

2018 FULL-YEAR RESULTS COMPARED TO 2017

(In millions of dollars, except margins)	Years ended December 31		
	2018 ¹	2017 ¹	% Chg
Revenue			
Wireless	9,200	8,569	7
Cable	3,932	3,894	1
Media	2,168	2,153	1
Corporate items and intercompany eliminations ²	(204)	(247)	(17)
Revenue	15,096	14,369	5
Total service revenue ²	12,974	12,550	3
Adjusted EBITDA ³			
Wireless	4,090	3,726	10
Cable	1,874	1,819	3
Media	196	127	54
Corporate items and intercompany eliminations	(177)	(170)	4
Adjusted EBITDA ³	5,983	5,502	9
Adjusted EBITDA margin ³	39.6%	38.3%	1.3pts
Net income	2,059	1,845	12
Adjusted net income ³	2,241	1,902	18

¹ Effective January 1, 2019, we adopted IFRS 16, with the ongoing impacts of this standard included in our results prospectively from that date. Our 2018 and 2017 results have not been restated for the effects of IFRS 16. See "Accounting Policies".

² As defined. See "Key Performance Indicators".

³ Adjusted EBITDA, adjusted EBITDA margin, and adjusted net income are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures and Related Performance Measures" for information about these measures, including how we calculate them.

Revenue

Consolidated revenue increased by 5% in 2018, reflecting revenue growth of 7% in Wireless and 1% in both Cable and Media. Wireless revenue increased as a result of the increased mix of subscribers on higher-rate plans from our various brands and an increase in sales of higher-value devices. Cable revenue increased by 1% as the increase in Internet revenue from the general movement of customers to higher speed and usage tiers of our Internet offerings was partially offset by the decrease in legacy Television subscribers and the impact of Phone pricing packages. Media revenue increased by 1% as a result of higher revenue at the Toronto Blue Jays, including a distribution from Major League Baseball, and higher Sportsnet and other network subscription revenue, partially offset by lower advertising revenue.

Adjusted EBITDA

Consolidated adjusted EBITDA increased in 2018 to \$5,983 million, reflecting increases in Wireless, Cable, and Media. Wireless adjusted EBITDA increased 10% as a result of the strong flow-through of service revenue growth, partially offset by higher expenditures associated with increased subscriber volumes and costs of devices. Cable adjusted EBITDA increased by 3% in 2018 as a result of strong Internet revenue growth, the ongoing product mix shift to higher-margin Internet services, and various cost efficiency and productivity initiatives. Media adjusted EBITDA increased 54% primarily as a result of the increase in revenue as discussed above and lower operating expenses from improvements made to our cost structure across the divisions.

Net income and adjusted net income

Net income and adjusted net income both increased in 2018 primarily as a result of higher adjusted EBITDA, partially offset by higher depreciation and amortization. Net income increased to \$2,059 million in 2018 from \$1,845 million in 2017 and adjusted net income increased to \$2,241 million in 2018 from \$1,902 million in 2017.