

BUSINESS SOLUTIONS

LEADING-EDGE COMMUNICATIONS SERVICES TO CANADIAN BUSINESSES

- sells to medium and large enterprises, governments and financial institutions amongst others
- 7,298 on-net fibre connected buildings
- fibre passes next to an additional 20,014 near-net buildings.

SERVICES THAT MEET THE INCREASING DEMANDS OF TODAY'S CRITICAL BUSINESS APPLICATIONS

- voice, data networking, Internet protocol (IP) and ethernet services over multiservice customer access devices that allow customers to scale and add services such as private networking, Internet, IP voice (SIP) and cloud solutions which blend seamlessly to grow with their business requirements
- optical wave, Internet, ethernet and multi-protocol label switching (MPLS) services provide scalable and secure metro and wide area private networking that enable and interconnect critical business applications for businesses that have one or many offices, data centres or points of presence (as well as cloud applications) across Canada
- extensive wireless and cable access networks services for primary, bridging and back-up connectivity
- contracts are typically for 1 to 5 year terms, supported by comprehensive service level agreements.

NETWORK

Business Solutions is supported by Rogers networks and a dedicated business support network monitoring team that provides Business Solutions customers with proactive network monitoring and problem resolution.

DISTRIBUTION

Our enterprise and carrier wholesale sales team sells Business Solutions services to Canadian business and public sector telecom customers. An extensive network of third-party channel distributors deal with IT integrators, consultants, local service providers and other indirect sales relationships. This diverse approach gives greater breadth of coverage and sustains strong sales growth for next generation services.

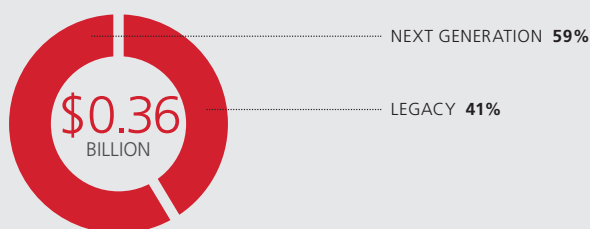
COMPETITION

A number of different players in the Canadian market compete for enterprise network and communications services. There are relatively few national providers, but each market has its own competitors that usually focus on the geographic markets where they have the most extensive networks.

In the wireline voice and data market, we compete with facilities and non-facilities-based telecommunications service providers. In markets where we own network infrastructure, we compete with incumbent fibre-based providers. The following are our main competitors, but there are also regional competitors:

- Ontario: Bell, Cogeco Data Services and Allstream
- Quebec: predominantly Bell and Videotron
- Atlantic Canada: Bell Alliant and Eastlink.
- Western Canada: Shaw and Telus

2013 BUSINESS SOLUTIONS SERVICE REVENUE MIX (%)



ACQUISITIONS

We made two major acquisitions this year that allow Business Solutions to further enhance its suite of enterprise-level data centre and cloud computing services, enabling Canadian businesses to benefit from a single provider able to ensure end-to-end security and reliability of critical business applications.

- Blackiron (from Primus Telecommunications Canada Inc.) for \$198 million on April 17, 2013
- Pivot Data Centres for \$158 million on October 1, 2013.

BUSINESS SOLUTIONS FINANCIAL RESULTS

(In millions of dollars, except percentages)	Years ended December 31		
	2013 ¹	2012	% Chg
Operating revenue			
Next generation	\$ 213	\$ 162	31
Legacy	149	183	(19)
Service revenue	362	345	5
Equipment sales	12	6	100
Operating revenue – Business Solutions	374	351	7
Operating expenses	(268)	(262)	2
Adjusted operating profit – Business Solutions	\$ 106	\$ 89	19
Adjusted operating profit margin	28.3%	25.4%	
Additions to property, plant and equipment	\$ 107	\$ 61	75

¹ Results of operations include Blackiron's operating results as of April 17, 2013 and Pivot Data Centres as of October 1, 2013 (the dates of acquisition).

BUSINESS SOLUTIONS SERVICE REVENUE BREAKDOWN (IN MILLIONS OF DOLLARS)

