



30 January 2015

Senator Dennis Dawson
Chair
Standing Senate Committee on Transport and Communication
Senate of Canada
Ottawa, Ontario
K1A 0A4

Dear Chair,

On behalf of the Board of Directors, I would like to thank the Committee for its interest in CBC/Radio-Canada and for the opportunity to meet with Senators to discuss some of the challenges facing the public broadcaster in the changing broadcast environment.

During our December 10th meeting, some Senators requested additional details about the Corporation's operations. I would like to provide them to you now. I would also like to take this opportunity to clarify some common misconceptions which came up during our meeting, about television audiences and the performance of the public broadcaster, which I believe are important to correct.

Audiences

Some have taken the view that, CBC Television, when compared to Radio-Canada Television and other broadcasters, performs poorly because it does not attract larger numbers of viewers. That view is incorrect and based on a misunderstanding of the fragmented broadcast environment. In French Canada, where audiences overwhelmingly prefer French programming, the television audience is divided primarily among three broadcasters. In English Canada the audience is splintered among hundreds of channels. The attached chart, "Audience fragmentation" gives you an idea of the reality of attracting audiences in today's environment.

Some have suggested that audience measurement is the primary, if not the only, measure of a broadcaster's success. That is certainly true in the case of private broadcasters. Their business model depends on generating profit for shareholders by securing advertising revenue for large audiences between the ages of 15 and 35. That age group represents the *consumers* that advertisers will pay the most in order to reach. The public broadcaster has a different mandate; to offer a wide range of Canadian programming that "informs, enlightens, and entertains" its *citizens*. That doesn't mean that

every program it offers should have wide appeal; some programs aim to serve a small but crucial viewing audience.

With the exception of CBC Television, the only choices available to English Canadians are overwhelmingly the heavily promoted, popular American programs. The attached “Programming Schedules” charts show you the mix between Canadian and foreign programming in the 2015 Winter television season.

Even with all of those American programs, in the last full broadcast year, 2013-14, CTV Television had an average prime time audience share of 12.3%, and Global had a 7.8% share¹. CBC television - with its prime time schedule almost entirely Canadian - had an audience share of 8.2%². That is not only consistent with its mandate to showcase Canadian programs, but it demonstrates that many Canadians do indeed enjoy these programs.

It is also important not to confuse market *share* (the average percentage of viewers tune to a particular program at a particular time), with *reach* (the total number of viewers who watch a network). CBC Television’s reach is 89%; that is 89% of all Canadians watched CBC Television on a monthly basis in 2013-14.

Of course, CBC/Radio-Canada also strives to also attract large audiences with high quality Canadian programs. For example, this past month CBC Television began airing the six-part miniseries, *The Book of Negroes*, the adaptation of the Lawrence Hill historical novel about slaves escaping to freedom in Canada. This is exactly the kind of story CBC is mandated to tell; a Canadian story about this country’s history. The program is also an audience success, attracting 1.7 million Canadians in its first airing – a tremendous response. Earlier this month, the debut of CBC Television’s new comedy, *Schitt’s Creek*, attracted 1.35 million Canadians, another incredible success.

But success is never guaranteed. Last season, CBC presented a new Canadian drama, *Strange Empire*. While critics praised the story and its Canadian production³, the audience levels were disappointing⁴. If audience measure was all that mattered, CBC television could purchase and simulcast the same (cheaper) American programs that English private networks do. That would call into question why the public broadcaster exists. Simply, CBC exists because it offers what no other broadcaster does – a wide range of Canadian programming that informs, enlightens and entertains, and is offered in prime time, when most Canadians are watching television.

¹ Numeris (BBM Canada), Full broadcast year 2013-2014 (Total EN TV - Total Canada 2+) (PPM). *Excluding Olympic weeks.

² For the most recent week of January 12-18, CTV Television had an average prime time audience share of 12.9%, Global had 8.2%, and CBC had 8.5% (Numeris BBM Canada).

³ John Doyle, *The Globe and Mail*: A “remarkable drama, one that is the most substantial, serious and thrilling thing since Chris Haddock’s *Intelligence* arrived on CBC a few years ago.”

<http://www.theglobeandmail.com/arts/television/john-doyle-strange-empire---a-remarkable-rugged-western-drama/article20918020/>

⁴ Average 302,000

Transparency

With respect to transparency, several senators have now publicly suggested that the British Broadcasting Corporation (BBC) is much more transparent than CBC/Radio-Canada. As you are likely aware, the BBC receives £3.726B⁵ (\$6.014B CAD or \$97 per person) each year from Britons in the form of a license fee. It does not compete with other broadcasters for commercial advertising. In addition, in Canada, the *Privacy Act* prevents the disclosure of specific salaries of individuals. In some cases our transparency is actually greater than that of the BBC. If you compare salary disclosure for on-air talent for example, the BBC salary ranges⁶ are considerably broader (£250K-£750K, a \$930K CDN range) than the \$50K ranges reported by CBC/Radio-Canada⁷.

Now, I would like to address the requests for additional details about our operations.

Travel

Senator Plett asked whether it was “reasonable” for the President of CBC/Radio-Canada, who is based in Montreal, to travel to Ottawa and Toronto. He asked, “how often would the President and CEO be required to travel to Toronto and Ottawa?”, and whether this had been approved by the Board. He also asked if there were “any other CBC employees who would travel maybe to Vancouver or Washington to do their work, living somewhere else.”

The 2007 Notice of Vacancy for the President and CEO, published in the *Canada Gazette*, specifies the requirements of travel for the position: “The President and CEO will be called to travel to several locations across Canada and more particularly to Toronto and Montreal on a regular basis, where the Corporation also has offices. The President and CEO has the option of residing in Ottawa, Toronto or Montreal.”⁸

As you know, CBC/Radio-Canada has locations in every region of the country. While technology has certainly allowed us to reduce the amount of travel required of employees of the Corporation, it has not eliminated it.

The President of CBC/Radio-Canada works primarily in Montreal where he conducts business through teleconference and videoconference calls. In the last full fiscal year 2013-14, the President travelled for business to Ottawa 9 times and to Toronto 18 times. Another year, it could be the reverse. Senior management are regularly required to travel in performance of their duties. Our regional directors also manage locations over a large area which requires frequent travel. Our Senior Managing Director for English Services in Winnipeg, for example, is responsible for our facilities across Saskatchewan, Manitoba and the North.

⁵ BBC 2013-14 Annual Report http://downloads.bbc.co.uk/annualreport/pdf/2013-14/bbc_annualreport_201314_bbcexecutive_managingourfinances.pdf

⁶ <http://www.bbc.co.uk/annualreport/2014/executive/how-we-run-the-bbc/diversity>

⁷ <http://www.cbc.radio-canada.ca/files/cbcrc/documents/proactive-disclosure/business-documents/table-on-air-en.pdf>

⁸ *Canada Gazette*, Vol. 141, n30 July 28, 2007 p.2129.

Senator Batters asked for a number of details about a *specific* case: the departure of former CBC Radio host Jian Ghomeshi. For a company to reveal personal information about the departure of any employee would be a violation of the *Privacy Act*. However, in his statement of claim for his lawsuit against CBC, Mr. Ghomeshi stated that CBC terminated his employment for cause. Mr. Ghomeshi subsequently withdrew his lawsuit and is required to pay the Corporation's court costs.

Retirees

Senator MacDonald asked if there were people who had retired from CBC/Radio-Canada, and are collecting their pensions, but who have been "rehired on contract". Our current workforce is 8,030 (Full time equivalents) of whom there are currently 30 who are retirees performing short-term contract work. Those contracts are managed in accordance with the Corporation's human resources policy. That policy specifies that employees who have received severance may be re-hired to perform short term assignments 12 months following their departure. Former employees receiving pensions but who end up working more than six months will have their pension benefits reassessed. Employees who have received severance payment under a voluntary incentive program cannot be re-hired.

Ombudsmen

With respect to our ombudsmen, Senator Plett said he found it "strange" that the ombudsmen did not interview him in the course of investigating his complaint about *The National*, and said the ombudsman told him "she would interview the journalist". What the CBC Ombudsman told the Committee on September 30th was that she often does not *need* to interview the complainant who has filed a written complaint:

Generally speaking because their complaint is very clear, and I don't feel I need more information. I will almost always speak to the journalist because they are accountable, so I have to ask a series of questions⁹

Senator Plett also asked for a copy of the terms of reference for the Corporation's ombudsmen which are approved by the Board. A copy of that document is attached. It is also posted on the public websites of the ombudsmen.¹⁰

Real Estate

Senator Plett asked how much money the Corporation will save annually with its real estate strategy to reduce space. Forecast savings from this strategy are between \$20M and \$30M annually by 2020.

The Corporation's Board of Directors approved the Real Estate Strategic Plan in May 2011. It aims to reduce operational costs and maximize proceeds from the real estate portfolio, including increasing leasing revenues. The Corporation's new Strategic Plan 2020, *A Space for us all*, released in June 2014, supports the same principles and targets an overall reduction of the Corporation's real estate portfolio

⁹ Evidence, September 30, 2014

¹⁰ <http://www.ombudsman.cbc.radio-canada.ca/en/about/mandate/>

by 2,000,000 square feet by 2020, from the previous target of 800,000 square feet. By reducing its real estate footprint, the Corporation will be able to invest more of its resources on content and programs.

Spending on Canadian Content

Finally, Senator Greene asked if Canadians “would achieve more bang for their buck if the money that was spent by Parliament on the CBC....could be better spent by providing it to content providers through the Canada Media Fund or through Telefilm”? He also asked how much of the Corporation’s annual parliamentary appropriation is spent on “Canadian content providers for stories”.

While it is not possible to separate the parliamentary appropriation spent on Canadian programming from the Corporation’s total budget, I can tell you that in the most recent full broadcast year (2013), CBC/Radio-Canada spent a total of \$1.024 billion on Canadian programming (radio and television). Of that, \$700.8M was spent on Canadian content for conventional television, an amount greater than for all of the private conventional broadcasters combined¹¹.

As to the question of “bang for the buck”, CBC/Radio-Canada is, in fact, the most effective way of investing in Canadian programming that Canadians will be able to access, because Canadian programming is its priority. The Corporation broadcasts across the country, and fills its prime time schedule with Canadian content which means that those programs are available to all Canadians at a time when most Canadians are watching television.

A 2013 Deloitte study on the economic impact of CBC/Radio-Canada found the public investment in CBC/Radio-Canada creates a wide range of benefits not available elsewhere. It is worth looking at the entire study¹², but the highlights include:

- CBC/Radio-Canada invests significantly more on Canadian programming than all of the other private broadcasters combined.
- For every dollar CBC/Radio-Canada receives in appropriation, it generates almost four dollars for the Canadian economy.
- CBC/Radio-Canada’s regional and local activities contribute to local economies and creative clusters in cities across Canada.
- CBC/Radio-Canada supports a stronger, broader Canadian independent production sector by commissioning a wide range of genres of programming.
- The Corporation is a leader in taking advantage of new technologies, which are later adopted by other broadcasters and the wider creative sector.

¹¹ The total investment on Canadian programming by private conventional broadcasters was \$605M. CRTC Communications Monitoring Report 2014

<http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2014/cmr4.htm#s4-2e>.

¹² <http://www.cbc.radio-canada.ca/files/cbcrcc/documents/latest-studies/cbcradio-canada-economic-impact-deloitte-2013.pdf>

CBC/Radio-Canada Pension Plan

Senator Unger asked a number of questions about the health of the CBC/Radio-Canada pension plan, particularly around the issue of pension solvency. A more accurate measurement of the health of the plan is its going concern funded position which is currently at 119% (Approximately \$1.19 in assets for every dollar of pension plan obligations). I believe the attached letter from the CEO of the CBC Pension Plan will reassure Senators further of the sound management and strong condition of the plan.

I hope this addresses the Committee's outstanding questions on the challenges facing CBC/Radio-Canada. As we did last year, I would like to share with you an updated version of our "environmental scan", prepared by CBC/Radio-Canada and presented to our Board of Directors in November. This will provide you with a valuable overview of the current broadcasting environment, CBC/Radio-Canada's role in it, and some of the ongoing challenges facing the industry, particularly the weak conventional television market, the growth of non-linear services like Netflix, and the shift of advertising spending from television to the Internet.

As I said in my remarks to the Committee, the current broadcasting system can no longer sustain the creation and distribution of the Canadian content Canadians expect. I believe the corporation's strategic plan, *A space for us all*, is the appropriate response to these challenges. If Canadians want more from their public broadcaster, then investing in public broadcasting needs to be made a priority.

I look forward to reading the Committee's final report.

Sincerely,



Remi Racine
Chair
CBC/Radio-Canada

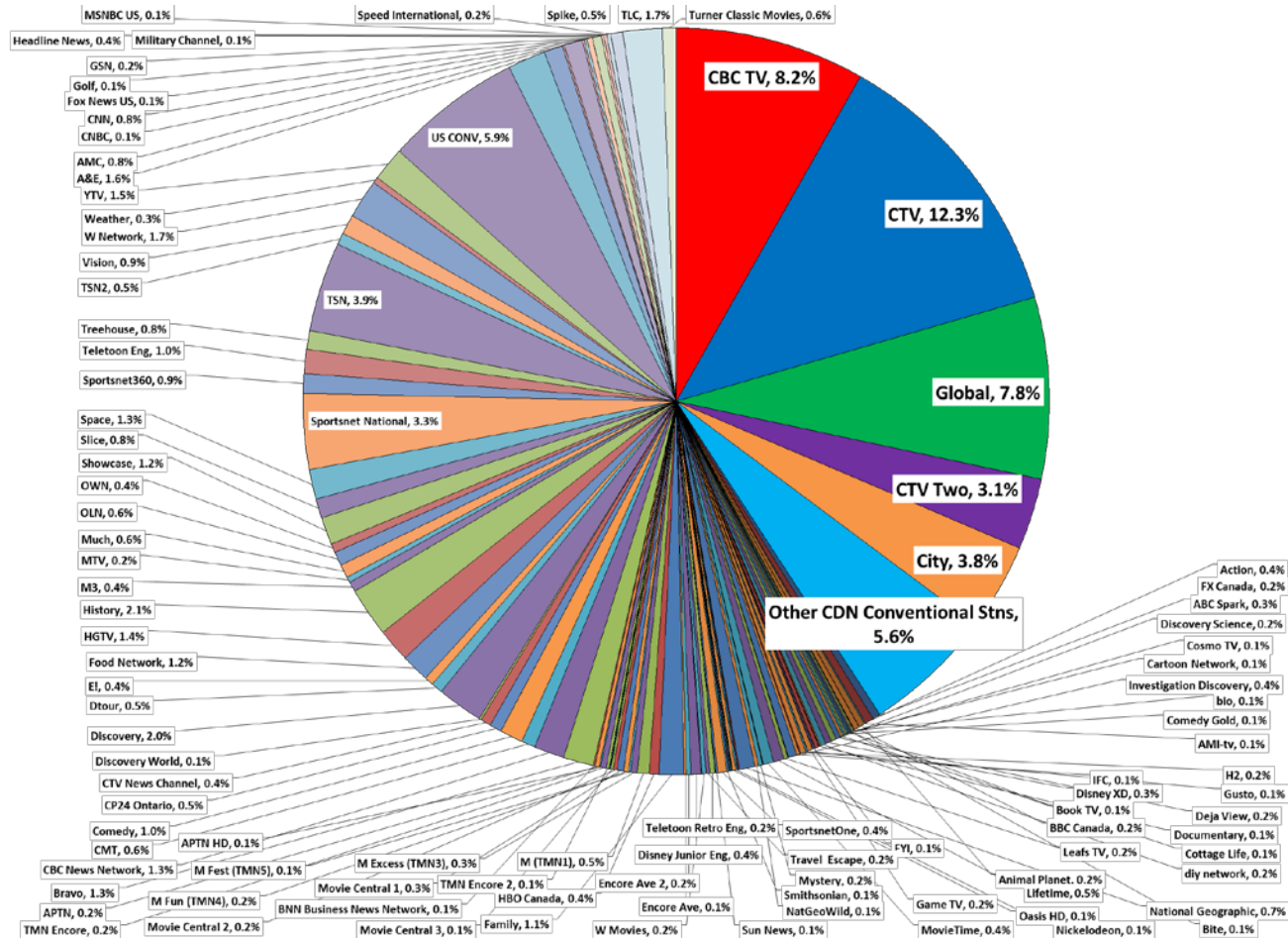
c.c Daniel Charbonneau, Committee Clerk

Encl. Audience Fragmentation
Television Programming Schedules
Terms of Reference, CBC/Radio-Canada Ombudsmen
Letter from CEO, CBC/Radio-Canada Pension Plan
Media Environment, Nov 2014 Presentation to Board of Directors



AUDIENCE FRAGMENTATION

Share of Viewing to English TV by Channel
Total Canada, Prime Time (7pm-11pm)
%

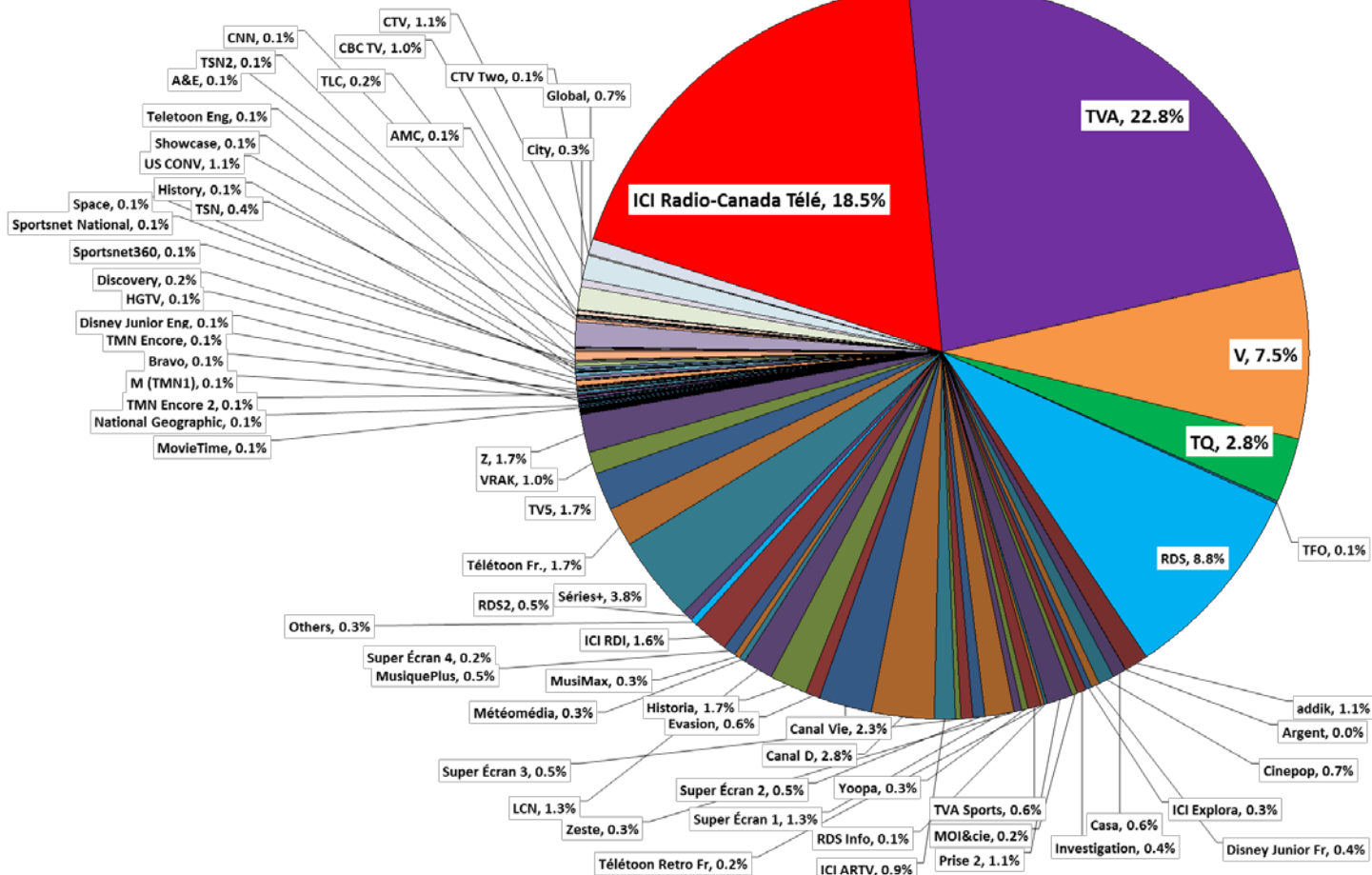


Source: CBC/Radio-Canada Research and Analysis, Numeris (BBM Canada), 2+, Broadcast Year 2013-2014 excluding Olympic weeks (PPM)



AUDIENCE FRAGMENTATION (CONT'D)

Share of Viewing to Quebec Franco by Channel
Total TV, Prime Time (7pm-11pm)
%



Source: CBC/Radio-Canada Research and Analysis, Numeris (BBM Canada), 2+, Broadcast Year 2013-2014 excluding Olympic weeks (PPM)



“ENVIRONMENTAL SCAN”

TO: Board of Directors

MEETING: November 19, 2014

FROM: Steven Guiton, Vice-President Technology
and Chief Regulatory Officer

PURPOSE: This document provides an expansive review of the industry in which we operate. It is developed regularly to support CBC/Radio-Canada’s planning activities to inform the Board. The material is updated every year.

DATE: As of October 22, 2014

2014 MEDIA ENVIRONMENT



Information for the Board of Directors
November 19, 2014
Montreal, Quebec



INTRODUCTION

- **This document provides Board members with:**
 - **A high-level overview of how the Canadian broadcasting industry operates,**
 - **CBC/Radio-Canada's role within it,**
 - **Some of the key challenges we and the industry face, and**
 - **An update on some important developments in the last year.**



KEY UPDATES FROM THE SCAN SINCE LAST YEAR

- Consumer TV choice and digital opportunities are the two key pressures driving regulatory change in Canada. However, changes will not likely include subscription revenues or a new local news fund for conventional TV (p. 13 and 15).
- Online TV will be one of, if not the most important, future TV platforms (p. 18). Regulated broadcasters will need to try their hands online (p. 72).
- There has been a slight but noticeable drop of TV viewing in the English Market, which has corresponded with growth in online TV viewing (p. 56). Subscriber levels continue to see modest erosion (p. 49).



KEY UPDATES FROM THE SCAN SINCE LAST YEAR

... continued

- Internet advertising revenues have surpassed TV (p. 45), and mobile has grown its share to 12% (p. 46).
- Mobile is now being measured by comScore and it is a strong source of growth in usage (p. 83).
- Google launches Chromecast, a \$39 solution to stream video to the most important screen (your TV set) from your mobile device (Smartphone or Tablet) (p. 71).
- Spotify, the global leader in Internet radio, finally launches into Canada and adds to a very competitive market (p. 78).



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WHAT IS THE PURPOSE OF PUBLIC POLICY IN BROADCASTING?

Broadcasting policy is typically based on one of three assumptions:

1. The economics of **distribution** are challenging in a country the size of Canada (e.g. off-air coverage, universal broadband).
2. The economics of **original content** creation in Canada are challenging in comparison to acquiring content from a larger market (e.g. US vs. Canadian, National vs. Local).
3. Broadcasting is an effective way to inform and enlighten society and **high quality** content would be underrepresented (e.g. public affairs, drama/comedy, kids, performing arts).

