform. It works not just on TV. It works on any screen. So it's designed to work on tablets. It's designed to work on mobile in a very seamless way. It's wireless in every sense of the word. It has all the features and bells and whistles that you see in the market at the moment plus some. I'm not going to go through those because, obviously, we don't want to tell our competition what they are.

Some of you in the room have seen the product. It is stunning. And that's not just my view. You ask the people who came to the demo that we ran a few weeks ago. And we'll introduce it in a beta format towards the end of the year. If I'm not happy with it, it might trip over into the new year. But actually, I just came from a review meeting and at the moment it looks fine. But I'm not promising that. We'll launch it when we're ready. It looks great, it is great, it will be great.

Tim Casey - *BMO Capital Markets - Analyst*

It -- you're taking a bit of a different path to a couple of your national -- or Canadian competitors in that you're not taking -- it's not a single vendor solution. Can you talk a little bit about that and why you didn't put all your lot in with Comcast or with TiVo?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Well, the -- it goes a little bit back to -- versus the other Canadian players, we were, if you like, the largest that had to develop the solution. So the smaller you are, the less you have the scale benefit. So I can see -- I mean it was entirely logical for some of the other people like Cogeco, for sure, to go with an industry solution. I think, from memory, and I might be wrong on this, they actually tried to develop some stuff themselves and then they canceled it when they realized they didn't have the scale effect.

At the time that we all started, in fact, there were no industry solutions. So it's not that they made a mistake because there was nothing in the market. So they started to develop their own. Industry Solutions then became available and then they went straight to that. But we have the scale



to carry on so therefore we can launch our own standalone platform. So it's -- that's how it's come about. It's not that they're wrong and I'm right or the other way around. It's just the genesis of where -- of how the industry developed and the scale that that particular company have.

Tim Casey - *BMO Capital Markets - Analyst*

So full -- a much deeper rollout in 2017 and 2018--.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Yes.

Tim Casey - *BMO Capital Markets - Analyst*

And accelerating going forward that way.

The other area where you obviously compete head-to-head is on the broadband side.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Yes.

Tim Casey - *BMO Capital Markets - Analyst*

Your competitor is making a lot of noise that he is really going to capture some share there. How do you respond to that?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

I don't think we're competing head-to-head. I think we're way ahead. Difference. So I mean he can say what he likes. I just look at the figures, right?

The fact is, is that there is a need for speed. The customer wants speed; not because of the peak speed they need in the home, but because of the concurrency issue. If you are -- I've got myself, my wife and three daughters and when we're all hitting the internet then, believe me, you need a lot of speed and capacity in order to deal with that. And the fact is, is that speeds of less than 100 megabytes are now unacceptable for most families and some can afford to have 100 and some can't. But the fact is, the 100 megabyte speed is now the default speed a household needs if you've got more than a couple of you, or even if there's a couple of you and you're young and you're consuming a lot of video content. And the fact is, it then comes down to can you provide 100 and can you provide it ubiquitously across your footprint and what we said is, yes, we're going to do that by the end of this year. So by the end of this year we will have rolled out one-gig capability, never mind 100 meg, to the full footprint. And we are still on track to do that. That was also part of the review this morning. And we are on track to do that and we will deliver that.

So again, if I compare the other guys, they talk about, oh, yeah, we're doing fibre to the home, but they're doing fibre to the home over the next eight or nine years I think they're talking about, right? Well, some of us are going to be dead by then. I mean, we'll have done it by the end of the year. I mean there's a big difference, right? And you see that in our internet net ads because people want speed right now, not when they're dead. You don't need a high-speed connection from a coffin.

Tim Casey - *BMO Capital Markets - Analyst*

Yes.



Guy Laurence - *Rogers Communications Inc. - President & CEO*

I don't get it.

Tim Casey - *BMO Capital Markets - Analyst*

That's taking--.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

We need it now.

Tim Casey - *BMO Capital Markets - Analyst*

That's taking the internet of things one step too far.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Absolutely, yes.

Tim Casey - *BMO Capital Markets - Analyst*

(Inaudible) putting it in the coffin. Okay.

How about on the SME side? You've -- that is an area that I think, quite frankly, some investors are a bit disappointed on the progress there and how is that coming along in terms of small enterprises?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

I haven't met anyone who's disappointed yet. But I mean we actually -- our history on SME is very different than the others in that we weren't in the game to a larger extent. We had three different enterprise departments two years ago. We had to put them altogether. Nitin Kawale came in from Cisco and he's done a very good job at welding those together. It actually took us longer than we thought, if I'm honest, in order to get the three teams integrated. But probably the thing that we've been really focused on is actually developing leapfrog products that really benefit small business because it's not just about having the right sales organization, propositions, commission, blah, blah, blah. It's actually about having products that really benefit the productivity of your customers.

