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## iPhone to finally launch in Canada

**Arrival this year expected to boost Rogers's already soaring profits**

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The wait is over – almost.

After months of speculation, Canadians can finally start saving their money for Apple's iPhone, one of the year's most talked-about gadgets.

The country's largest wireless carrier, Rogers Communications Inc., confirmed yesterday that the all-in-one touch screen cellphone, iPod and Web browser would be available on its network sometime this year.



The Apple iPhone is seen in this June 2007 file photo.

AP FILE PHOTO

But the cable giant, which yesterday reported a doubling of first-quarter profit on strong wireless sales, didn't say when the device would actually be on store shelves, or how much it would cost to own one.

Nor did CEO Ted Rogers offer any clues as to the timing of the announcement, which coincided with the company's annual general meeting yesterday.

"The AGM seems like a good time to announce new initiatives," said Rogers, adding the company was prevented from releasing further details because it was "under contract" with Apple.

Similarly, an Apple spokesperson declined to comment further.

That led some observers to wonder whether the finer points of the deal are still being ironed out.

"Apple is pretty adamant that there be some sort of unlimited data plan for customers, so I wouldn't be surprised if they're still negotiating," said Michelle Warren, an analyst with Info-Tech Research Group.

Warren said both companies likely want to make the iPhone available in Canada by this summer, before the busy back-to-school shopping season.

The *Star* reported last week that Rogers was nearing a deal and aimed to include the iPhone in a promotional campaign scheduled to run between May and July that focused on devices with touch screens.

News of the iPhone's imminent arrival in Canada comes nearly a year after Apple Inc. and AT&T

Inc. launched the device in the United States in late June.

The 16 GB version costs \$499 (U.S.) plus a two-year AT&T plan that starts at \$59.99 per month for unlimited wireless data and 450 weekday minutes.

Observers had speculated the delayed Canadian launch was due to difficult negotiations over pricing – unlike Apple, Rogers has said it doesn't favour all-you-can-eat price plans – and a trademark dispute with Comwave Telecom Inc. over the word "iPhone."

Rogers said pricing had nothing to do with the delay, but didn't elaborate on why it took so long to reach a deal with Apple.

"We were a little slow, I guess, in negotiating," he said.

Apple is expected this spring to launch an updated version of the iPhone – perhaps with so-called third generation, or "3G," wireless technology that promises to bring high-speed Internet browsing to mobile devices. Rogers has compatible network technology available in some 25 Canadian markets.

Rival smartphone-maker Research In Motion Ltd., based in Waterloo, is also believed to be readying a 3G version of its popular BlackBerry device for release this summer, although there are rumours the launch has been delayed until August.

Analysts expect the arrival of the iPhone will allow Rogers' already strong wireless division to steal even more customers from rivals Bell Canada Inc. and Telus Corp., just as AT&T benefited from its exclusive deal with Apple to offer the iPhone in the U.S.

Greg MacDonald, an analyst at National Bank Financial, said in a note to clients yesterday that, based on AT&T's experience, he expects his 2008 Rogers subscriber estimate of 600,000 could "light up" by another 100,000, resulting in an increase of up to \$75 million in the wireless division's earnings before interest, taxes, depreciation and amortization.

Survey data provided by Solutions Research Group suggests that roughly 22 per cent of expected iPhone customers will come from Bell, while 9 per cent will come from Telus.

Rogers' wireless division is already firing on all cylinders thanks in part to its decision years ago to invest in building the country's only coast-to-coast GSM network, which is emerging as a global standard outside of North America.

That often allows Rogers to offer handsets and devices before rivals Bell and Telus, which operate networks built on CDMA technology.

Rogers said yesterday its net income rose to \$344 million, or 54 cents a share, from \$170 million, or 26 cents, a year earlier. Revenue climbed 14 per cent to \$2.61 billion.

While the company reported first-quarter gains in its media and cable operations, the focus yesterday was on the wireless division that accounts for more than half of company revenues.

Rogers said the average cost of its subscribers' monthly bills rose 7 per cent in the quarter, due mainly to a 47 per cent climb in wireless data services.