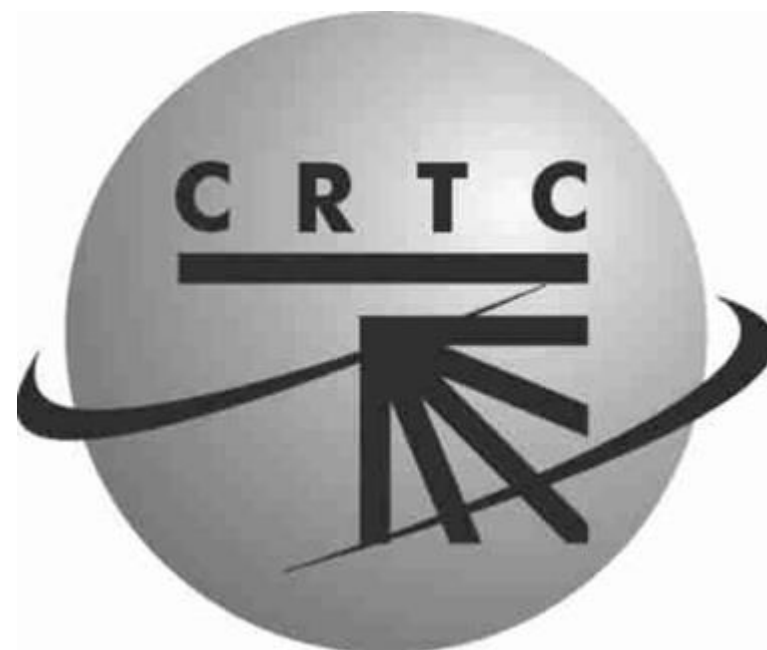


THE HIGH IMPORTANCE PLACED UPON BROADCASTING IS CLEARLY EVIDENT IN THE *BROADCASTING ACT*

- The *Broadcasting Act* was passed into law in 1991 and is still in force today
- The *Act* explicitly states that broadcasting “provides, **through its programming**, a public service essential to the maintenance and enhancement of **national identity and cultural sovereignty**.” (Paragraph 3.(1)(b))
- Given that important role, broadcasting in Canada should “serve to safeguard, enrich and strengthen **the cultural, political, social and economic fabric of Canada**.” (Paragraph 3.(1)(d)(i))
- All broadcasting activities are covered under the *Act*



THE ACT ESTABLISHES TWO PRIMARY POLICY TOOLS





TOOL #1: PUBLIC BROADCASTING

- Countries all around the world have created public broadcasters to promote public policy



francetélévisions



ABC



rtve

RTE

प्रसार भारती
PRASAR BHARATI
अवधारण आदर्श की
Broadcasting Corporation of India



arte

الأولى



ARD



EARTU
اتحاد الإذاعة والتلفزيون المصري



iba
רשות השידור



sverigesradio



CBC/RADIO-CANADA'S MANDATE IN THE ACT IS VERY BROAD

3. (1) (l) the **Canadian Broadcasting Corporation**, as the national public broadcaster, should provide **radio and television services** incorporating a wide range of programming that **informs, enlightens and entertains**;
- (m) the **programming provided** by the Corporation should
- (i) be predominantly and distinctively **Canadian**,
 - (ii) reflect Canada and its regions to national and regional audiences, while serving the **special needs of those regions**,
 - (iii) actively contribute to the flow and exchange of **cultural expression**,



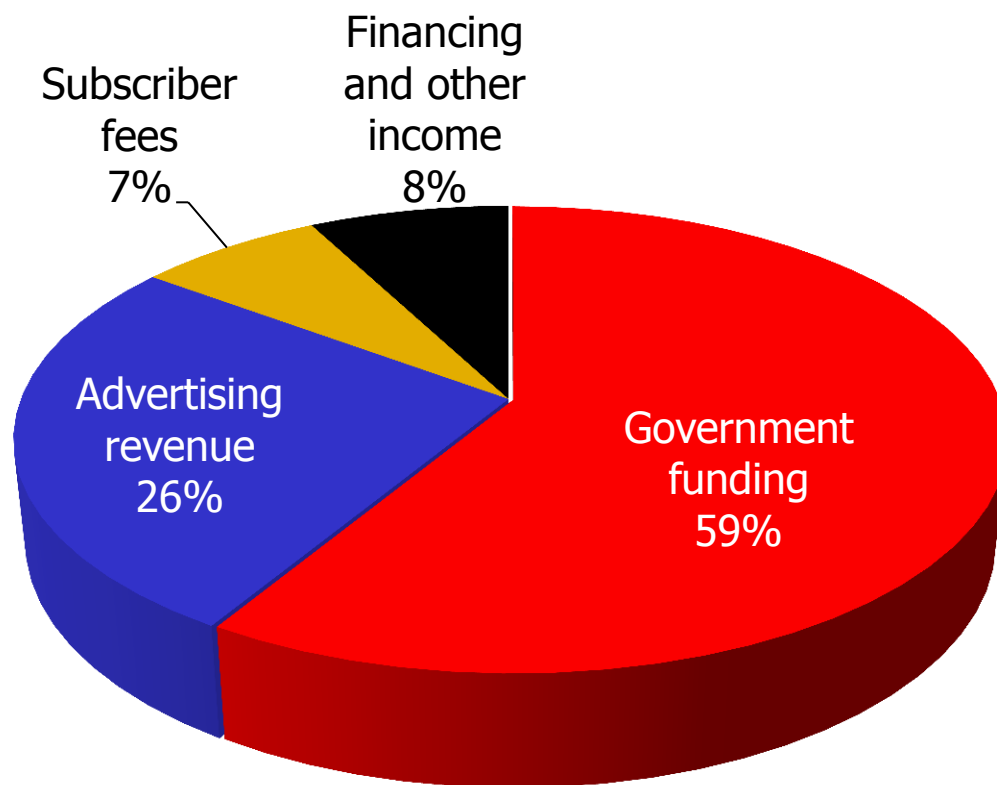
CBC/RADIO-CANADA'S MANDATE IN THE ACT IS VERY BROAD

- (iv) **be in English and in French**, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French **linguistic minorities**,
- (v) strive to be of **equivalent quality** in English and in French,
- (vi) contribute to shared **national consciousness and identity**,
- (vii) **be made available** throughout Canada **by the most appropriate and efficient means** and as resources become available for the purpose, and
- (viii) reflect the **multicultural and multiracial** nature of Canada;



CBC/RADIO-CANADA RELIES HEAVILY ON PUBLIC FUNDING

CBC/Radio-Canada's Revenue and Sources of Funds (\$1,858.8 Million)



Source: CBC/Radio-Canada Annual Report 2013-2014



... AS DO THE PRIVATES

<i>Category</i>	<i>Type of Public Support</i>	<i>Value to Private Broadcasters</i>
Market Entry Restrictions	Foreign Ownership Restrictions	PRICELESS
	CRTC Licensing Policies	
Revenue Protections	Advertising Rules <i>Sec. 19.1 of the Income Tax Act</i>	<i>\$91 - 130 million (1)</i>
	Simultaneous Substitution	<i>\$242 - 262 million (2)</i>
Expenditure Relief	Production Tax Credits	<i>\$520 million (1)</i>
	Canada Media Fund (CMF)	<i>\$177 million (3)</i>
TOTAL		\$1.0 - \$1.1 billion

NEW

Local Programming Improvement Fund (LPIF) has been eliminated.

Source: (1) Nordicity 2011 estimates; (2) Armstrong Consulting 2014; and (3) CMF Performance Envelopes 2014-15



TOOL #2: THE CRTC

- The CRTC is an independent government agency that **supervises all aspects** of Canadian broadcasting, **including CBC/Radio-Canada.**
- **Promoting access to Canadian content** is one of the key underlying principles of the CRTC's objectives.
- The **CRTC's powers and jurisdiction are set out in the *Broadcasting Act***, and the CRTC is guided by the policy objectives set out in it.
- The CRTC is required to **regulate** the broadcasting system **in a flexible manner** that, among other things, recognizes our **two official languages**, takes into account **regional concerns**, and is **adaptable to technological developments.**



A CHANGING REGULATORY ENVIRONMENT

- The **current environment** can be characterized as follows:
 - 1) Regulatory intervention is becoming **increasingly selective**
 - 2) Going forward, CRTC will be required to play a greater role in **adjudicating disputes** between broadcasters and TV distributors
 - 3) New platforms are emerging and further **fragmenting audiences**
 - 4) Over the last 15 years, the CRTC has **exempted from regulation** undertakings that provide broadcasting services delivered and accessed over the **Internet**. This issue will soon be re-visited in the CRTC's Talk TV decision.
 - 5) **Conventional TV** has been at the centre of broadcasting policy, but it is under financial distress. The introduction of subscriber revenues or new local news fund seems unlikely.
 - 6) Significant emphasis has been placed on **increasing consumer choice** in subscription TV (e.g. pick and pay)

NEW**NEW****NEW**

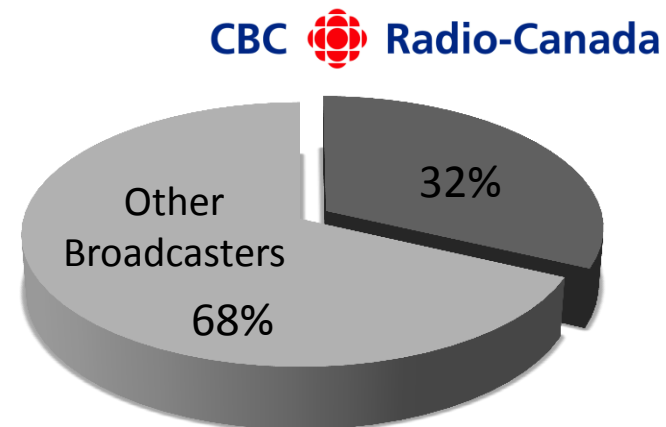


THE CANADA MEDIA FUND (CMF) IS ALSO AN IMPORTANT PUBLIC POLICY TOOL

- The CMF has been around in various forms since 1998
- CBC/Radio-Canada indirectly benefits from about \$85 million in CMF allocations annually
 - Our share is tied closely to our audience performance
- The CMF is essential to delivering our prime time schedules



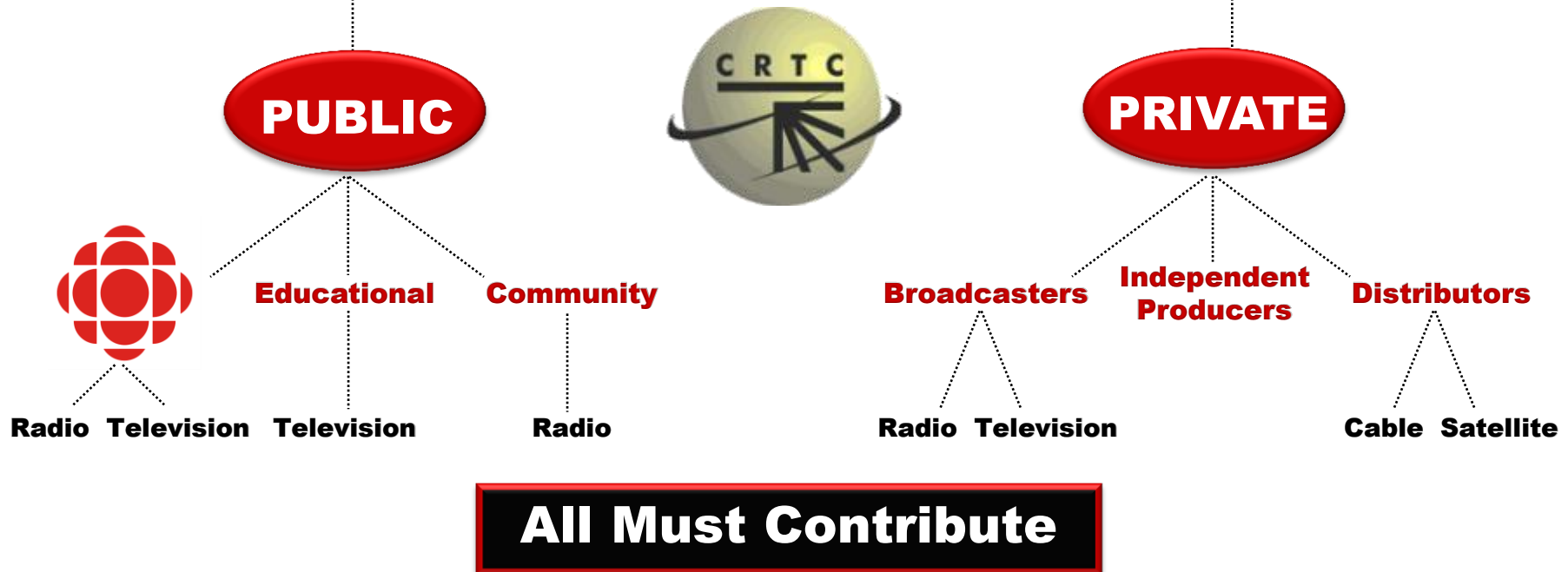
CMF Performance Envelope
Funding Allocations
2014-15





THE BIG PICTURE: PUBLIC POLICY IS AN IMPORTANT COMPONENT OF THE BROADCASTING INDUSTRY

The *Broadcasting Act* (1991)





... BUT DEFINING AND PROMOTING PUBLIC POLICY IS BECOMING CHALLENGING

**NEW**

Broadcasting policy must increasingly put consumers first, rather than simply promoting Cancon.



The Internet represents the future of television, yet **the notion of the CRTC regulating the Internet is toxic.**

The Regulatory Approach Must Change



KEY TAKEAWAYS

- **The broadcasting system is deemed essential** for the well being of our culture, society, economy and democracy.
- Like other countries, the Government utilizes **two key tools** to fulfill its objectives: public broadcasting (**CBC/Radio-Canada**) and regulation (**CRTC**).
- Both CBC/Radio-Canada and the private sector are expected to contribute to the **fulfillment of the Act**.
- **A greater** focus on consumers and the opportunities created by Internet offers are putting **pressure on current regulation tools**.



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CBC/RADIO-CANADA REACHES CANADIANS IN MANY WAYS

TV



Radio

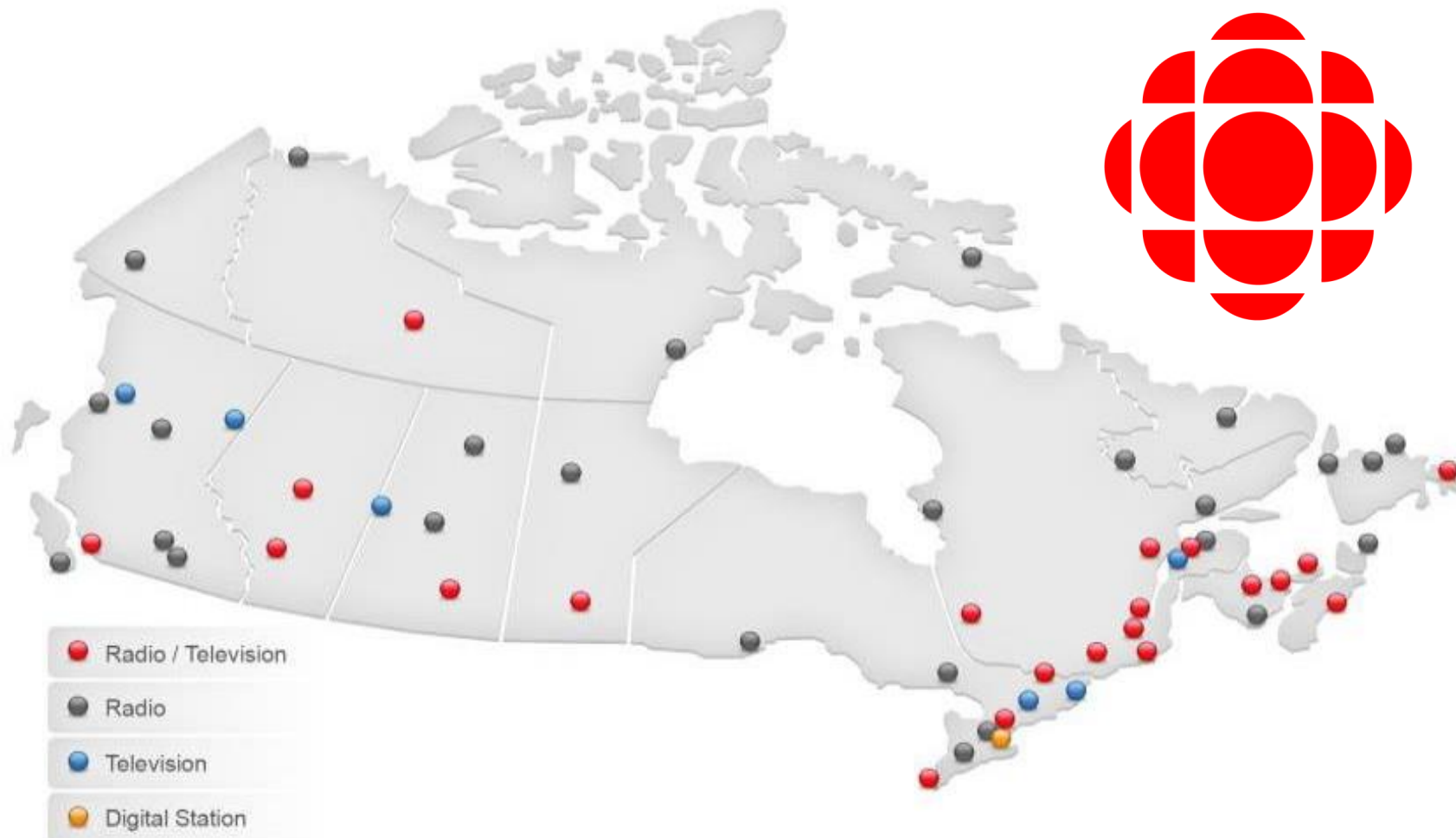


Digital & Other Services





WE SERVE CANADIANS FROM COAST, TO COAST, TO COAST





CBC/RADIO-CANADA CONTRIBUTES POSITIVELY TO THE INDUSTRY AND THE CANADIAN ECONOMY

Deloitte. CBC/Radio-Canada has a **substantial positive impact on the economy** — well above its spending power

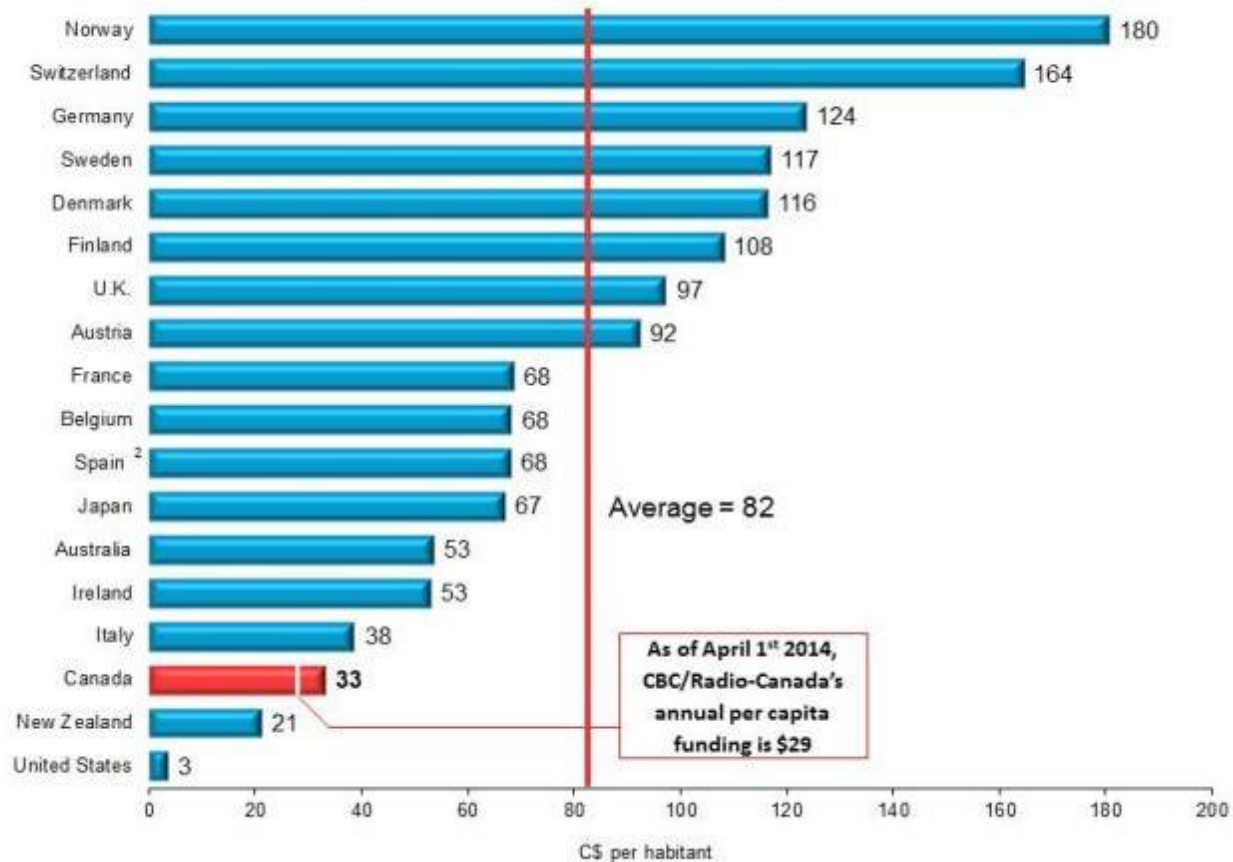
Among the measureable benefits identified were:

- **For every dollar** we receive from Canadians, **we generate almost \$4.00** for the Canadian economy
- Its **regional and local** activities contribute to local economies and creative clusters in many Canadian cities
- It creates depth in the **production sector** by commissioning a wide range of genres
- **Expenditure on programming**, whether commissioned from independent producers, acquired or made in-house, accounts for 63% of CBC/Radio-Canada's total expenditure (\$1,014 million in 2013)
- It implements **new technologies** which are later adopted by other broadcasters and the wider creative sector



CBC/RADIO-CANADA'S FUNDING IS AMONG THE LOWEST IN THE WORLD

Per Capita Public Funding for Public Broadcasters - 2011



Source: Nordicity, "Analysis of Government Support for Public Broadcasting and Other Culture in Canada" (October 2013)

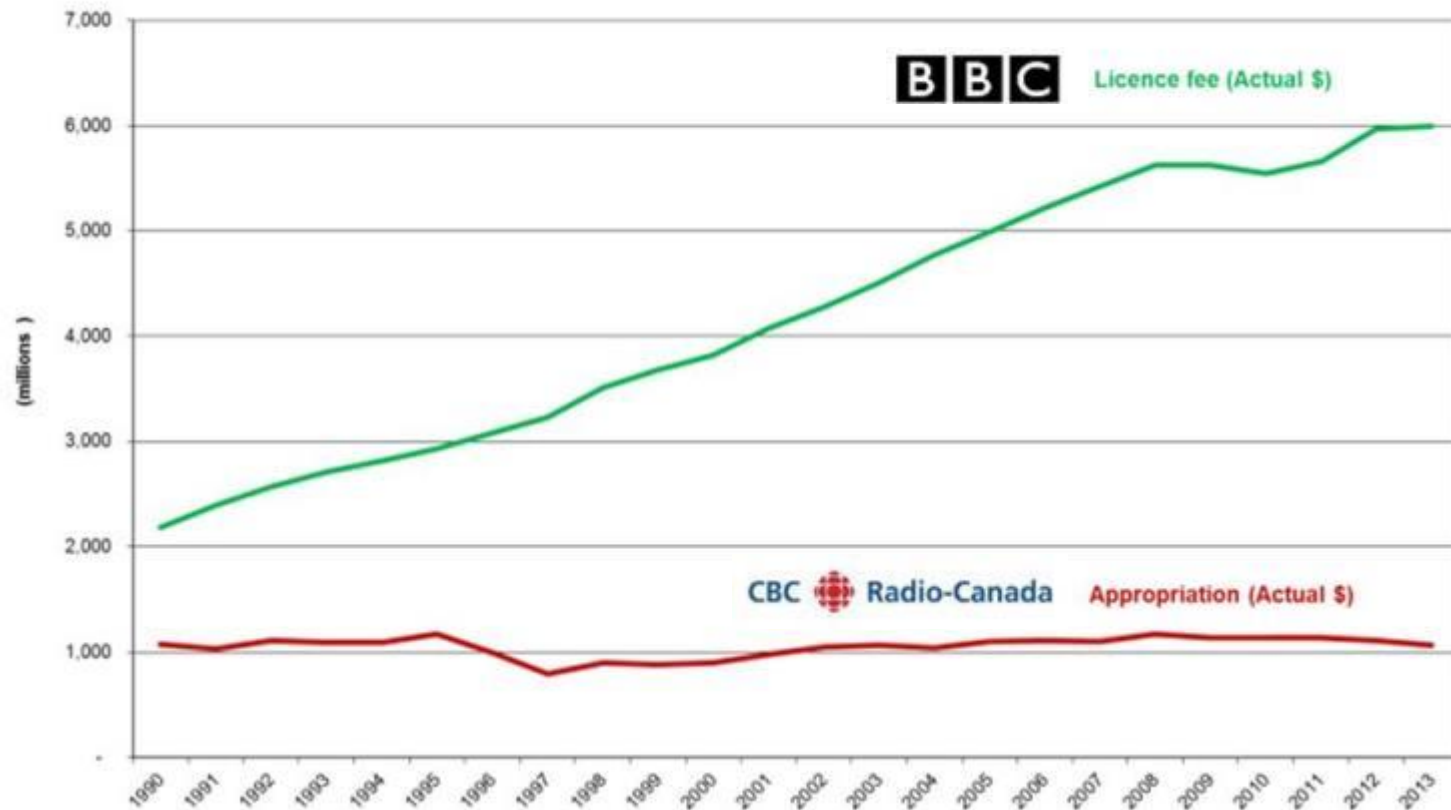
2. Figures for Spain include an estimate for the public broadcasters of the autonomous regions.