And so we just launched during the summer a product called Unison and it's a beautiful thing. If you're a small business, if you're a -- if you've got a gardening service there might be, I don't know, five of you in the company, you spend a lot of time out at customers. You don't spend a lot of time at the office. What Unison does is allow you to put your fixed line number onto your mobile phone so you never miss a call and that's critically important to small businesses. What's also important to small businesses is cost and we can take 40% out of their cost for the fixed services they need for their business by then adopting Unison.

So now what happens is you don't need to have somebody in the office, because if somebody rings that landline number it actually rings a mobile phone. If you can't answer it because you're doing something, it goes on to the next person you designated in the queue. And it makes that business feel very professional because the calls at the office, which is actually now in the field, are getting answered. And it allows the small business to operate like a midsized business. It allows a midsized business to operate like a large business. At the same time it's taking out cost and the same



time as increasing productivity. So this product's good for Canada and we don't have the legacy wireline revenues that we need to protect. So to be honest, we're going to go full tilt after this. So tomorrow -- I think tomorrow, or it might even be today, we launch TV advertising on Unison. And we will continue to pound away at this.

Now Unison is a difficult product to actually -- we were the first in North America to deploy it in the format that we've got it. I actually launched it in the UK as well. And once -- now it's here. As soon as small businesses have it, they tend to know other small business owners. And actually, the biggest strength will not be my TV advertising. It will actually be word of mouth. Because once you've got it, you're saving the money, you see it works, you see that you benefit every day in terms of building your business and you see that it's seamless, the first thing you want to do is tell 10 friends. And that's why I'm very confident this product's going to [hunt]. And therefore -- actually, I think we're now set up. We're organized well, set up well. We've got good traction on enterprise. And more importantly, we've got products and services that I don't believe the competitors will want to deploy because it will savage their own services where they're making excess profits because they've already depreciated their investments and they're overcharging the customer. And the time is nigh where they've got to face the fact that businesses need better quality and better value for money.

Tim Casey - *BMO Capital Markets - Analyst*

Fair enough. Turning it over to the floor. Does anybody has any questions for Guy? And please wait for the mic. Oh, come on, there's got to be one out there. It's not like he didn't say anything interesting.

Okay. Well, let's wrap it -- I mean maybe a couple of words on media, Guy. I know it's a very small part of the Company, but you've done a lot of work there on restructuring that business. Any comments on the outlook within that group?

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Yes. I think it's fair to say we were a bit slower off the mark to get back in control of our cost line as revenues started to come down. In fact, I would give credit to my -- one of my competitors there for actually getting ahead of us. The [blue] guys actually did it better than us (inaudible) on that one front and -- but we have now have done that. Rick Brace, who's joined us, has done an excellent job at sorting out the cost line and streamlining a number of parts of our business in media.

To be quite frank, we have a -- it's a modest-sized media business compared to some others, but it's quite a large business in its own right. And we are very much focused on sports, so all things sports. And that covers everything from sponsorships, from things like the Rogers Cup through to the NHL deal, our investment in Sportsnet in 4K, our investment in things like Rogers Place out at Edmonton. So pretty much media equals sports when it comes to mindshare inside the Company.

We've also invested directly through things like investment in the Jays and also jointing, in fact, with our competitor in MLSE. So we've got investment in the -- what you'd call the core product, which seems a crass way to call your teams, but that's what it is. And we've got investment in the health facilities, the training, the quality of people we're hiring, our doctors in the teams, all that kind of stuff which is the kind of fundamentals. Then you've got the investments in the stadiums. You've got the investment in the broadcast equipment. You've got the investment in 4K. You'll have HDR coming out next year and all the rest of it. And then you've got investments in things like GameCentre Live, the applications, and then you've got investment in the marketing and so on and so forth.

So we are literally investing in every single corner of the ecosystem of sports in order to bring the best sports coverage to Canadians. And that's what we're doing and it's quite interesting now because it's not -- there are not so many spheres of business where the US big guys are coming up to Canada to find out what's going on. But we actually hosted the US broadcasters a couple of months ago to teach them how to do 4K because we are now the second -- world's second largest producer of 4K content. We know more about 4K content than virtually anybody else on the planet. And they are struggling with it so they came to see us to see how best they could get to the point that we've got to. And the same thing's going to happen with HDR and so on and so forth. So therefore, we are -- sport is a creative-type business in the sense you have no idea when the guys go out on the field how well they're going to do.



Tim Casey - *BMO Capital Markets - Analyst*

Yes.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

But in terms of everything we're surrounding those players with, everything we're doing in the stadium, everything we can do from a technological standpoint, we are 100% behind them and we're seeing it in our figures.

Tim Casey - *BMO Capital Markets - Analyst*

Good job. I think we're going to leave it there. Please join me in thanking Guy for coming.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

Thank you.

Tim Casey - *BMO Capital Markets - Analyst*

That was great. Thank you so much.

Guy Laurence - *Rogers Communications Inc. - President & CEO*

My pleasure.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2016, Thomson Reuters. All Rights Reserved.