... AND NOT KEEPING PACE WITH OTHER PUBLIC BROADCASTERS SUCH AS BBC

NEW

BBC vs CBC Governmental Funding Indexed to CPI Growth

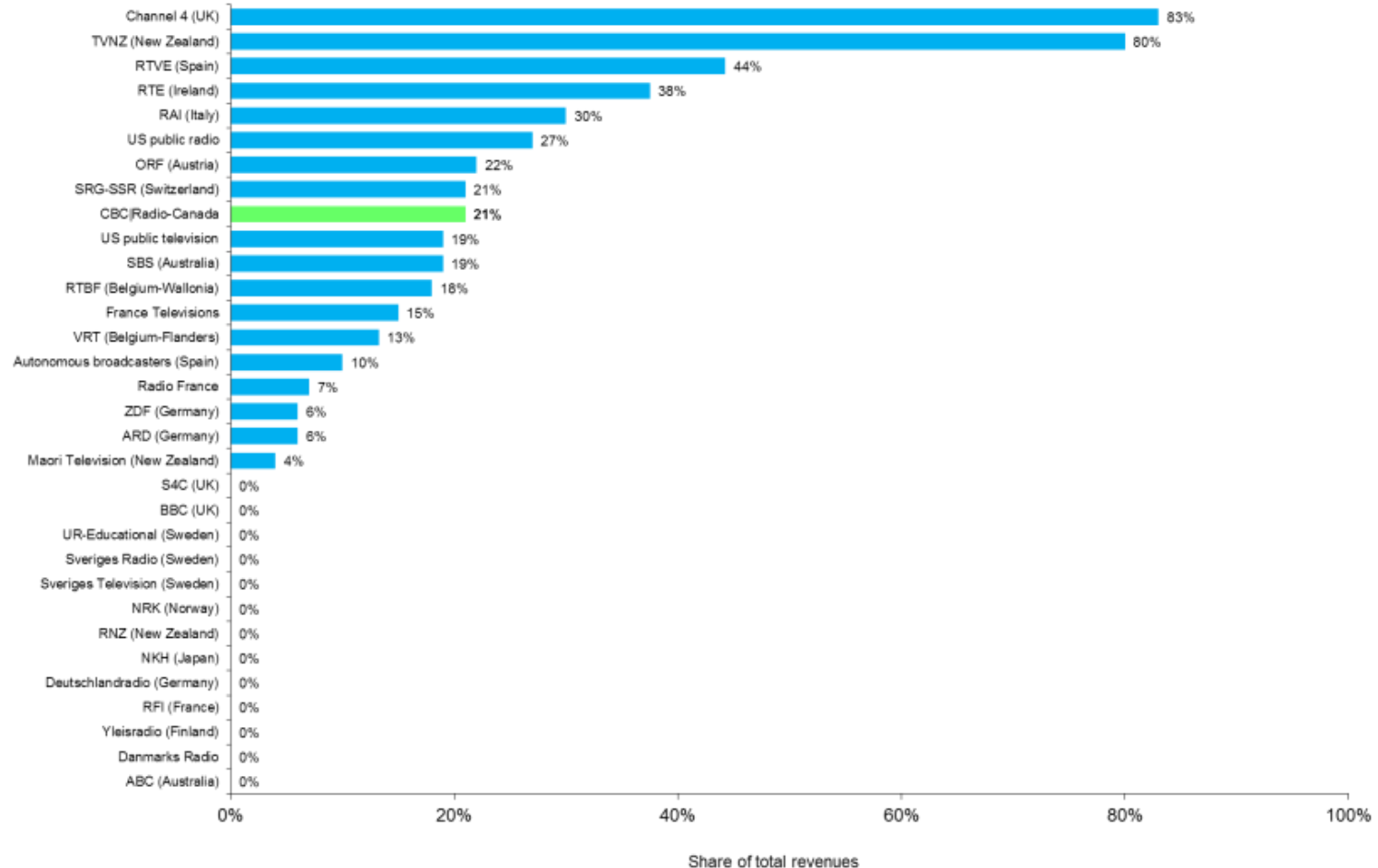


Source: BBC and CBC/Radio-Canada Annual Reports
 * Uses 2013 exchange rate of 1 CDN = 1.6 Pounds for all years.



LIKE MOST PUBLIC BROADCASTERS, CBC/RADIO-CANADA RELIES ON ADVERTISING

Advertising and sponsorship revenues by individual public broadcaster, 2011

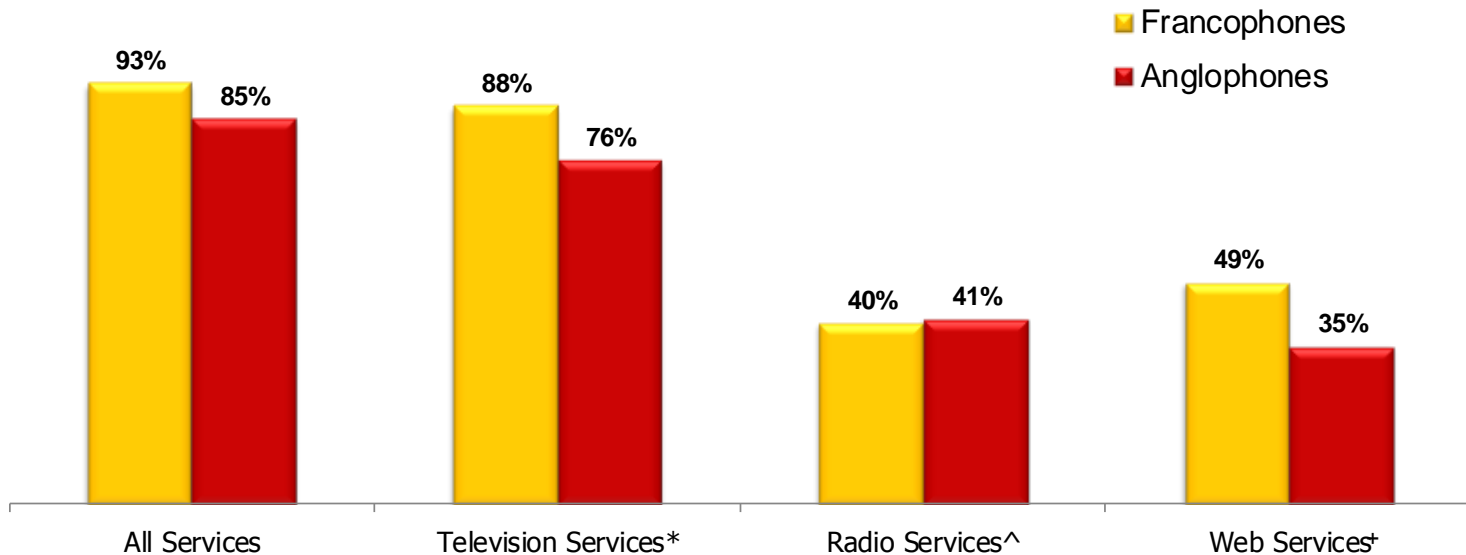


Source: Nordicity, "Analysis of Government Support for Public Broadcasting and Other Culture in Canada" (October 2013)



WE REACH VIRTUALLY ALL CANADIANS. TV IS STILL THE MOST COMMON MEANS. RADIO AND ONLINE ARE SIGNIFICANT

Unduplicated Monthly Reach
Francophones and Anglophones



* Television Services include: CBC TV, CBC News Network, *documentary*, ICI Radio-Canada Télé, ICI RDI, ICI ARTV and ICI EXPLORA.

^ Radio Services include: CBC Radio One, CBC Radio 2, ICI Radio-Canada Première and ICI Musique.

† Web Services: CBC.ca, music.cbc.ca, ICI Radio-Canada.ca, ICI Musique.ca and ICI Tou.tv.

Source: Mission Metrics Survey 2013-2014, TNS Canadian Facts (n = 4,800 Canadians 18+ – 2,400 Anglophones and 2,400 Francophones).



THERE IS STRONG PUBLIC SUPPORT FOR CBC/RADIO-CANADA

NEW

64% of Canadians have a **very favourable**¹ opinion of CBC/Radio-Canada.

71% of Canadians **strongly agree**¹ that there is a clear need and role for CBC into the future.

Source: Mission Metrics survey 2013-14

1. Scored 8, 9 or 10 on a 10-point scale. 6-10/10 is 83% favourable and 84% agree.



KEY TAKEAWAYS

- CBC/Radio-Canada has a **broad mandate and modest funding** by many measures
- CBC/Radio-Canada has well over **100 stations** (88 radio, and 27 TV) and an **expanding offering of services on new platforms and in all regions**
- CBC/Radio-Canada contributes positively to **support the industry and the economy**
- **TV** is still the largest way we reach Canadians
- Canadians **strongly support** CBC/Radio-Canada



AGENDA

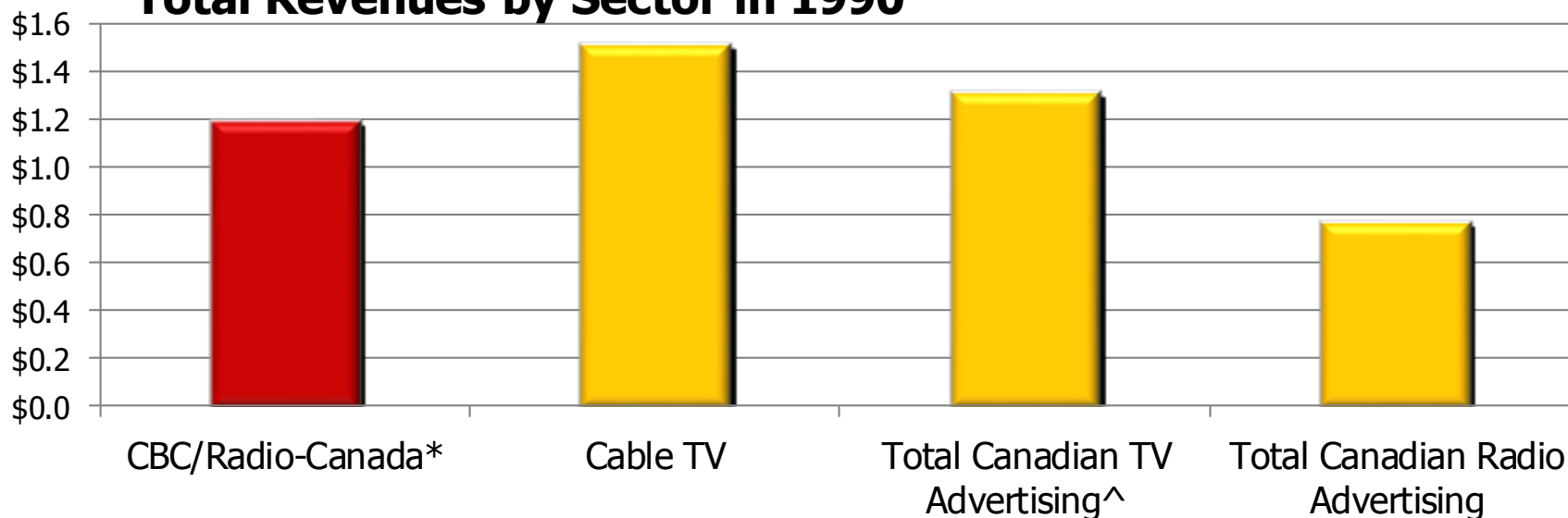
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A GENERATION AGO, CBC/RADIO-CANADA WAS A LARGE PLAYER IN THE BROADCASTING INDUSTRY

CBC/Radio-Canada's financial resources were comparable to entire industry sectors, like TV, radio and cable

Total Revenues by Sector in 1990



Source: CBC/Radio-Canada Annual Report

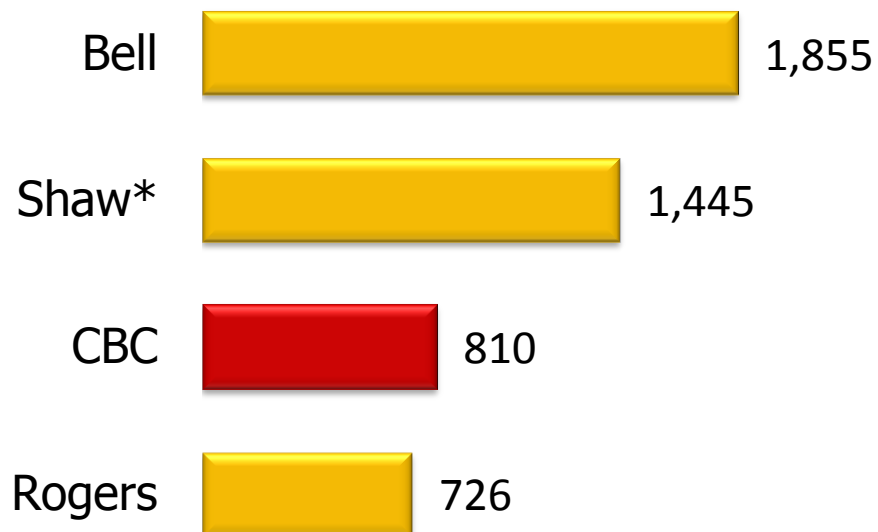
* Total revenues and funding.

^ Net of CBC/Radio-Canada's TV advertising.

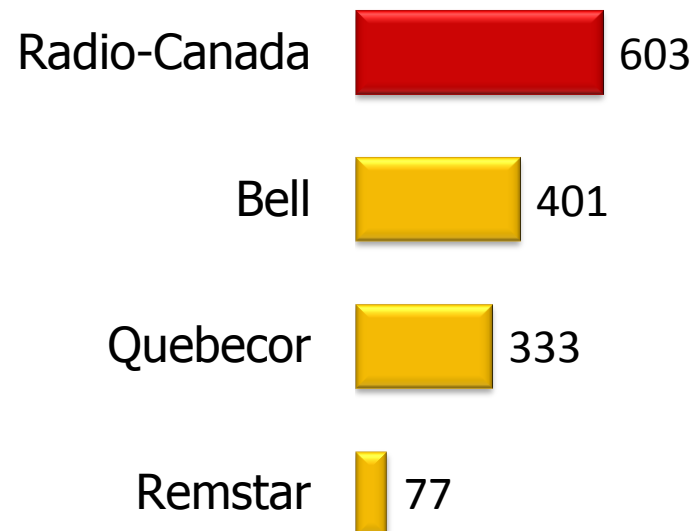


TODAY, CBC IS ABOUT HALF THE SIZE OF THE INDUSTRY LEADERS. RADIO-CANADA CONTINUES TO BE THE LARGEST IN ITS MARKET.

English TV Industry Revenue In \$ Millions



French TV Industry Revenue In \$ Millions



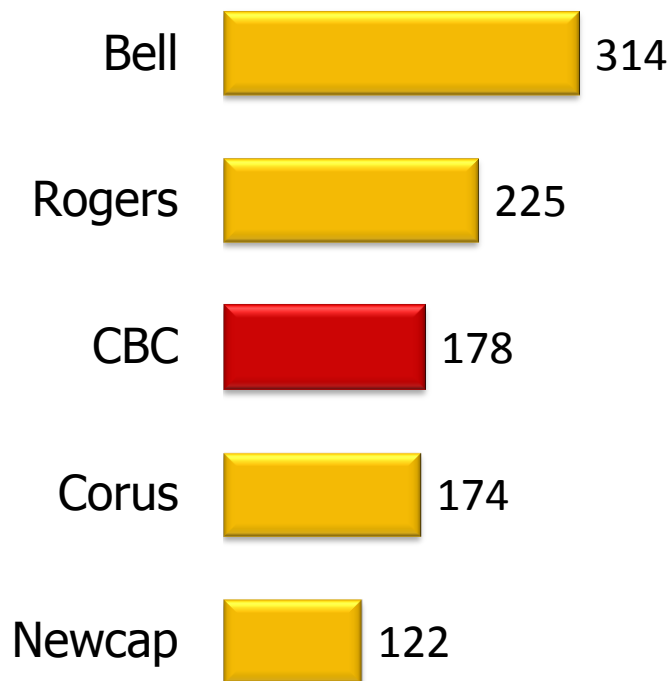
Source: CRTC 2013 Aggregate Returns and Financial summaries

• Includes Corus

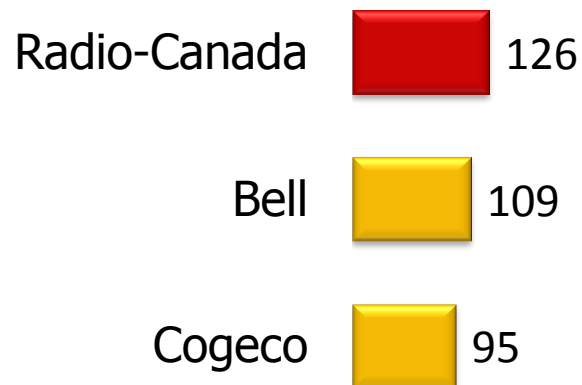


**IN THE RADIO MARKET,
RADIO-CANADA IS THE LARGEST.
CBC IS RANKED THIRD.**

English Radio Industry Revenue In \$ Millions



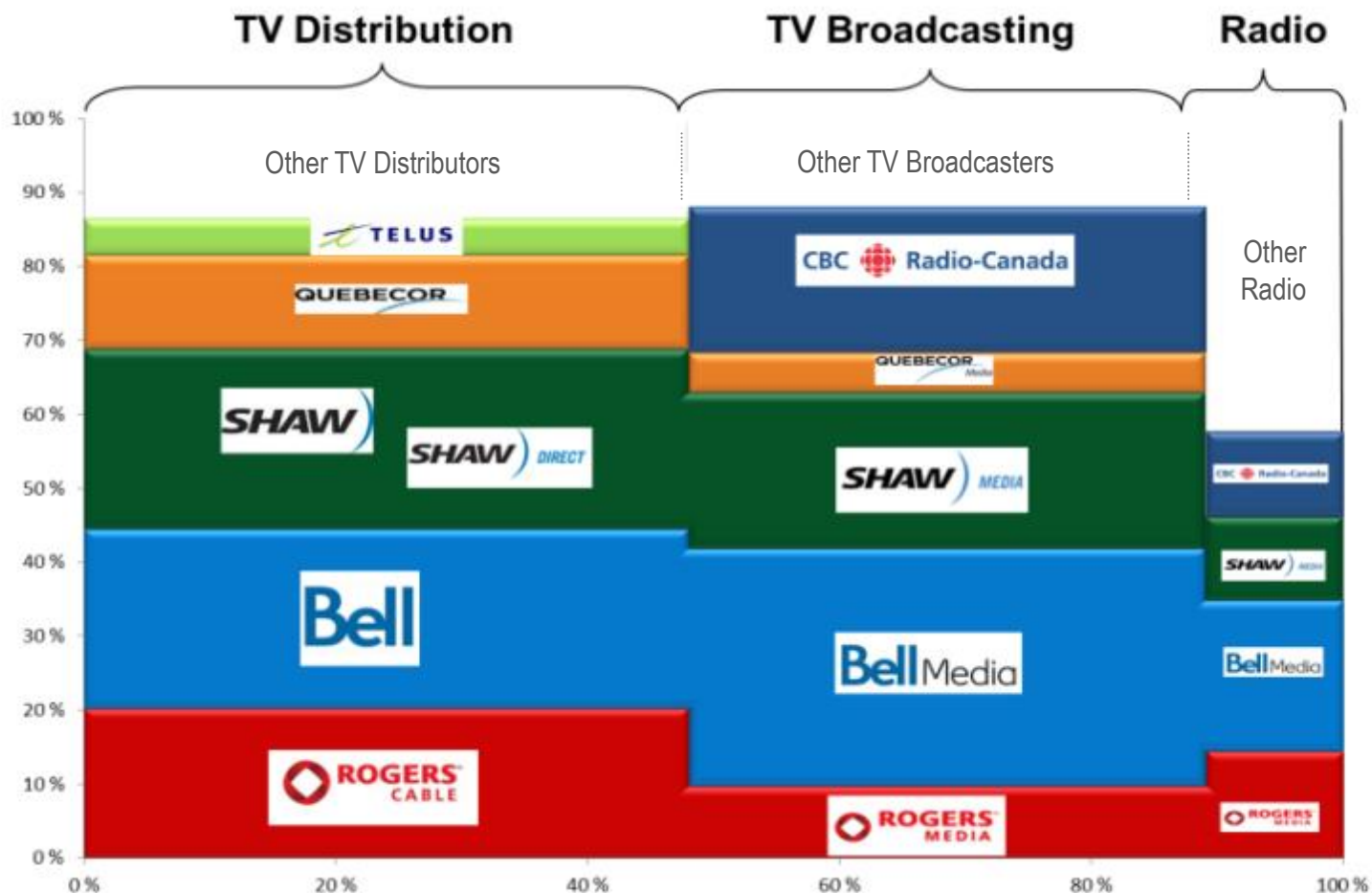
French Radio Industry Revenue In \$ Millions



Source: CRTC 2013 Aggregate Returns



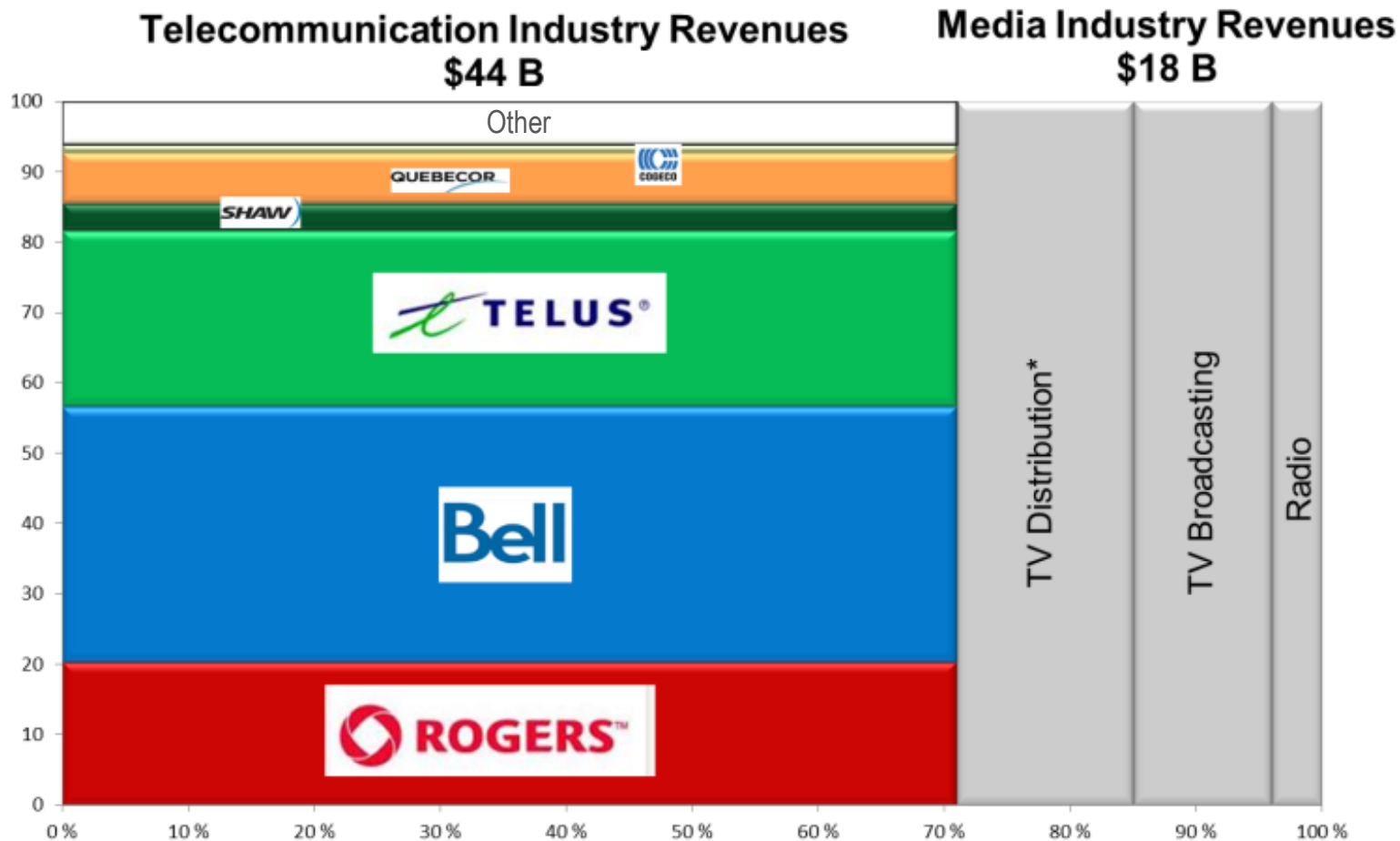
HOWEVER, BROADCASTERS HAVE LARGELY BEEN ACQUIRED BY MUCH LARGER TV DISTRIBUTORS



Source: CRTC 2013



... WHO OFTEN ARE ALSO TELECOM GIANTS



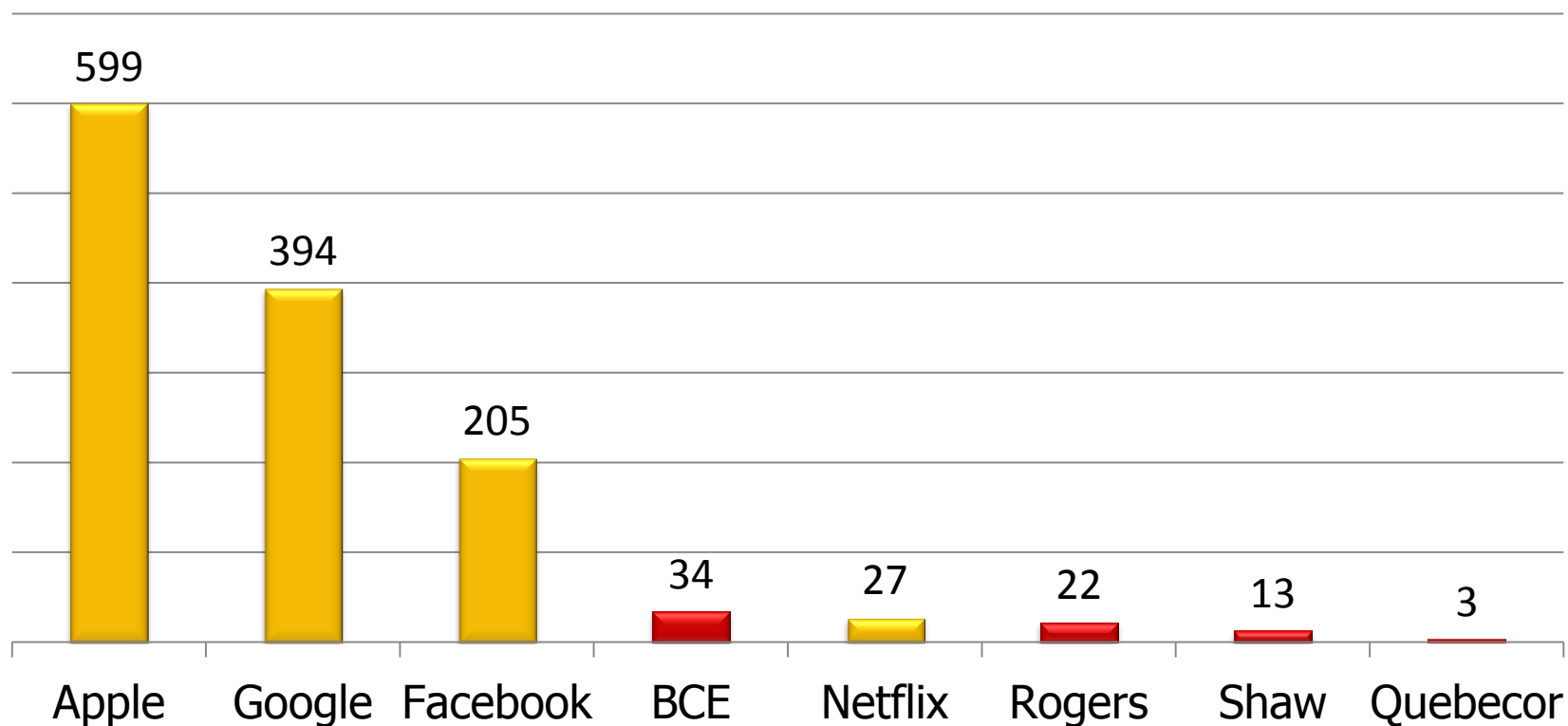
Source: CRTC 2013 and Company Reports

* Net of \$3B in affiliate payments that TV distributors pay TV broadcasters (i.e. specialty/pay TV wholesale subscribers fees).



THE INTERNET OPENS UP OUR BORDER TO NEW, BIGGER COMPETITORS

Market Capitalization of Select Companies, Foreign and Domestic (in Billions)



Source: Marketwatch.com, Accessed: September 30, 2014



... MANY OF WHOM ARE TRYING TO CHANGE THE BUSINESS



However, Apple, Google and Netflix have also proven to be partners.



KEY TAKEAWAYS

- A generation ago, CBC/Radio-Canada was a **large player** in the broadcasting industry.
- Today, Radio-Canada still has the **most financial resources for TV and radio broadcasting in the French market.** CBC TV is the **third largest in the English market.**
- Private broadcasting assets are now largely **integrated into larger distribution/telecommunication industries.**
- In addition, the Internet has opened Canada's borders to **global competitors** (and **potential partners**).



AGENDA

1. Introduction	2
2. Public Policy Framework	5
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THERE ARE THREE PRINCIPLE SOURCES OF REVENUES IN THE BROADCASTING INDUSTRY

1. Advertising

Helping advertisers reach consumers

2. Subscription

Helping consumers fulfill their demands

3. Public Funding

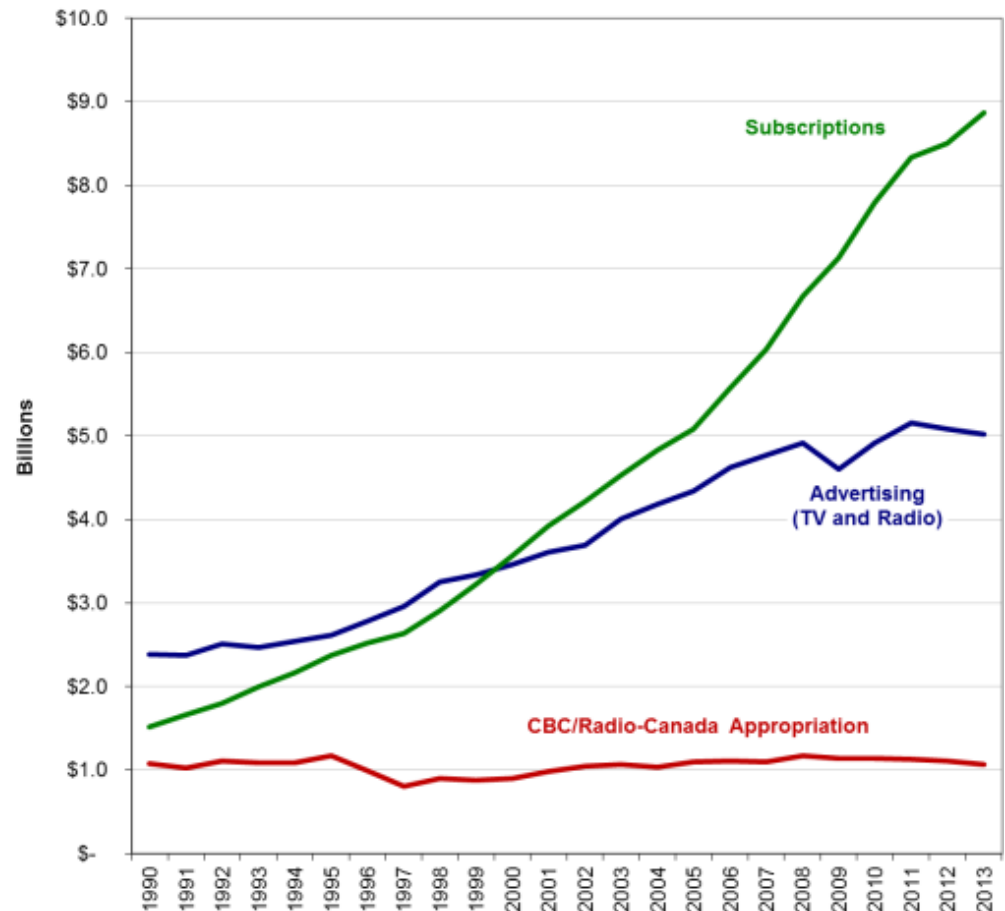
Helping achieve public policy goals



MASSIVE SHIFTS IN REVENUES HAVE RESHAPED THE INDUSTRY

- A generation ago, **subscriptions** were small. Now they are the **driving revenue source** in the industry
- **Advertising** has been **growing**, but has **experienced instability** in recent years
- **Public funding** has been relatively **flat** in **comparison**

Canadian Broadcasting Industry Revenues



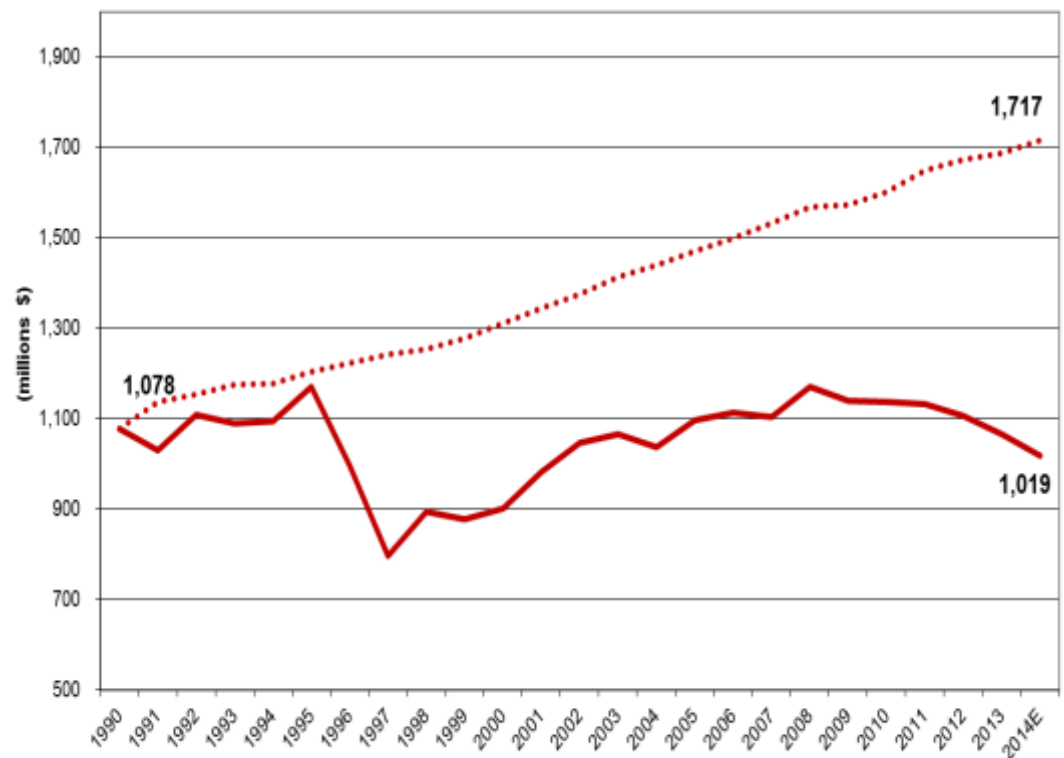
Sources: Statistics Canada, CRTC and CBC/Radio-Canada Research and Analysis estimates



PUBLIC FUNDING TO BROADCASTING HAS BEEN STAGNANT FOR MANY YEARS

- CBC/Radio-Canada's real **parliamentary appropriation** is about the same as it was 20 years ago

CBC/Radio-Canada Parliamentary Appropriation
Indexed to CPI Growth

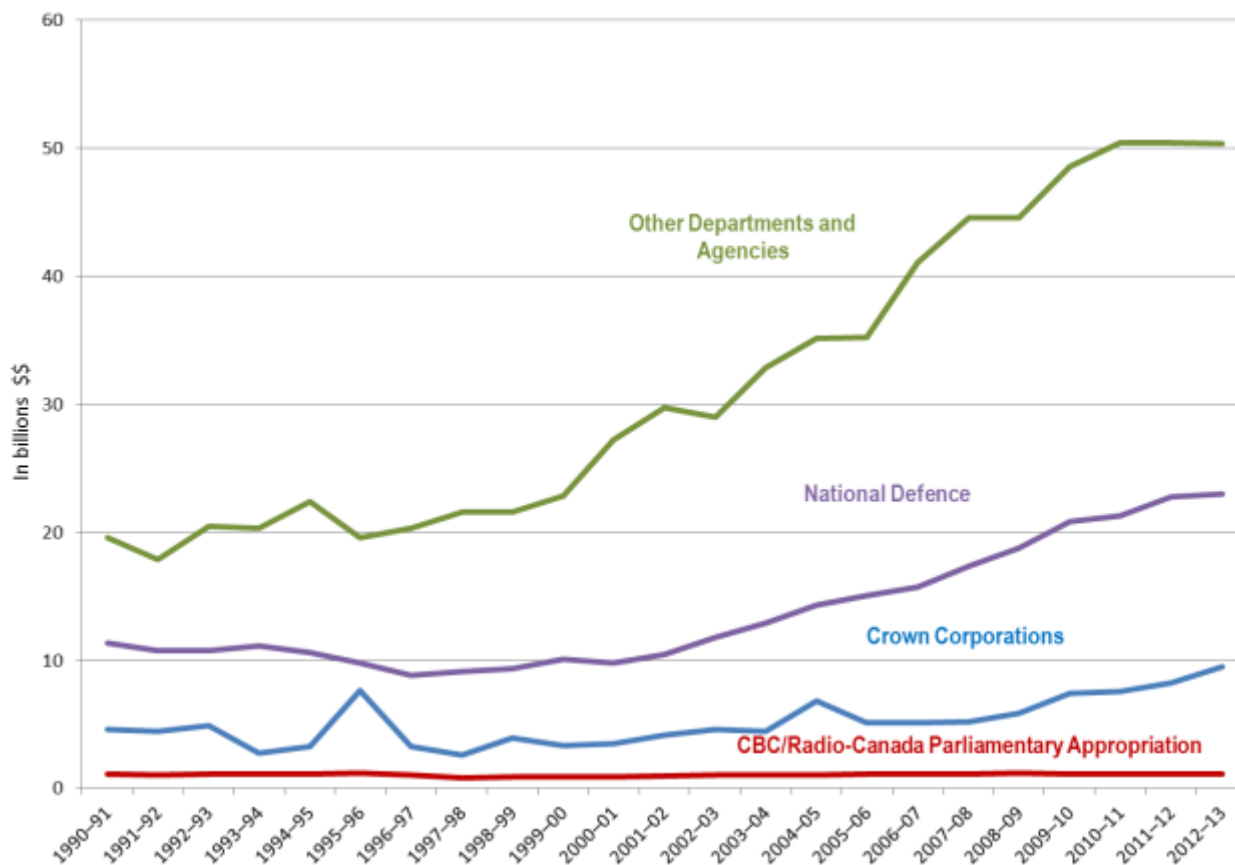


Sources: Statistics Canada, Nordicity and CBC/Radio-Canada Annual Reports



CBC/RADIO-CANADA TRAILS OTHER PUBLIC SPENDING PRIORITIES OF THE GOVERNMENT

Federal Government Expenditures*



Source: Department of Finance Canada

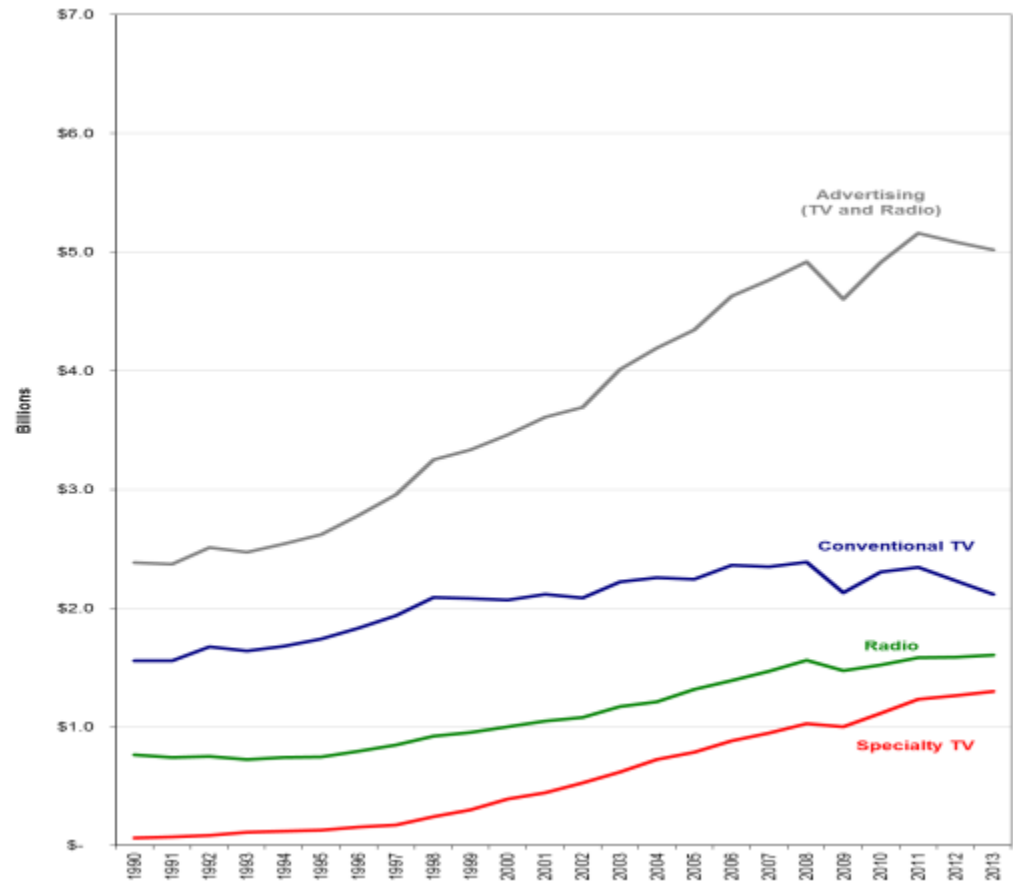
* Excludes transfer payments and public debt changes



MEANWHILE, BROADCAST ADVERTISING HAS BEEN STRUGGLING SINCE THE RECESSION IN 2008

Canadian Broadcasting Industry Revenues: Advertising

- **Specialty TV** advertising is the fastest growing broadcast category
- **Conventional TV** advertising has been struggling since the recession and is now experiencing declines
- **Radio** advertising continues to grow slowly



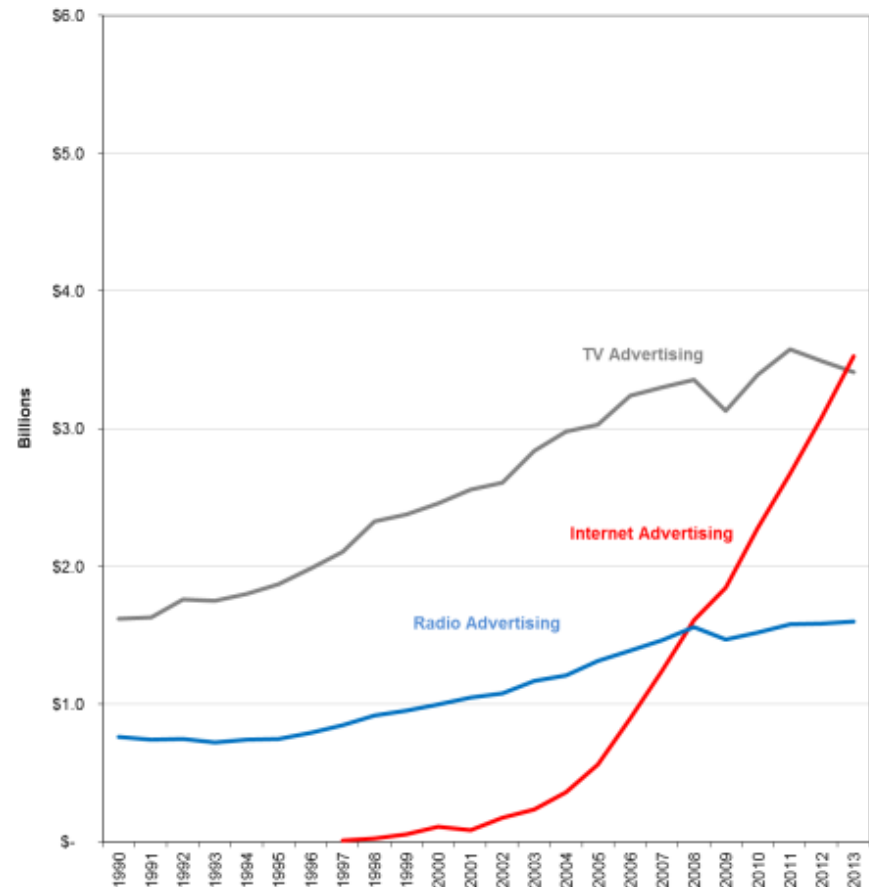
Source: Statistics Canada, CRTC



INTERNET ADVERTISING REVENUE HAS NOW SURPASSED TV (CONVENTIONAL AND SPECIALTY COMBINED)

- All sorts of **non-media time** spent on the Internet, like communication (e.g. Facebook) and research time (e.g. Google) **can be measured and sold to advertisers**

**Canadian Industry Revenues:
Broadcast and Internet Advertising**



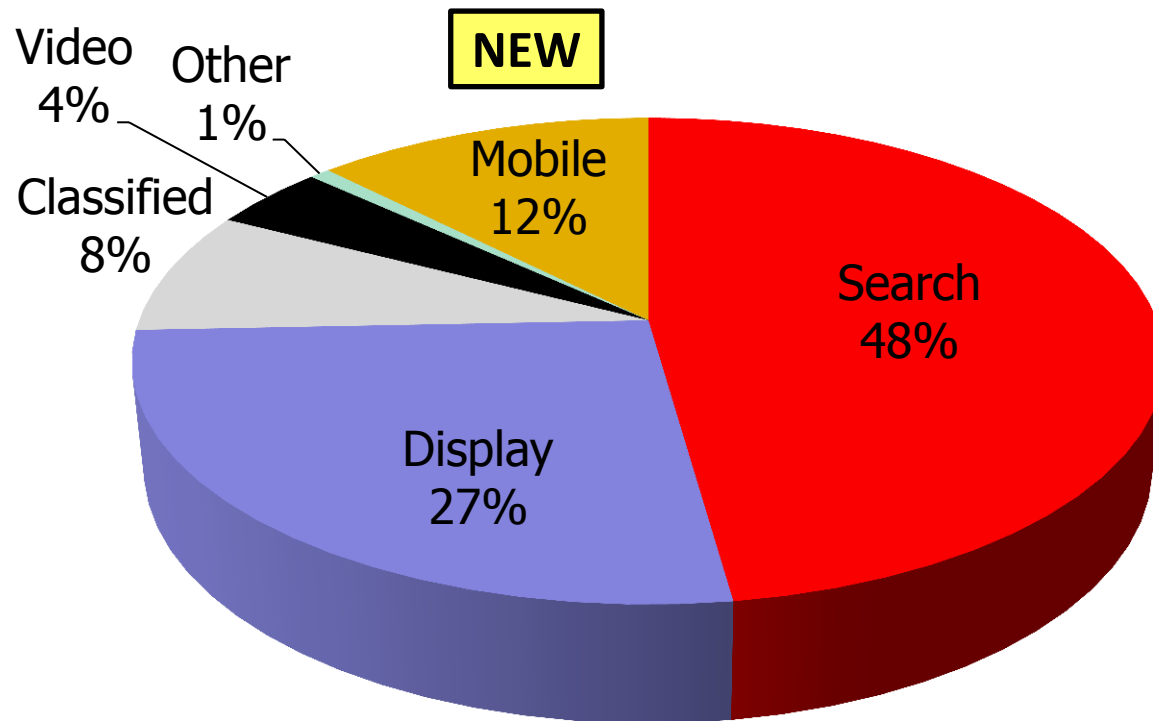
NEW

Sources: Statistics Canada and Internet Advertising Bureau



INTERNET ADVERTISING IS DRIVEN FOREMOST BY SOFTWARE COMPANIES

Internet Advertising Revenue by Category



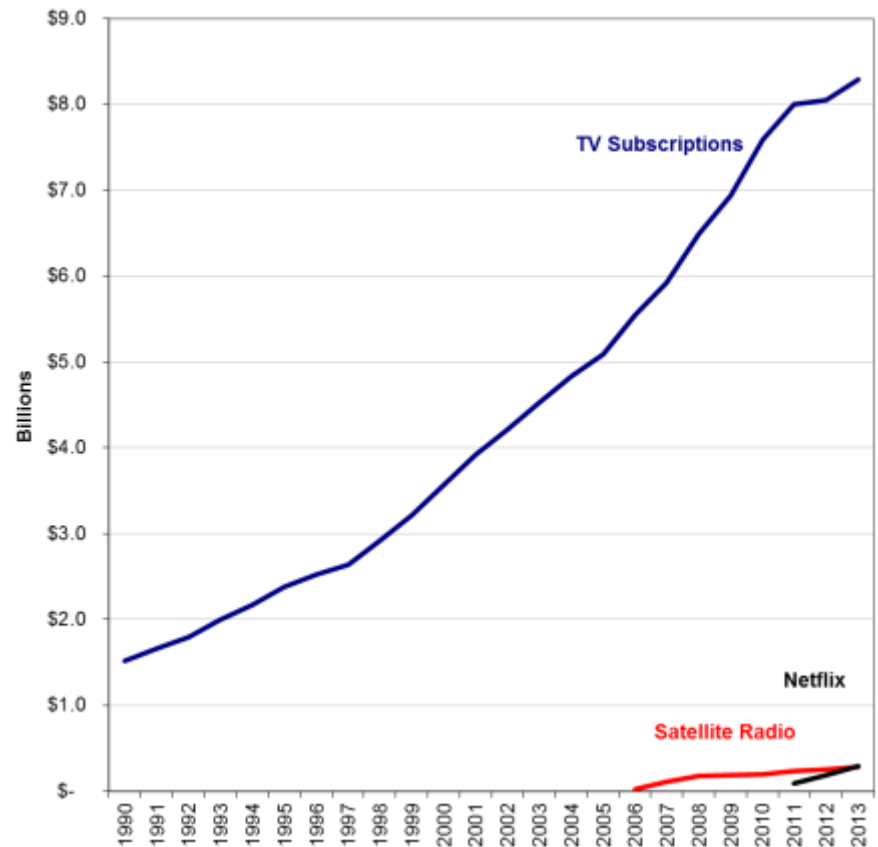
Source: Internet Advertising Bureau (September 2014)



CONSUMERS DEMAND MORE CHOICE AND CONVENIENCE AND THEY HAVE BEEN PAYING FOR IT

- **Traditional TV subscriptions (e.g. cable TV)** still capture the lion's share of dollars, but growth slowed recently for the first time ever
- **Netflix** has quickly emerged on the scene
- Canadians can also subscribe to audio services via **satellite radio**

Canadian Broadcasting Industry Revenues: Subscriptions

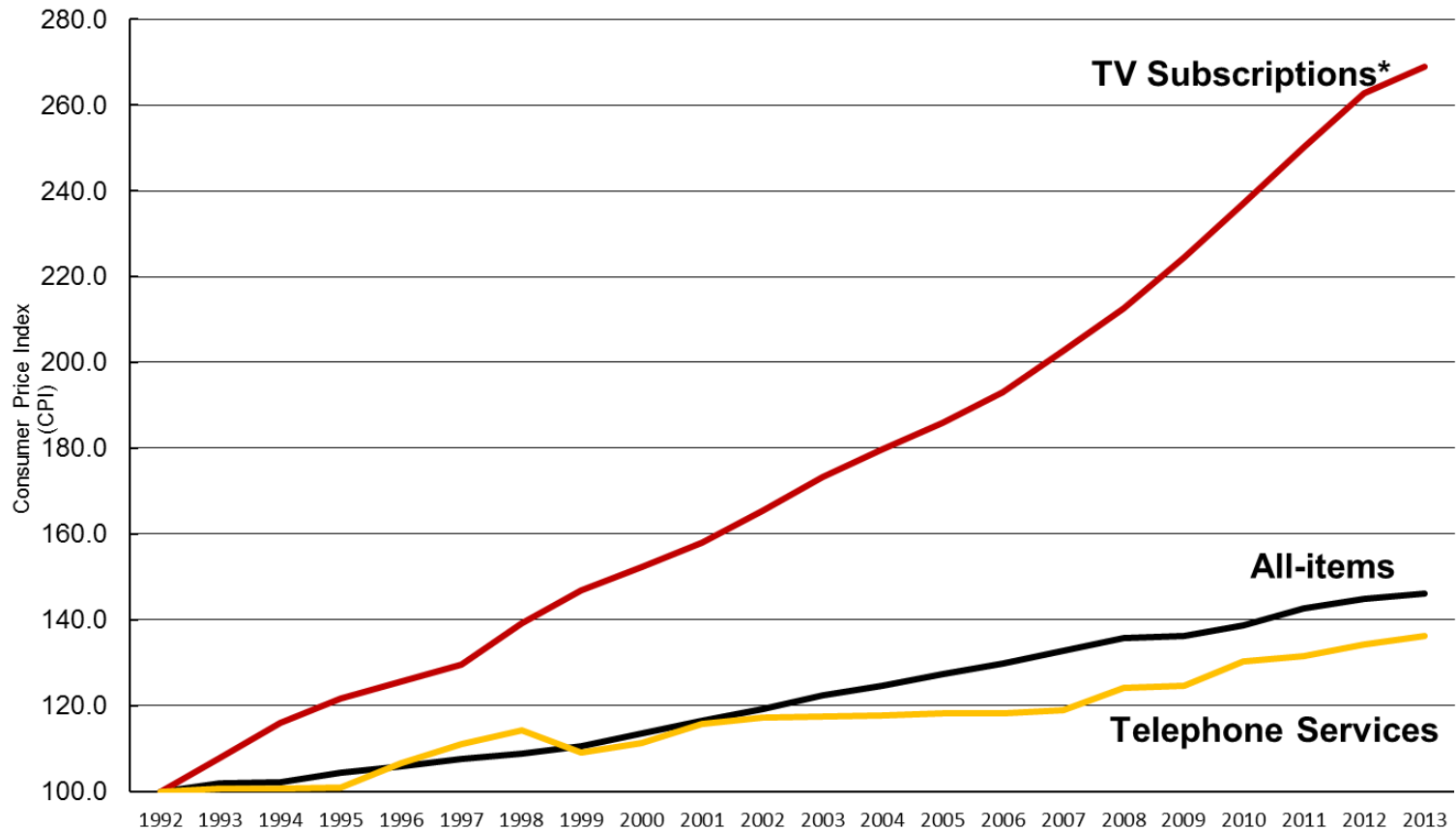


Sources: Statistics Canada, PwC (Satellite Radio) and CBC Research and Analysis



TV DISTRIBUTION PRICE INCREASES FAR OUTSTRIP COST OF LIVING PRICE INCREASES

Inflation Rate as Measured by the Consumer Price Index
(1992 = index of 100)

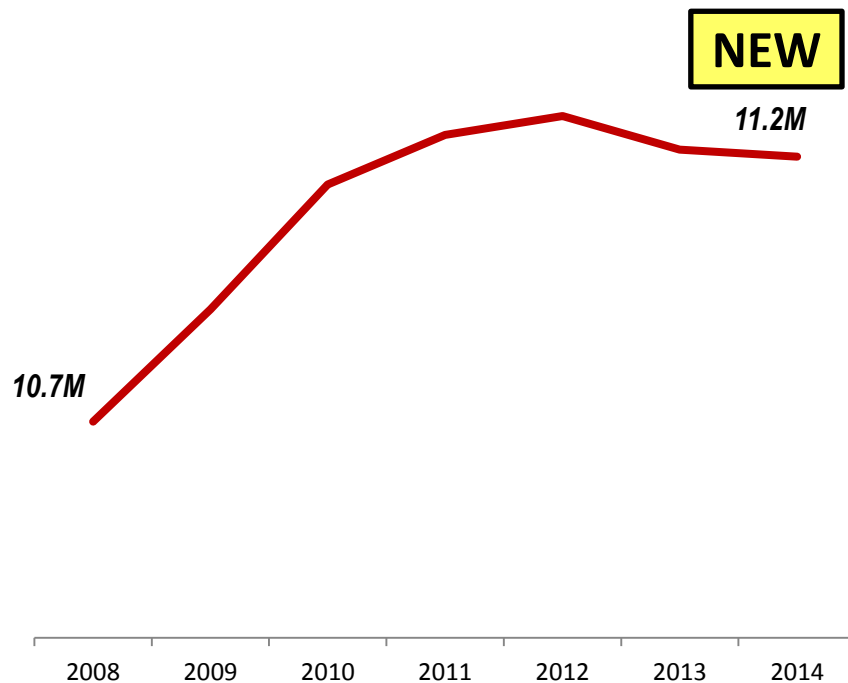


* Category includes Cable, DTH and other TV subscription services
Source: Statistics Canada (Table 326-0021)



PRESSURE IS BUILDING ON THE TV SUBSCRIPTION BUSINESS MODEL

Residential TV Subscribers



Source: MediaSTATS

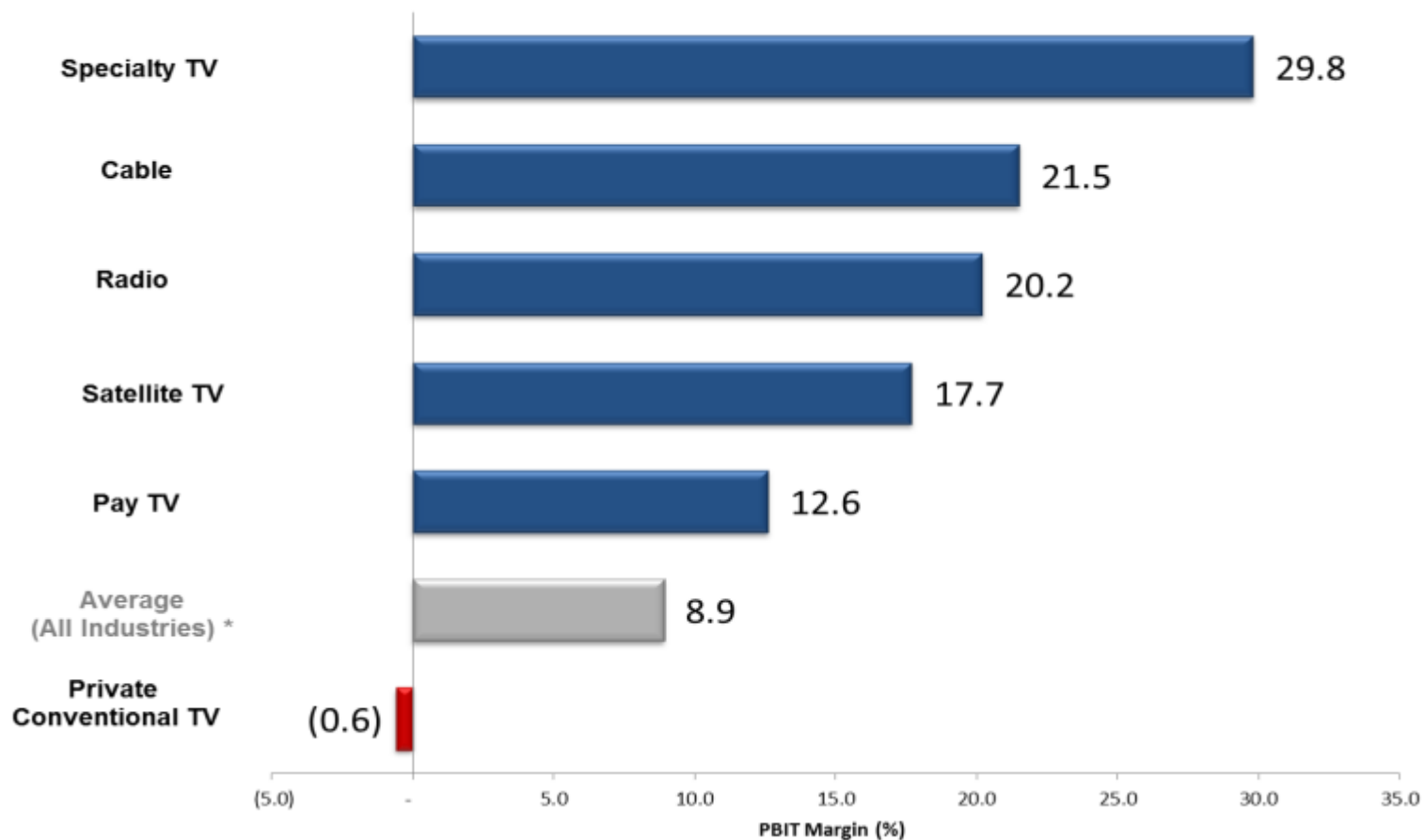
TV subscribers have slowed since 2010, but now they are showing their first signs of decline.

Competition from free/low cost online TV is suspected to be the reason.



CONVENTIONAL TV IS BY FAR THE LEAST PROFITABLE IN THE BROADCASTING SECTOR

Profit Margin of Select Industries (2013)



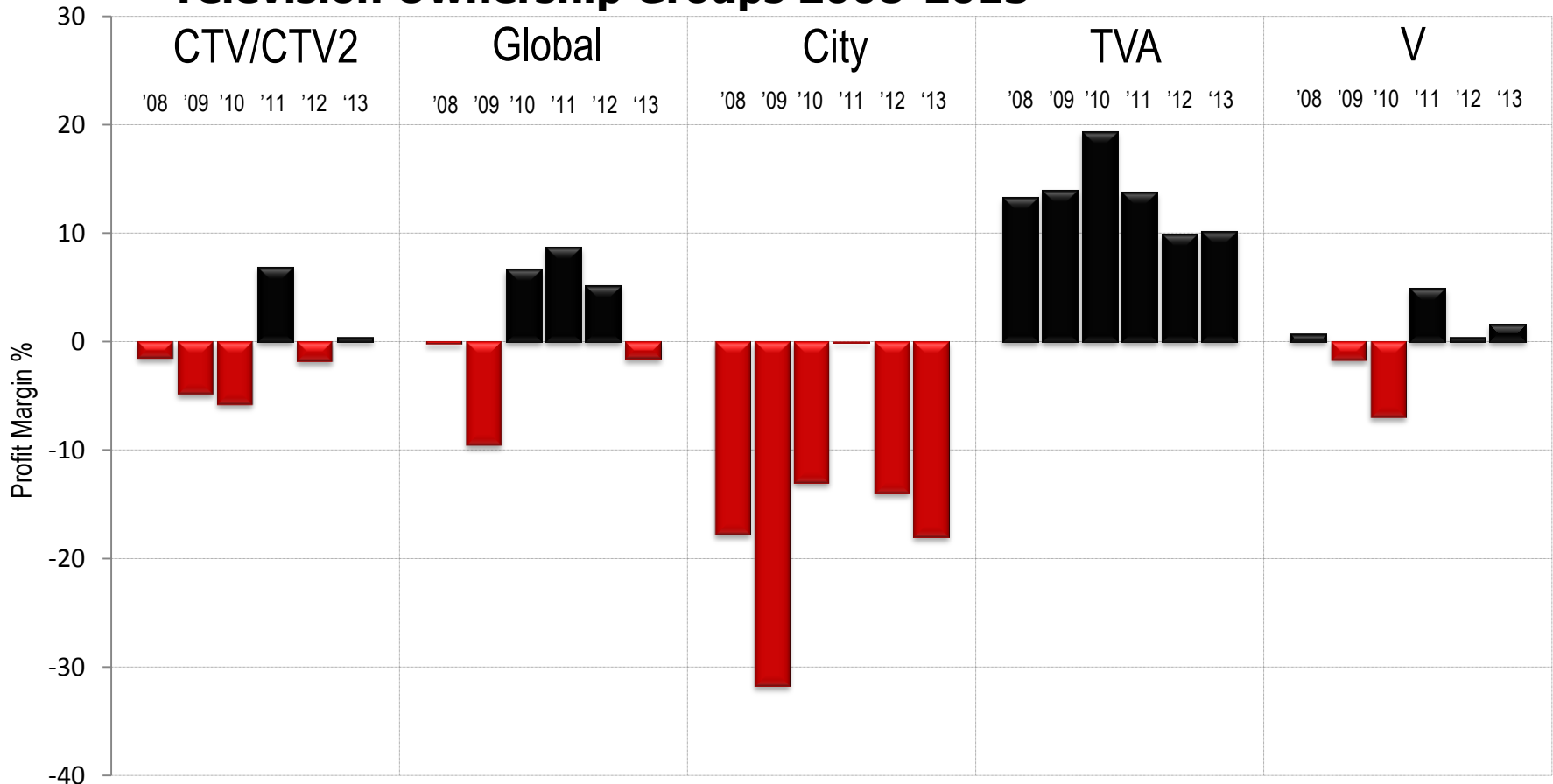
Sources: Statscan and CRTC

* Based on Third Quarter 2013 (Statscan Quarterly Financial Statistics for Enterprises Cat. no. 61-0008-x)



... SOME CONVENTIONAL TV BROADCASTERS HAVE HELD UP BETTER THAN OTHERS

Profit Margin (PBIT %) of Major Private Conventional Television Ownership Groups 2008-2013



Source: CRTC, Aggregate Returns



KEY TAKEAWAYS

- A generation ago, **advertising was the largest source** of revenue in the broadcasting industry and **public funding was significant**
- Today, **subscription revenue is by far the largest** source but **pressure on the model is emerging**
- As time spent on the Internet grows, **advertisers are increasing their spending on-line** where software companies dominate
- Conventional TV's business model is **under pressure**
- **Public broadcasting trails other public priorities**



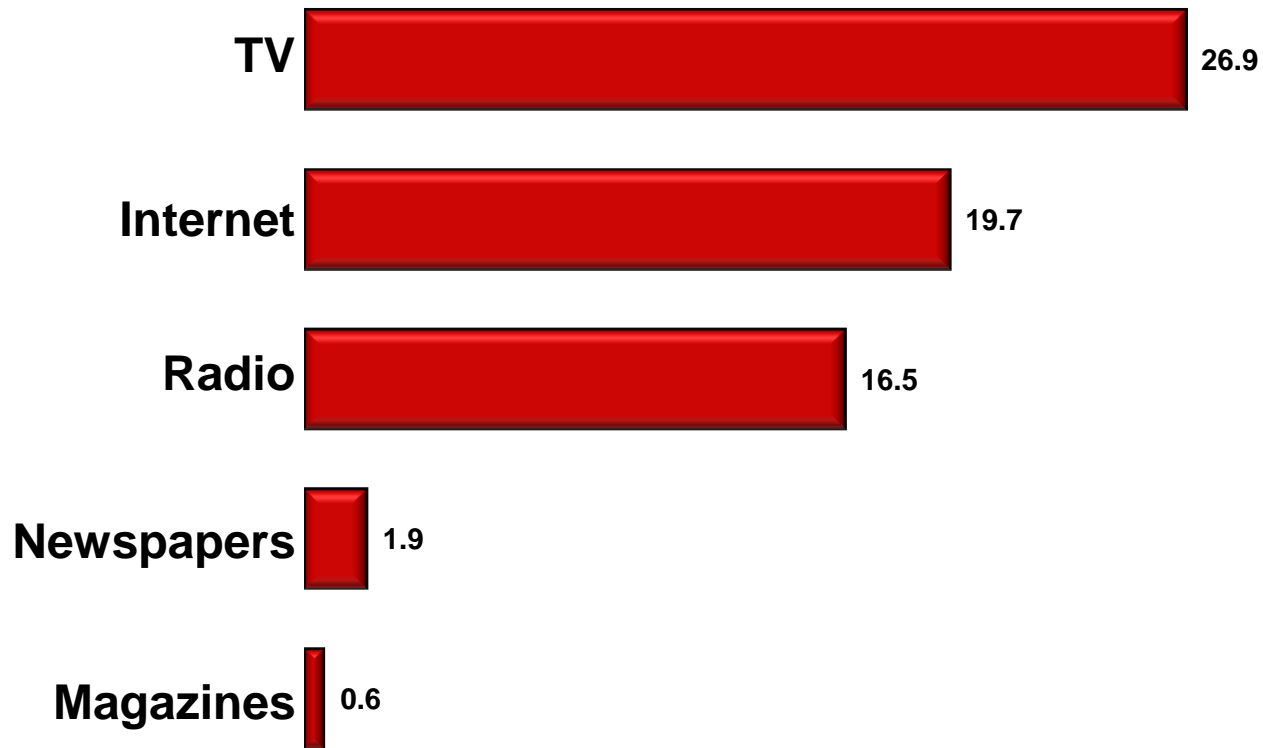
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RESEARCH SHOWS THAT TELEVISION IS BY FAR THE MOST USED MEDIA

Time Spent Weekly per Capita Hours
2013-2014



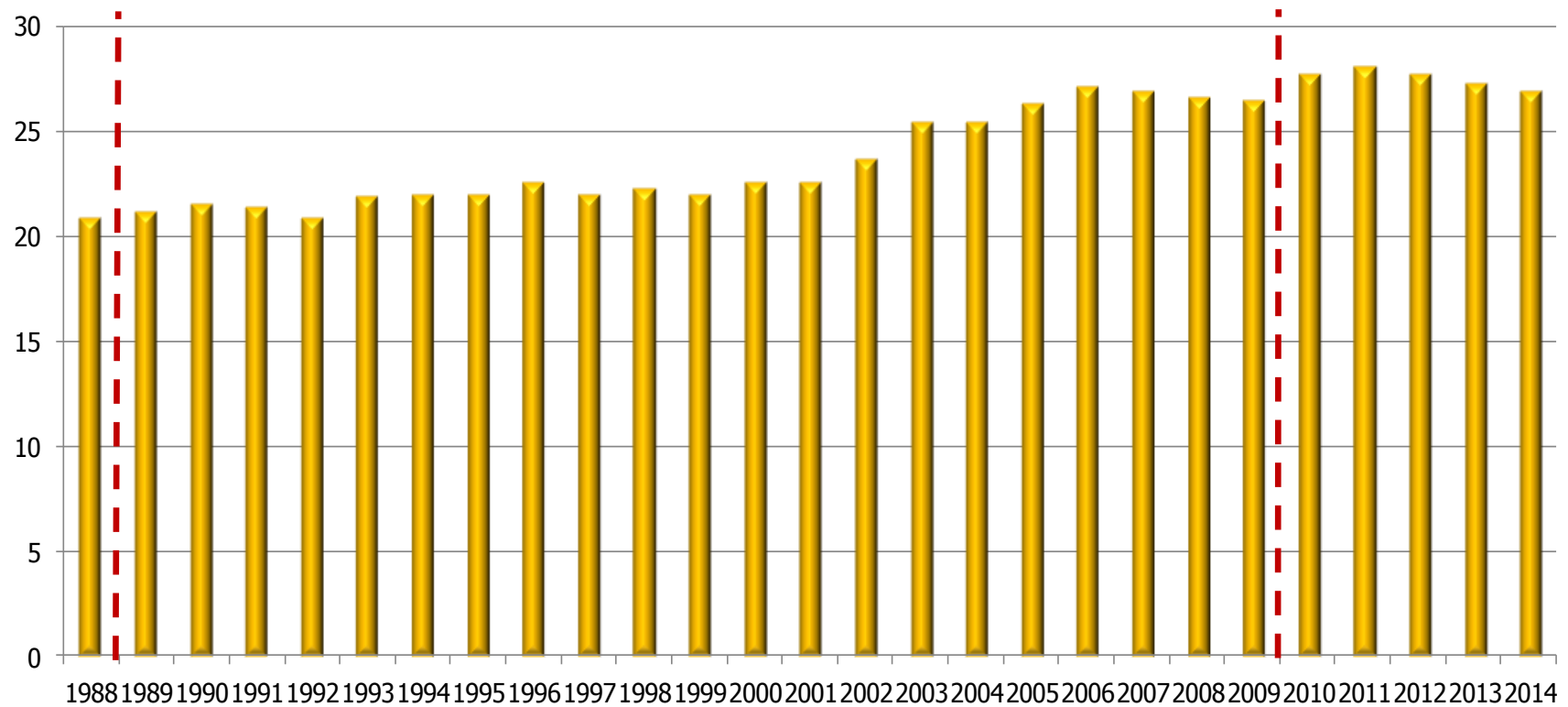
Sources: BBM Analytics, RTS (Fall 2013), Canada, 18+ [Internet, Newspapers, Magazine];
Numeris (BBM Canada), Broadcast Year 2013-2014, Canada, 2+ [Television];
Numeris (BBM Canada), Fall 2013, Canada, 12+ [Radio]



TELEVISION REMAINS STRONG, DESPITE A SLIGHT DROP IN RECENT YEARS

TV Viewing Per Capita, 1988 to 2014

All Persons 2+, Hours/Week



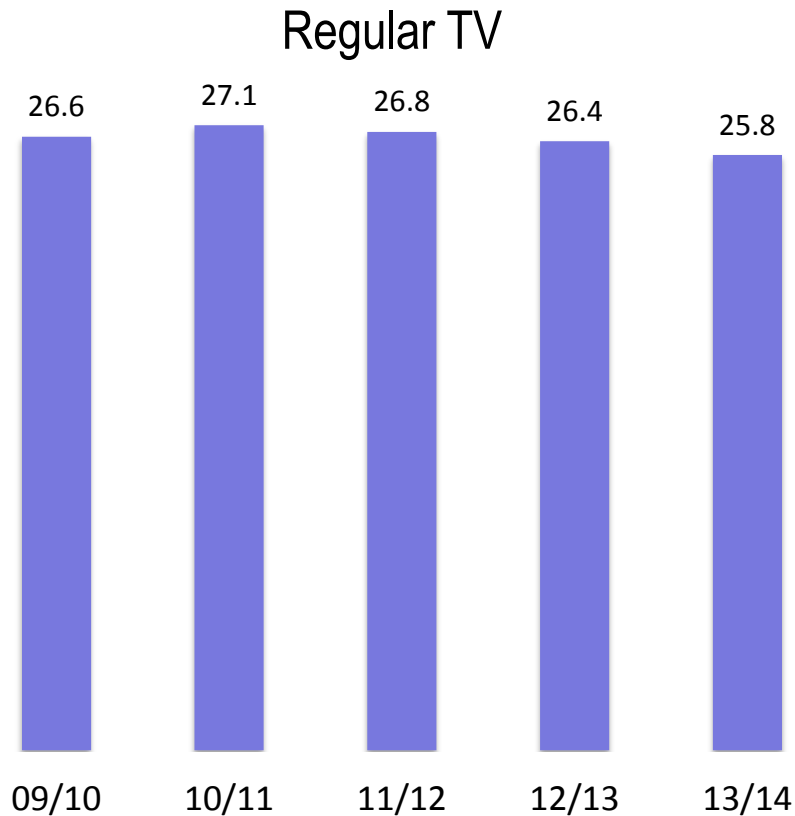
Source: CBC/Radio-Canada Research and Analysis, Broadcast Year 2013-2014 (BBM Nielsen, Numeris (BBM Canada))

Note: The lines indicate methodological changes.

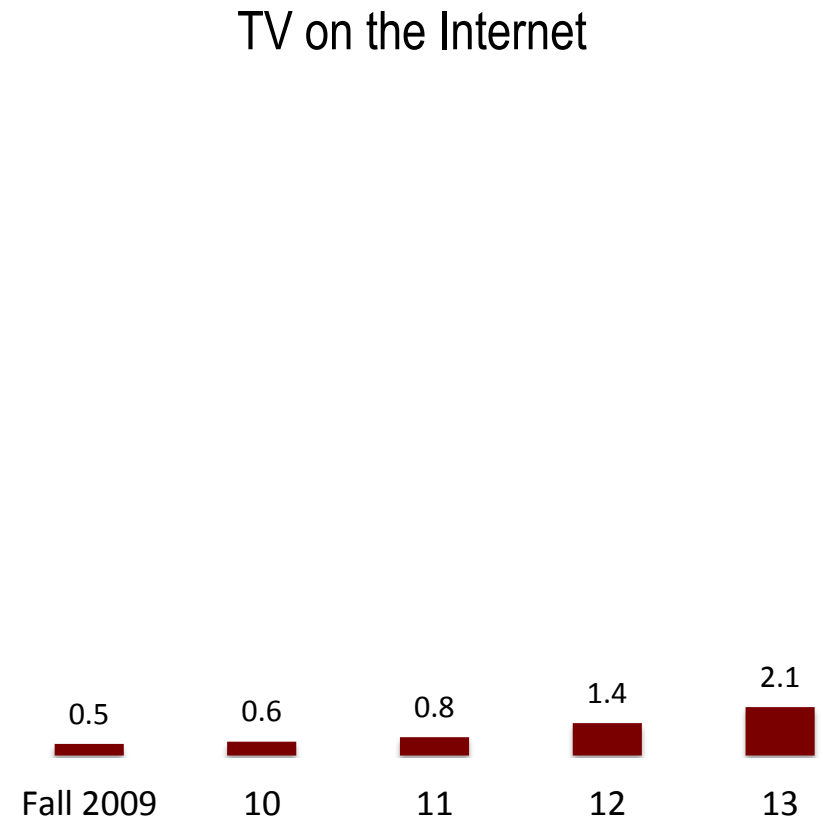


... AND THIS IS PARTICULARLY TRUE IN THE ENGLISH MARKET WHERE ONLINE TV HAS INCREASED

Per Capita Viewing Hours in the English Market

NEW


Source: Numeris (formerly BBM Canada), Anglophone Canadians aged 2+

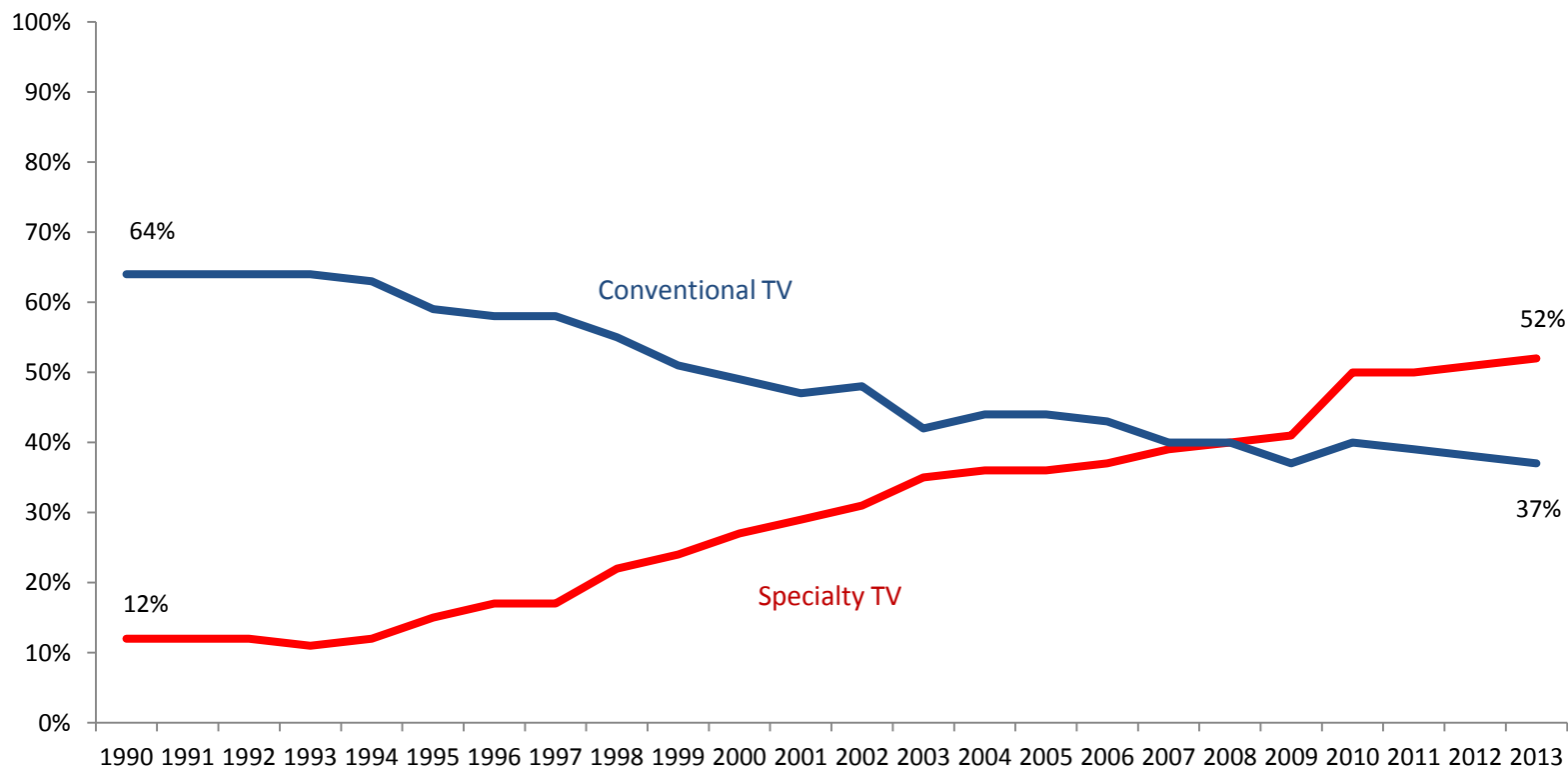


Source: MTM, Anglophone Canadians aged 18+



VIEWING IS SHIFTING FROM CONVENTIONAL TO SPECIALTY TV ...

1990-2013
Canadians aged 25 to 54

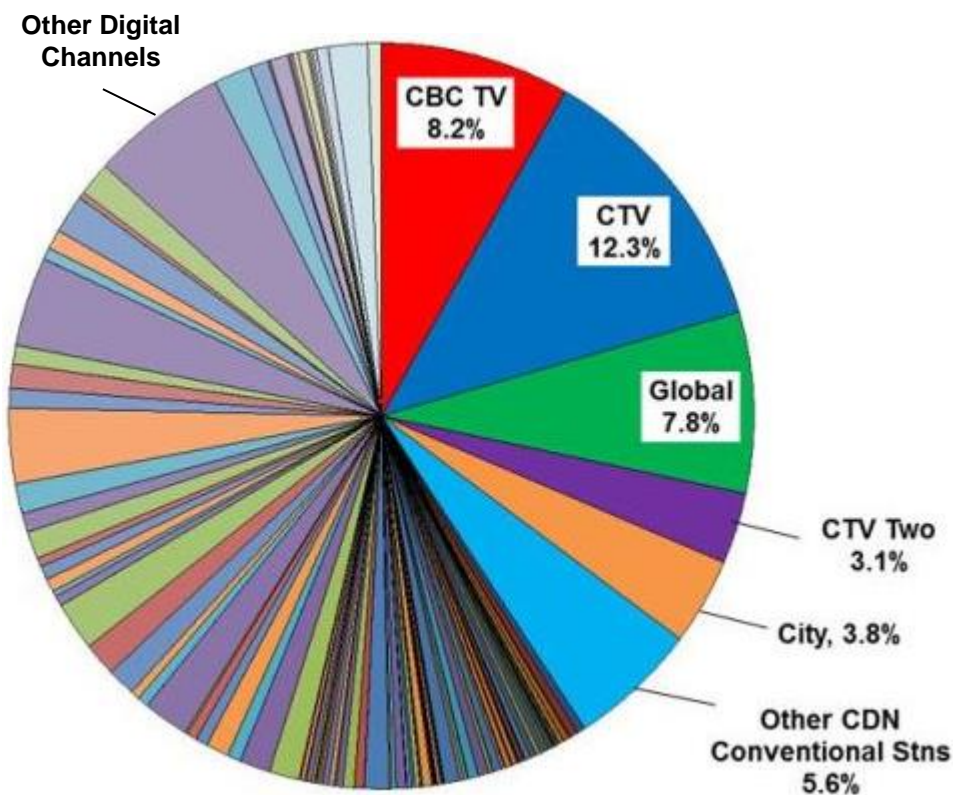


Source: Numeris (BBM Canada)

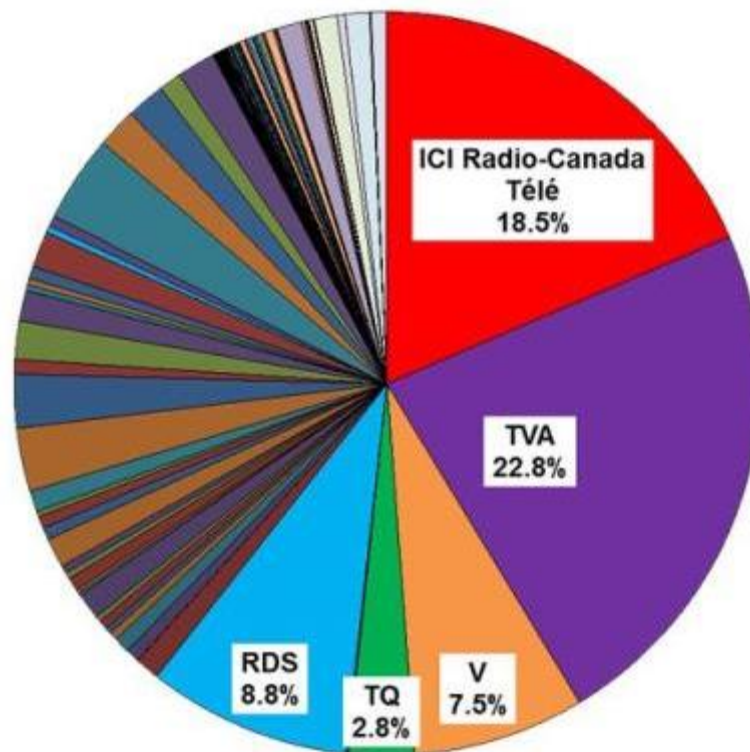


WHICH HAS RESULTED IN AUDIENCE FRAGMENTATION

Share of Viewing to English TV by Channel
Total Canada, Prime Time (7pm-11pm)
%



Share of Viewing to Quebec Franco by Channel
Total TV, Prime Time (7pm-11pm)
%

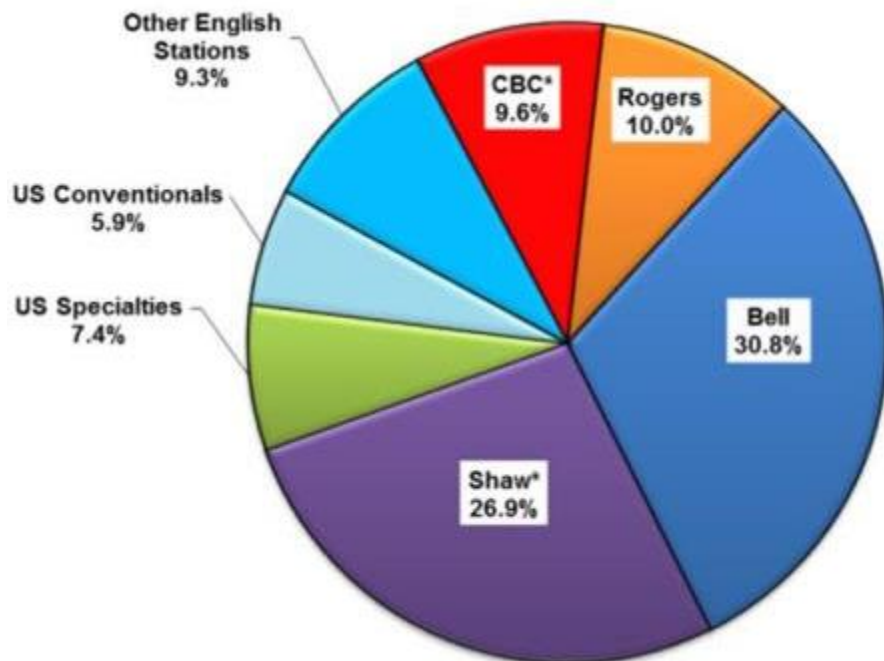


Source: CBC/Radio-Canada Research and Analysis, Numeris (BBM Canada), 2+, Broadcast Year 2013-2014 excluding Olympic weeks (PPM)

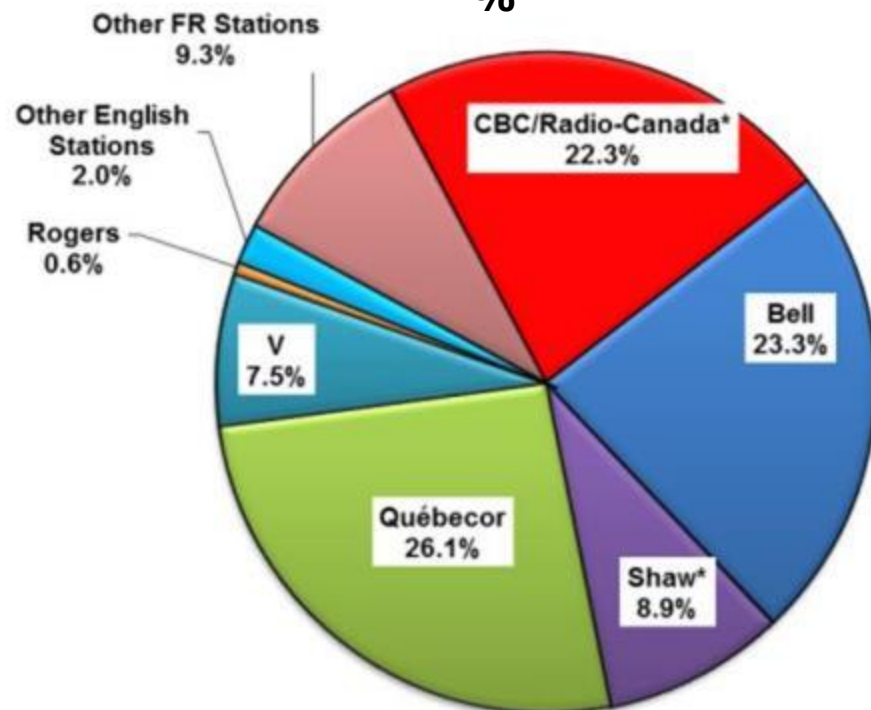


HOWEVER, OWNERSHIP OF TV SERVICES IS CONCENTRATED

Share of Viewing to English TV
Total Canada, Prime Time (7pm-11pm)
 %



Share of Viewing to Quebec Franco
Total TV, Prime Time (7pm-11pm)
 %



Notes: CBC (English TV) includes CBC TV, CBC News Network and *documentary*. Shaw includes viewing to Corus stations. Ownership as of August 31, 2014. CBC/Radio-Canada (Quebec Franco) includes ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI EXPLORA, CBC TV, CBC News Network and *documentary*.

Source: CBC/Radio-Canada Research and Analysis, Numeris (BBM Canada), 2+, Broadcast Year 2013-2014 excluding Olympic weeks (PPM).

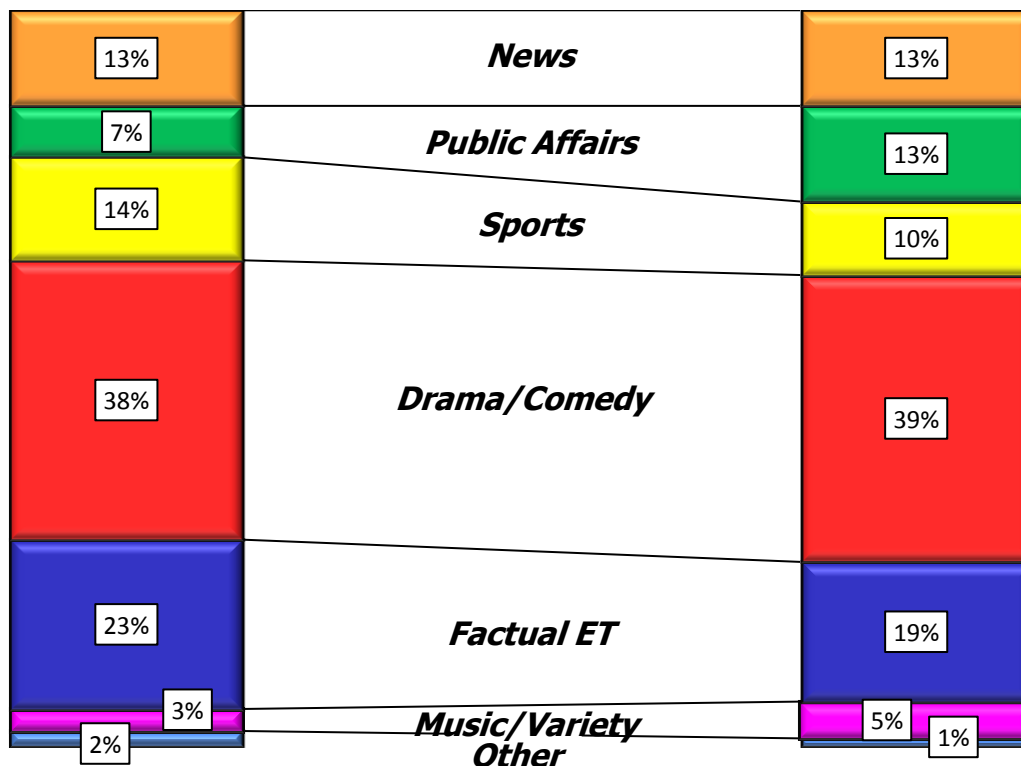


MOST CANADIANS WATCH TV TO BE ENTERTAINED

Distribution Of Viewing Hours To Television by Genre 2013-14

Anglophones

Francophones



**Entertainment
= 64%**

**Entertainment
= 63%**

Note: There are many popular public affairs shows on French television e.g., *Découverte*, *Denis Lévesque*, *Enquête*, *J.E.*, *La Facture*, *La semaine verte*, *Salut Bonjour*, *L'Épicerie*, etc.

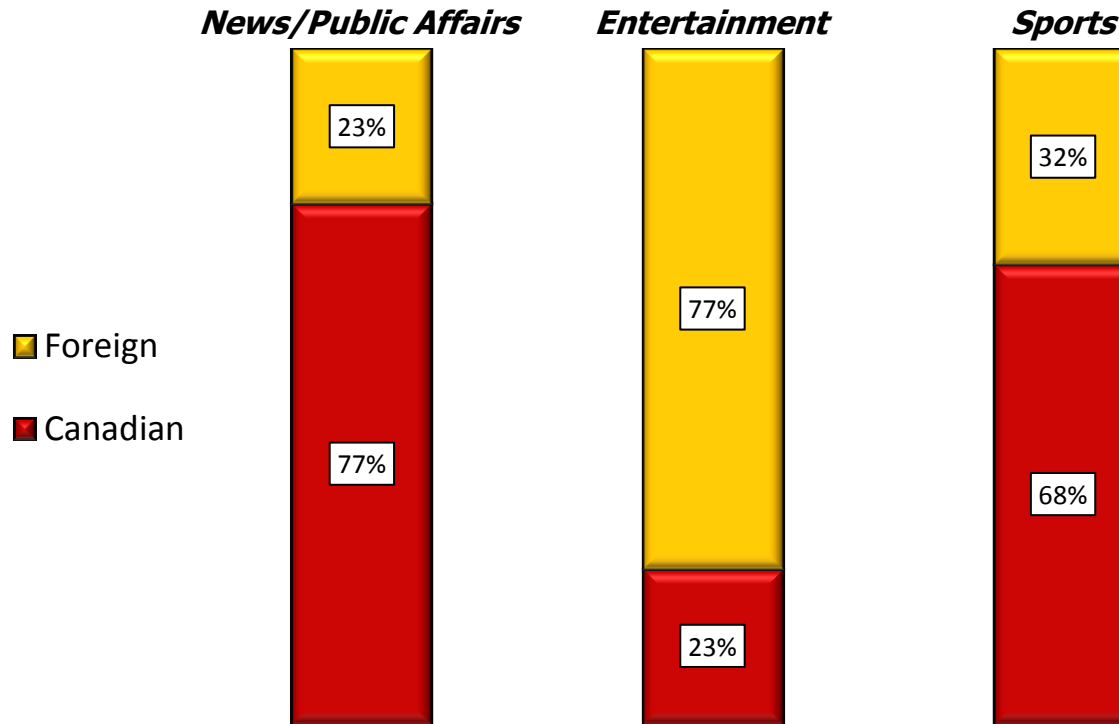
The "other" category relates mainly to Kids programming.

Source: CBC/Radio-Canada Research and Analysis, Canada minus Qc Franco 2+ and Qc Franco 2+, Viewing to Total TV, Broadcast Year 2013-2014. Excludes Olympic weeks. Numeris (BBM Canada) (PPM).



ENGLISH CANADIANS PREFER FOREIGN ENTERTAINMENT CONTENT

**Distribution of Viewing by Country of Origin
Canada minus Qc Franco, 2+
2013-14**



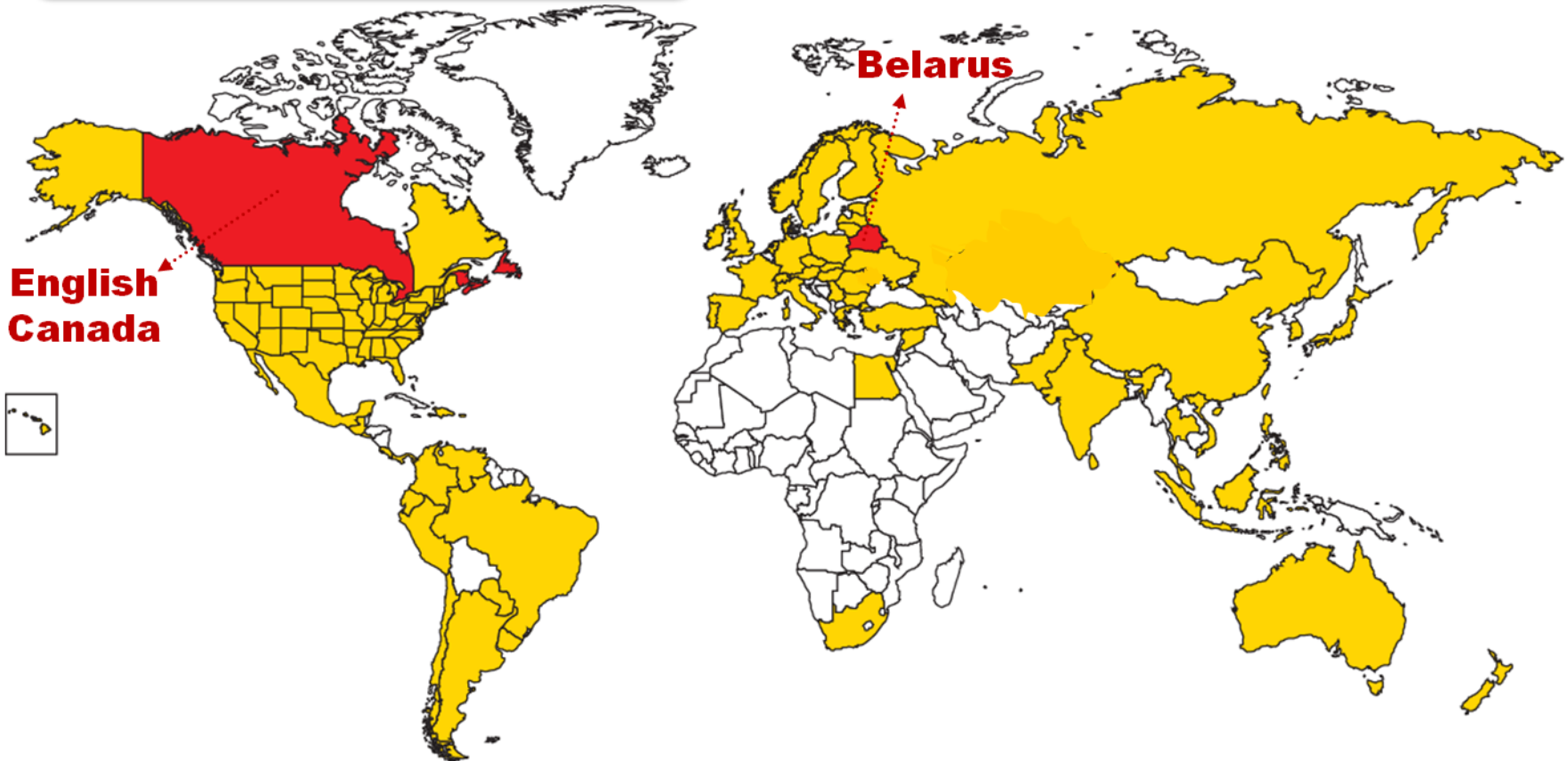
Source: CBC/Radio-Canada Research and Analysis, Canada minus Qc Franco 2+, Viewing to Total TV, Broadcast Year 2013-2014.
Excludes Olympic weeks. Numeris (BBM Canada) (PPM).



WHICH IS UNIQUE IN THE WORLD

English Canada is the only country in the world where the top 10 programs are dominated by foreign titles.

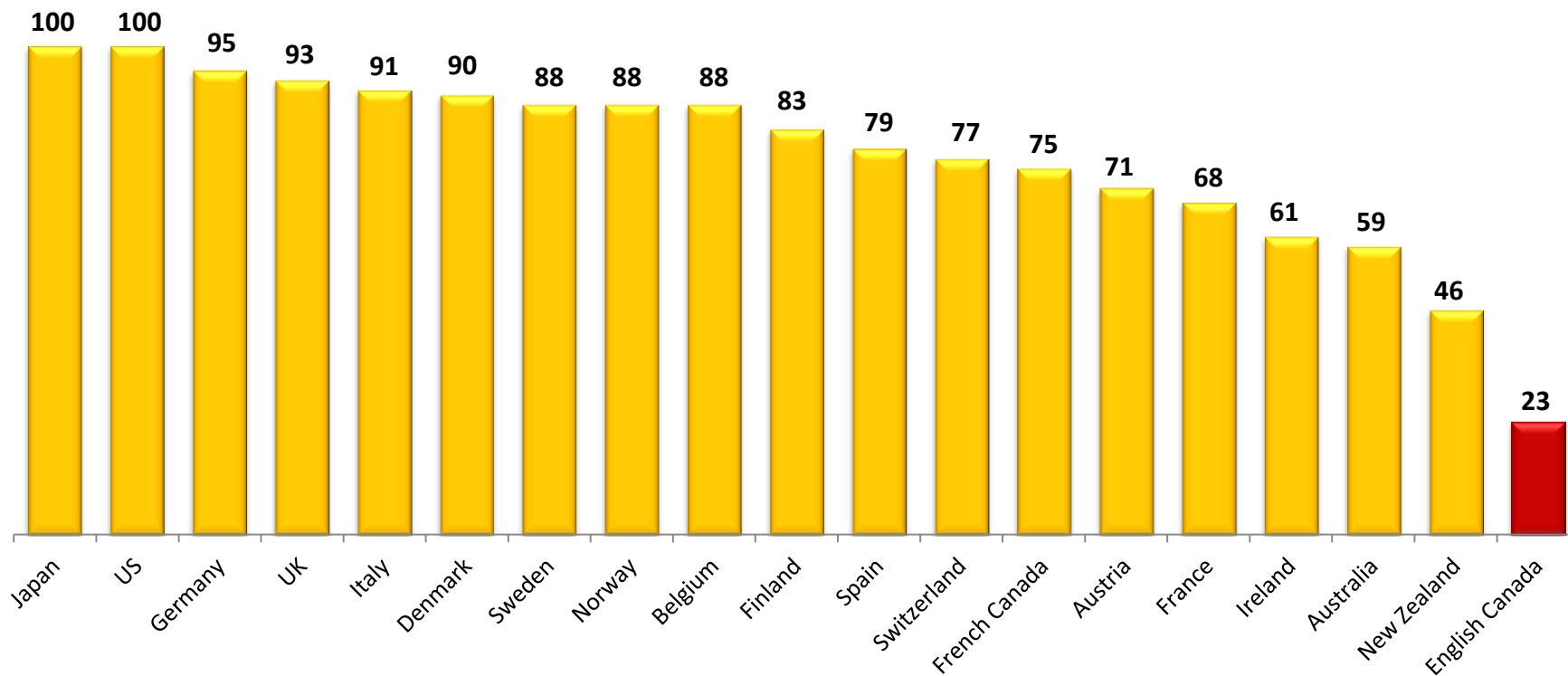
Belarus is an Exception...
They love Russian programming.





... AND RUNS DEEP

Number of Domestic Programs in the Top 100 Programs Viewed by Country

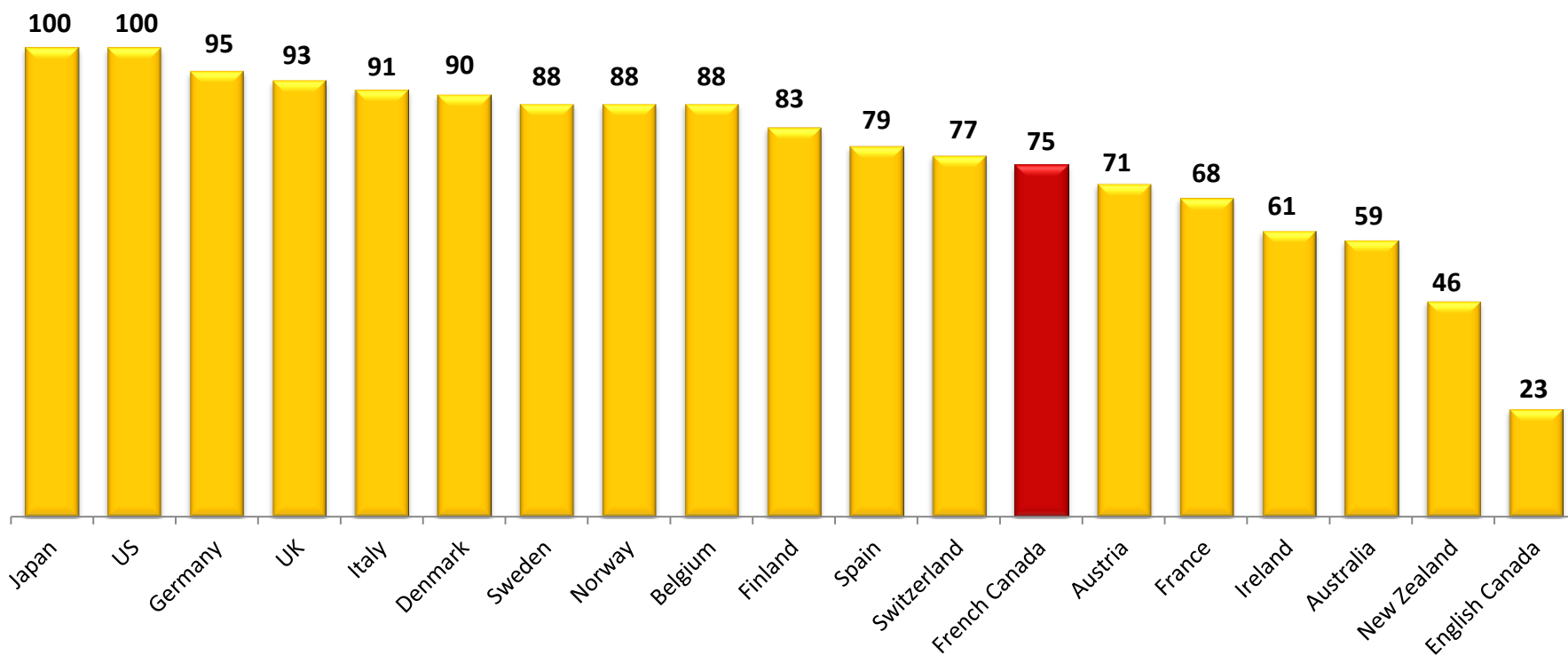


Source: Eurodata, Top 100 Programs (Non-News, Non-Sports), 2012



CONVERSELY, FRENCH CANADIANS OVERWHELMINGLY PREFER THEIR OWN PROGRAMS

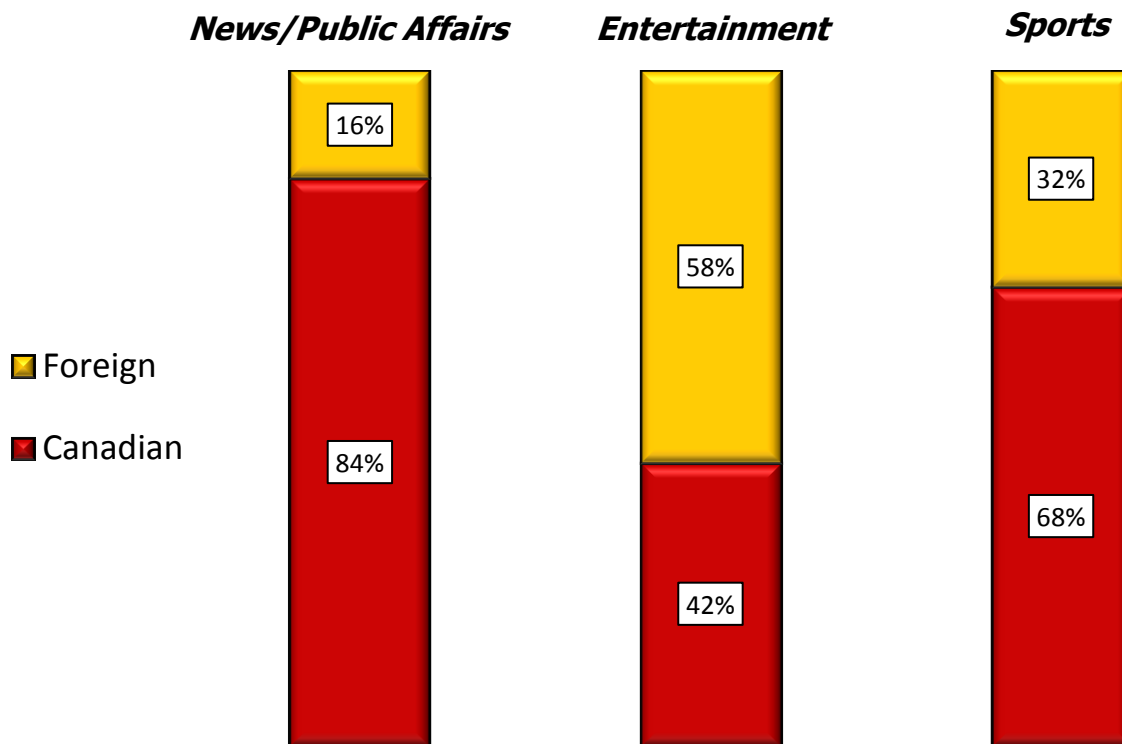
Number of Domestic Programs in the Top 100 Programs Viewed by Country





HOWEVER, FRANCOPHONES ALSO WATCH A SIGNIFICANT AMOUNT OF FOREIGN ENTERTAINMENT

**Distribution Of Viewing by Country of Origin
Qc Franco 2+
2013-14**

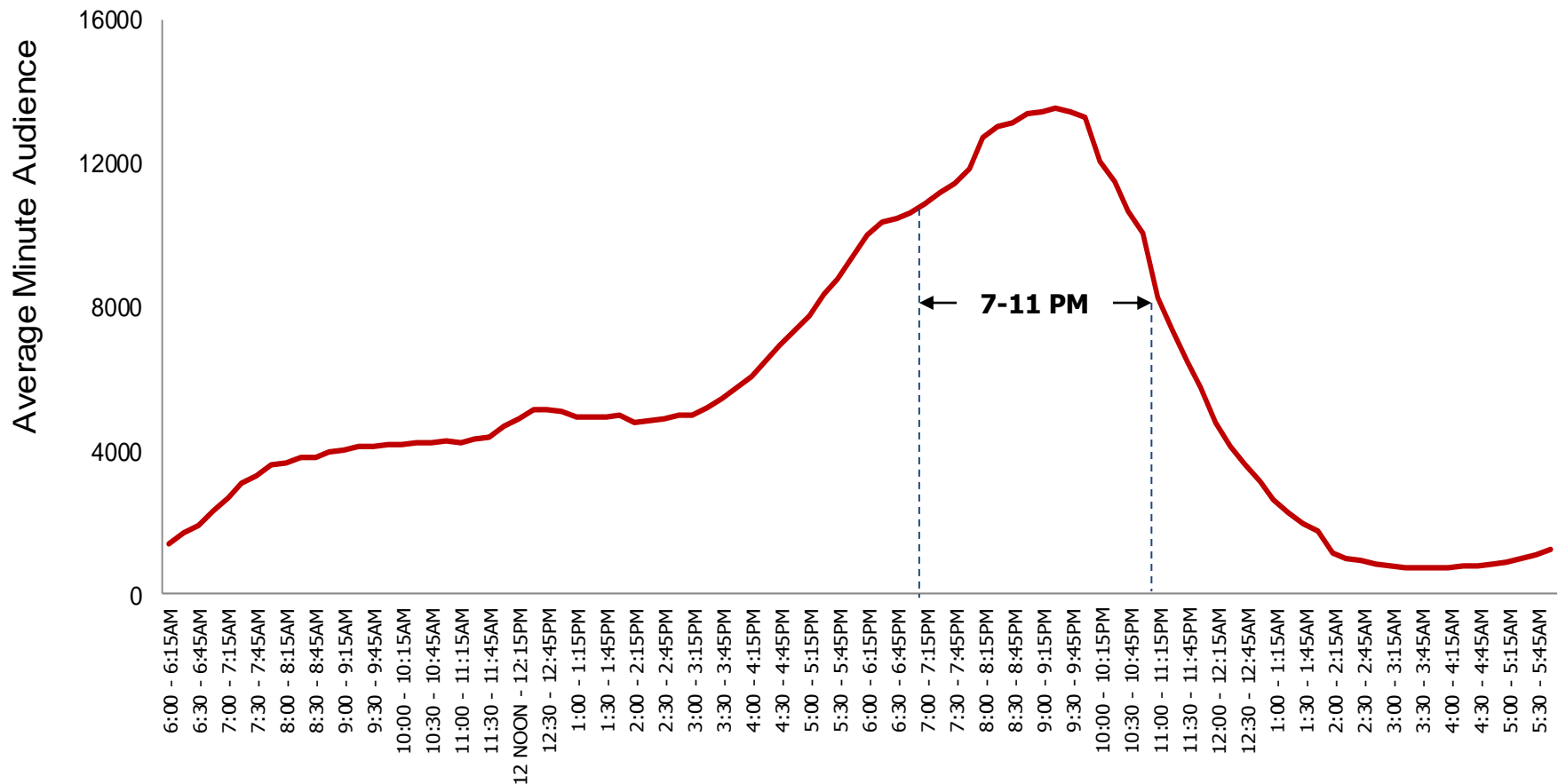


Source: CBC/Radio-Canada Research and Analysis, Qc Franco 2+, Viewing to Total TV, Broadcast Year 2013-2014.
Excludes Olympic weeks. Numeris (BBM Canada) (PPM).



PRIME TIME STILL MATTERS: TV VIEWING IS CONCENTRATED IN THE EVENING – BETWEEN 7 PM AND 11 PM

**Hourly Viewing Curve of All Television Stations
Monday to Sunday, All Persons 2+**



Source: CBC/Radio-Canada, Research and Analysis, Broadcast Year 2013-2014, excluding Olympic weeks (Numeris (BBM Canada))



SOME CANADIANS ARE MOVING FROM CHANNELS TO NON-LINEAR

Penetration or Reach of Select Non-Linear Video Technologies

PVR



45%

Cable VOD



18%

All Internet TV



43%

Netflix



28%

ICI Tou.tv



26%

Source: MTM , Canadians 18+ accept Netflix and ICI Tou.tv which are Anglophones and Francophones, respectively

Notes: Penetration (PVR, Netflix), Past Month reach (VOD, Internet TV, ICI Tou.tv)



WE CAN SEE THE SHIFT HAPPENING: ABOUT 10% OF TV VIEWING IS NOW NON-LINEAR



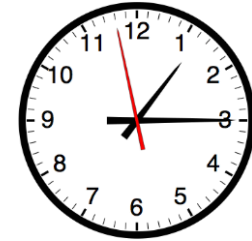
Limited Channel Choices

4% of all TV viewing is directly from off-air TV transmitters.*



Multichannel Choices

84% of all TV viewing is from a multichannel TV platform, principally cable or satellite TV.*



Non-Linear Choices

7% of all TV viewing is playback from a playback device (e.g. PVR, VCR).*

5% of TV viewing is from the Internet, including Netflix.^

Source: CBC/Radio-Canada estimates (Numeris (BBM Canada), MTM)

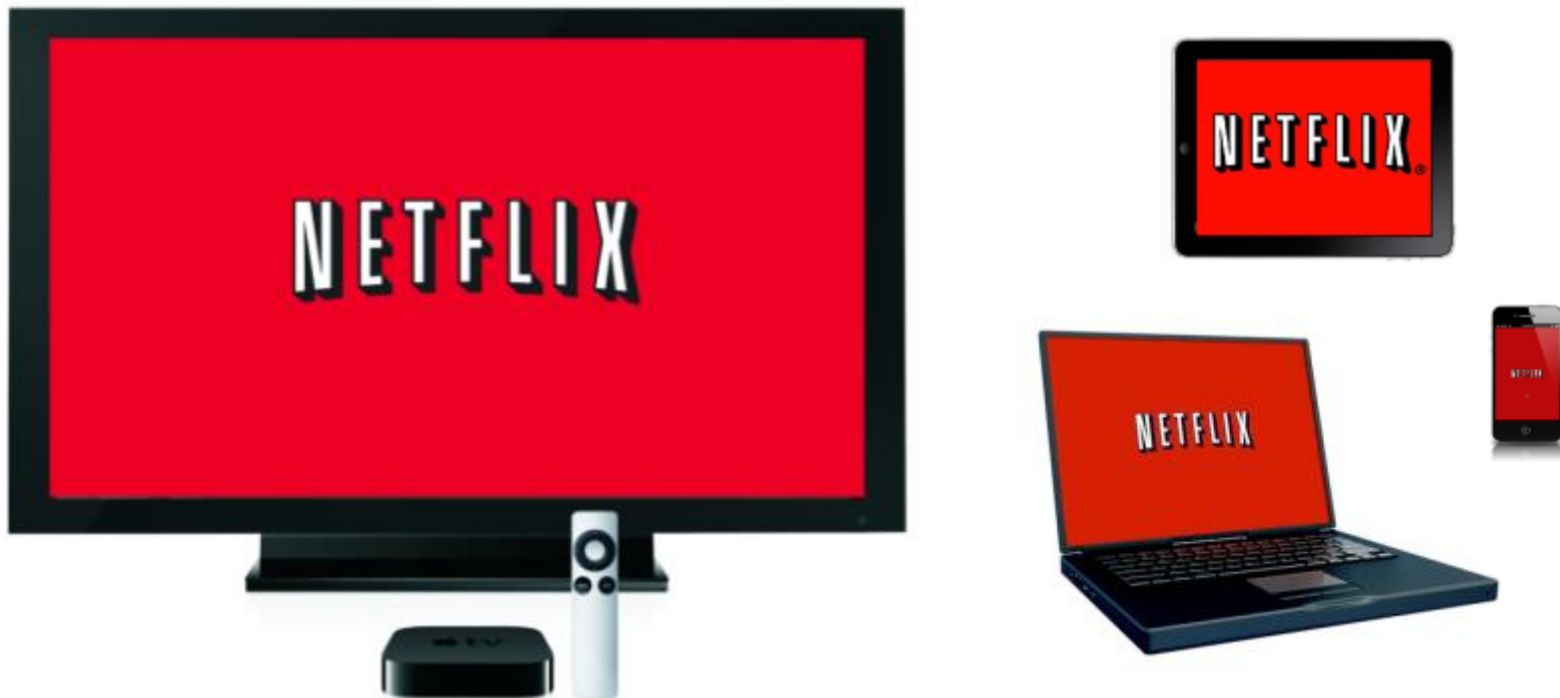
* Numeris (BBM Canada): All Persons 18+, Total Canada, Total TV, 24/7, October 7-December 1, 2013

^ MTM: All Persons 18+, Total Canada, Fall 2013, Total Time Spent viewing TV on the Internet, including Netflix



NETFLIX HAS CLEARLY DEMONSTRATED CONSUMER DEMAND FOR NON-LINEAR, AND MULTI-SCREEN TV

One-third of Anglophone Canadians have adopted Netflix in only three years. Regular viewers* spend an average of **8 hours a week** watching Netflix.



Source: MTM (Spring 2014)

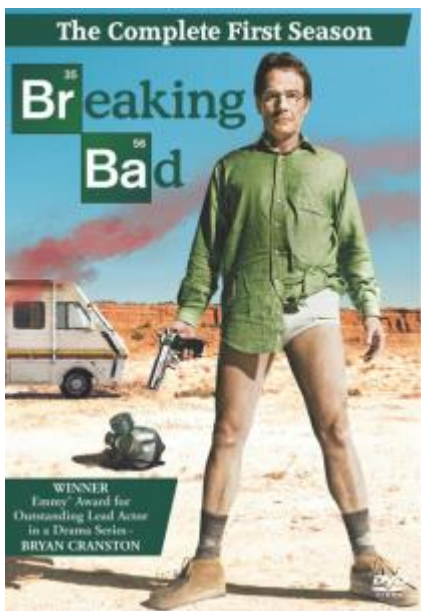
* Weekly viewers of Netflix.



... AND THE DEMAND FOR BINGE VIEWING OF BACK CATALOGUES OF TV SERIES

Netflix has **multiple seasons of TV shows** and releases new seasons of its original content in their entirety (i.e., all episodes released at the same time).

Nearly Half of Canadians are now **Binge Viewing**¹



1. On all platforms, not just Netflix (Source: MTM, Fall 2013).



GOOGLE INTRODUCES AN INEXPENSIVE BUT INNOVATIVE NEW TV REMOTE: YOUR PHONE

NEW

Insert Chromecast into an HDMI input on your TV. Find what you want to watch on your smartphone or tablet, then send it to your TV with the press of one button.

**\$39**



BROADCASTERS AND DISTRIBUTORS ARE ALSO TRYING TO MEET THESE NEW CONSUMER DEMANDS



NEW



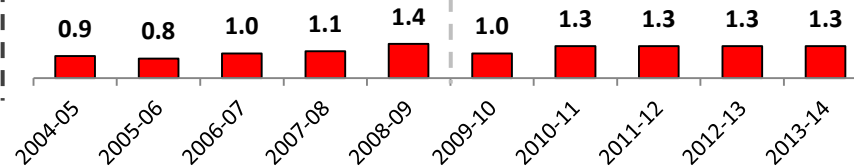
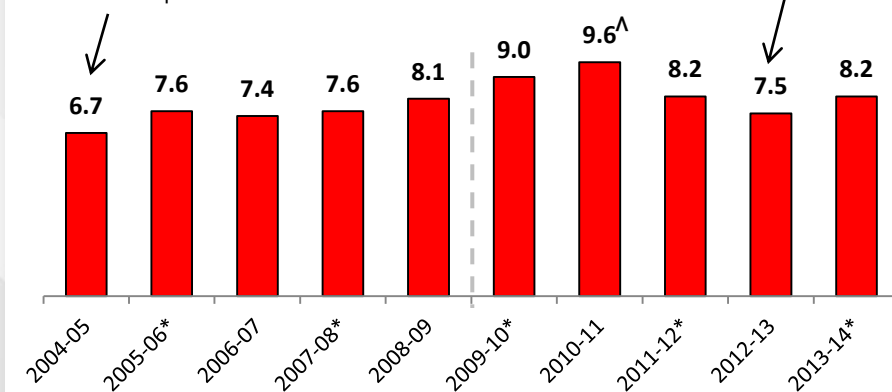


OUR ENGLISH TELEVISION SERVICES HAVE PERFORMED WELL IN THIS COMPETITIVE ENVIRONMENT ...

Performance of CBC Television and CBC News Network in Prime Time Share (%)



NHL Labour Dispute



[^] Vancouver Canucks appearance in the Stanley Cup Finals.

Note: The lines indicate methodological changes.

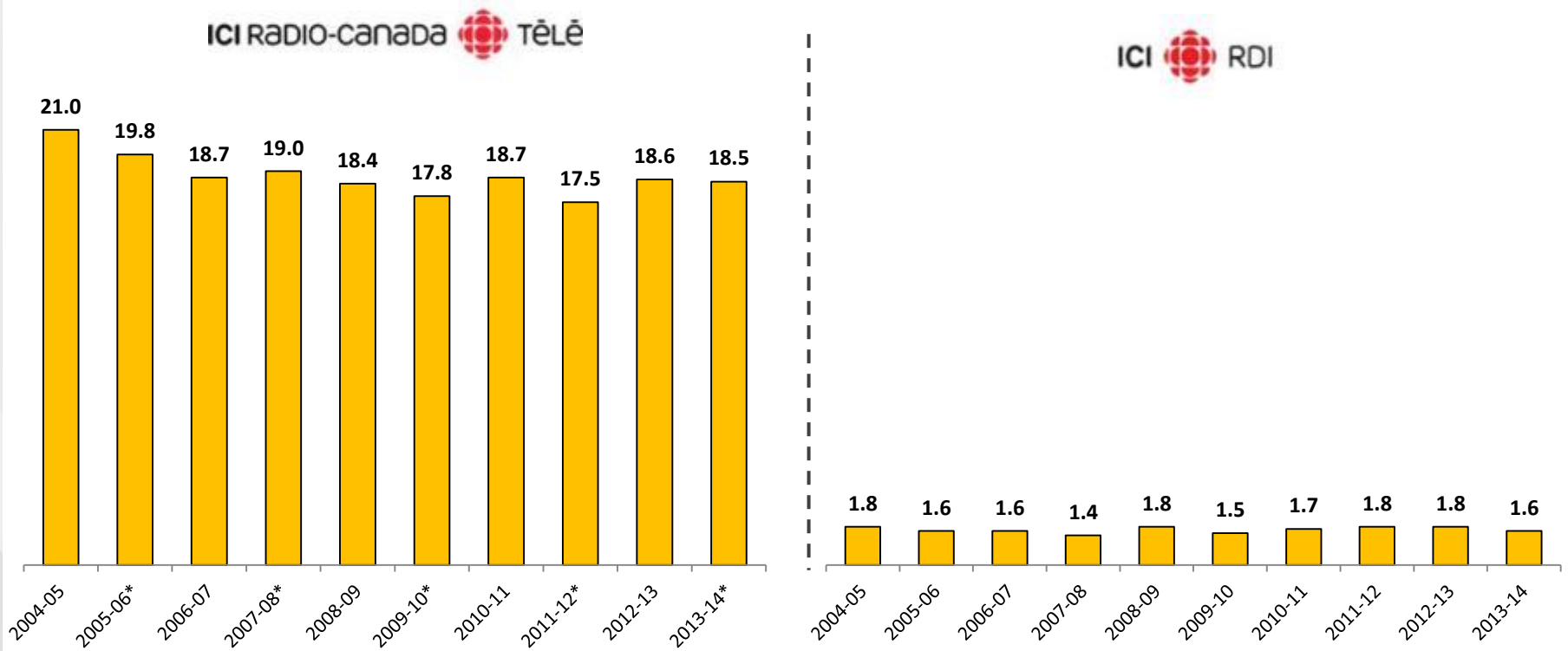
Source: Numeris (BBM Canada), Broadcast Year 2004-2005 to 2013-2014 (Total EN TV - Total Canada 2+) (PPM).

* Excluding Olympic weeks.



... AS HAVE OUR FRENCH TELEVISION SERVICES

Performance of ICI Radio-Canada Télé and ICI RDI in Prime Time Share (%)



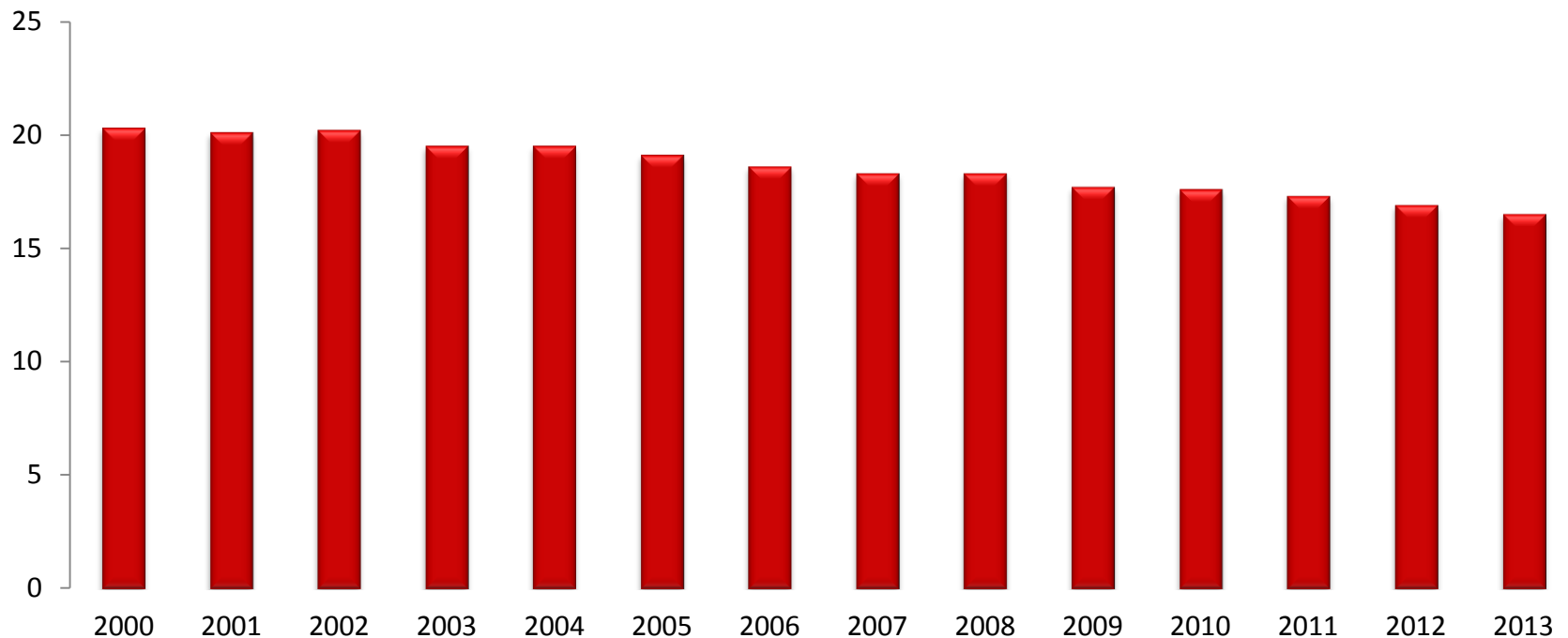
Source: Numeris (BBM Canada), Broadcast Year 2004-2005 to 2013-2014 (Total TV – Québec Franco 2+) (PPM).

* Excluding Olympic weeks.



AM/FM RADIO LISTENING IS FACING A GRADUAL DECLINE IN USAGE

AM/FM Radio Listening Per Capita, 2000 to 2013, Total Canada 2+, Hours/Week Per Capita



Source: Numeris (BBM Canada) (Fall Diary)

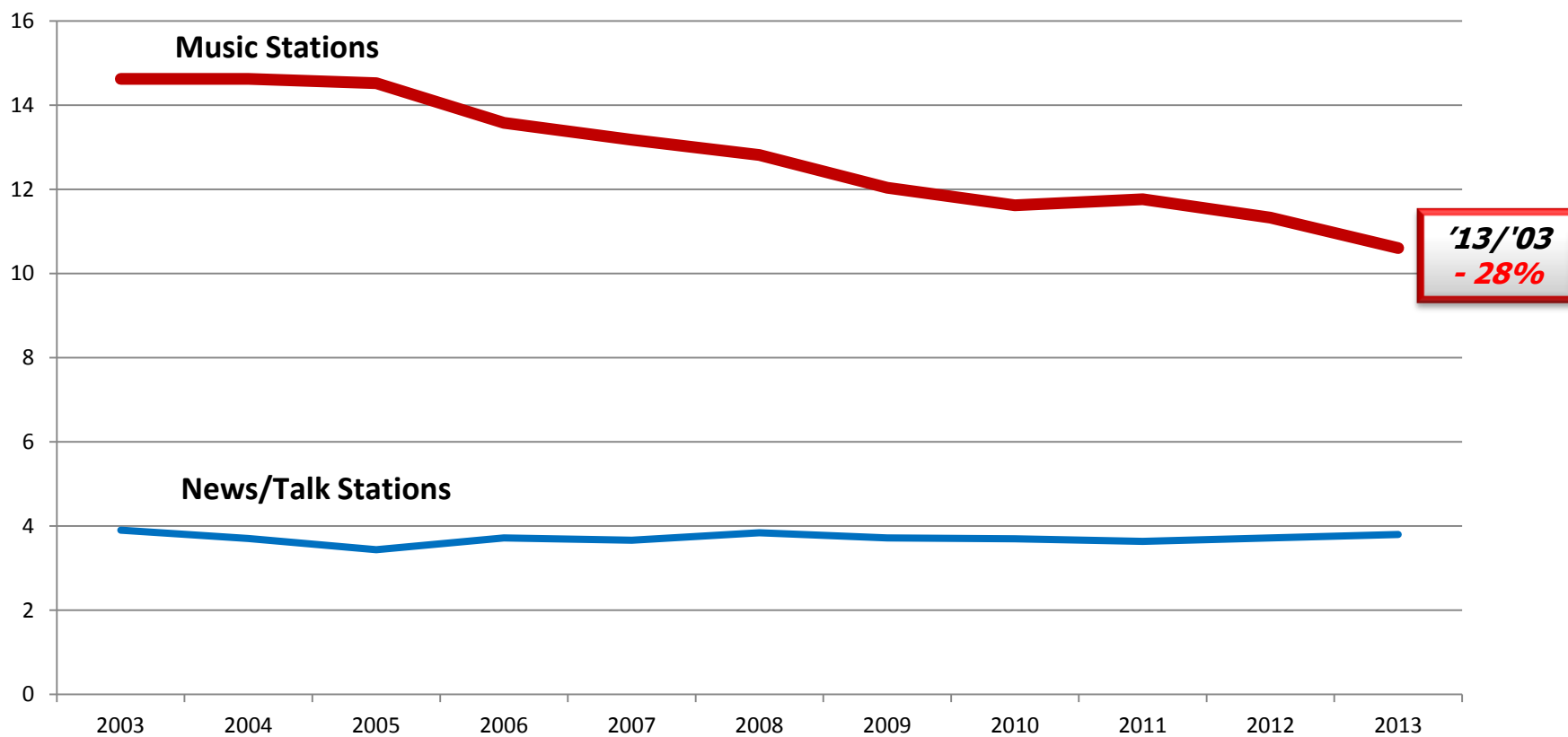
* This chart should be used only to illustrate the longitudinal trend of radio use, since Numeris' diary is consumer recall research. It significantly overestimates radio use as measured electronically and passively by Numeris' PPM.



... PRINCIPALLY BECAUSE MUSIC LISTENING IS MOVING AWAY FROM RADIO ...

Time Spent Listening to AM/FM Radio by Format, 2003-2013

Weekly Per Capita Listening Hours, All Day, All Persons 12+



Source: Numeris (BBM Canada) (Fall Diary)

* This chart should be used only to illustrate the longitudinal trend of radio use, since Numeris' diary is consumer recall research. It significantly overestimates radio use as measure electronically and passively by Numeris' PPM.

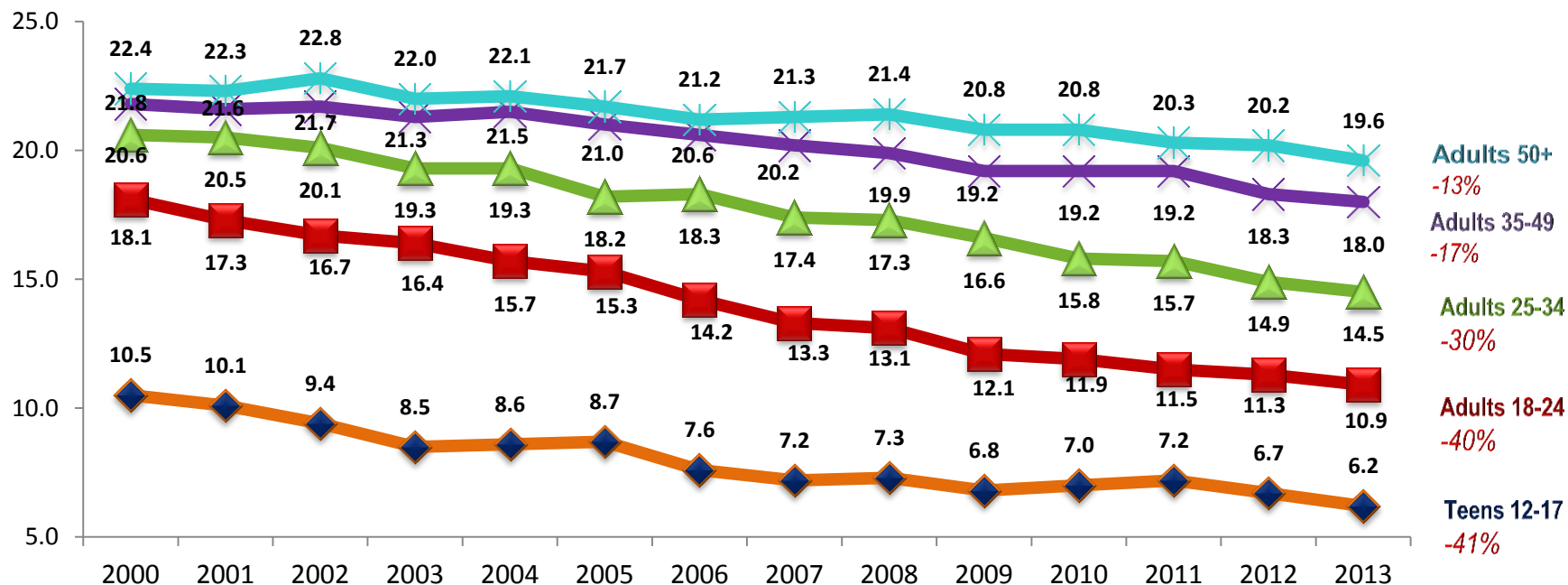


... PARTICULARLY BY YOUNGER CANADIANS

Average Weekly Per Capita Hours Tuned by Age Group

Monday to Sunday, 5 am to 1 am

Total Canada 12 +



Source: Numeris (BBM Canada) (Diary – Fall 2000 to Fall 2013)

* This chart should be used only to illustrate the longitudinal trend of radio use, since Numeris' diary is consumer recall research.

It significantly overestimates radio use as measure electronically and passively by Numeris' PPM.



THE DIVERSITY OF CHOICES FOR MUSIC CONSUMERS – BOTH LEGAL AND ILLEGAL – IS ENORMOUS

***"Consumers are
paralyzed by choice"***

***Anthony Mullen from
on the state of the music
streaming business***



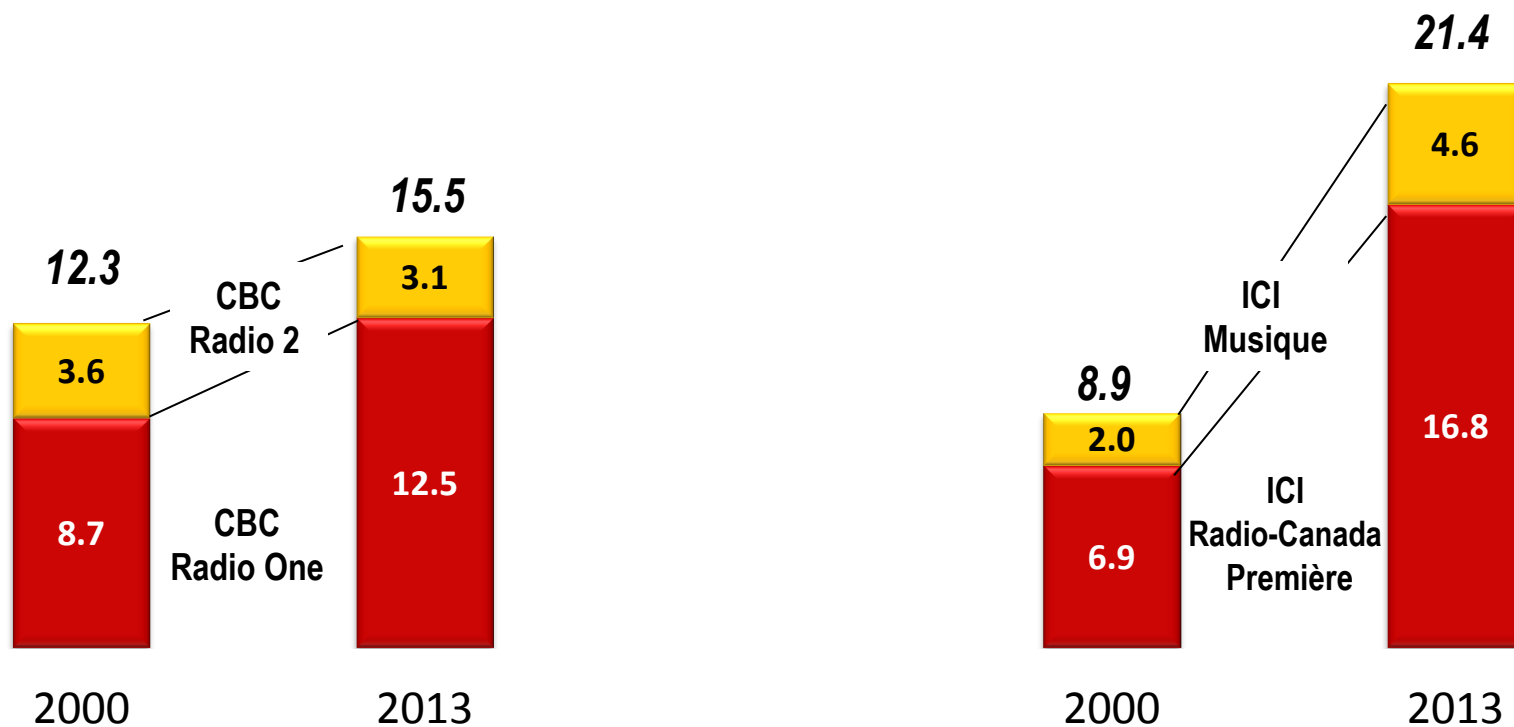
NEW





WHILE TUNING TO CONVENTIONAL RADIO HAS DECLINED, AUDIENCES TO OUR SERVICES ARE AT RECORD HIGHS

Performance of Our English and French Radio Networks
Share (%)



Note: May not add up to the total due to roundings.

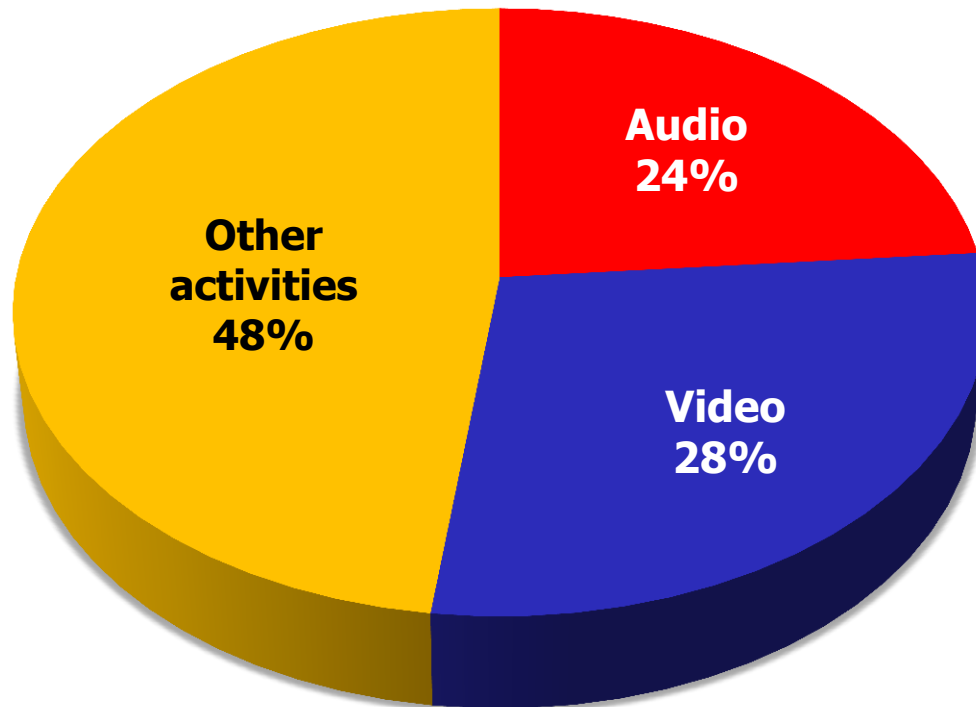
Source: CBC/Radio-Canada Research and Analysis, Numeris (BBM Canada) (Diary – Fall 2000 and Fall 2013)



AUDIO AND VIDEO NOW MAKE UP A SIGNIFICANT PORTION OF TIME SPENT ON THE INTERNET

Share of Time Spent on the Internet by Activity

Canadians 18+



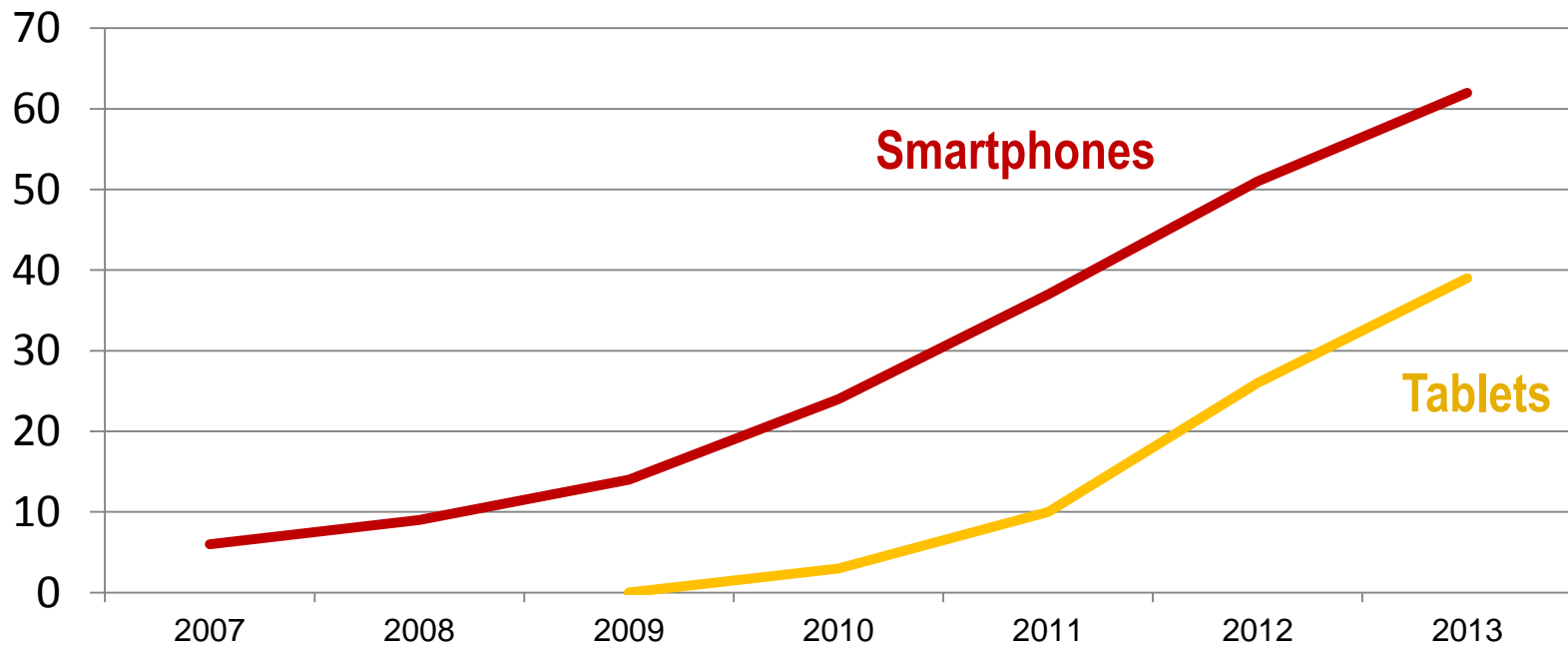
Source: MTM, Spring 2014



THE SPEED OF ADOPTION OF MOBILE DEVICES TO ACCESS THE INTERNET IS ASTONISHING

Consumers adopted smartphones and tablets rapidly

Penetration of Smartphones and Tablets in Canada, Canadians 18+



Source: MTM



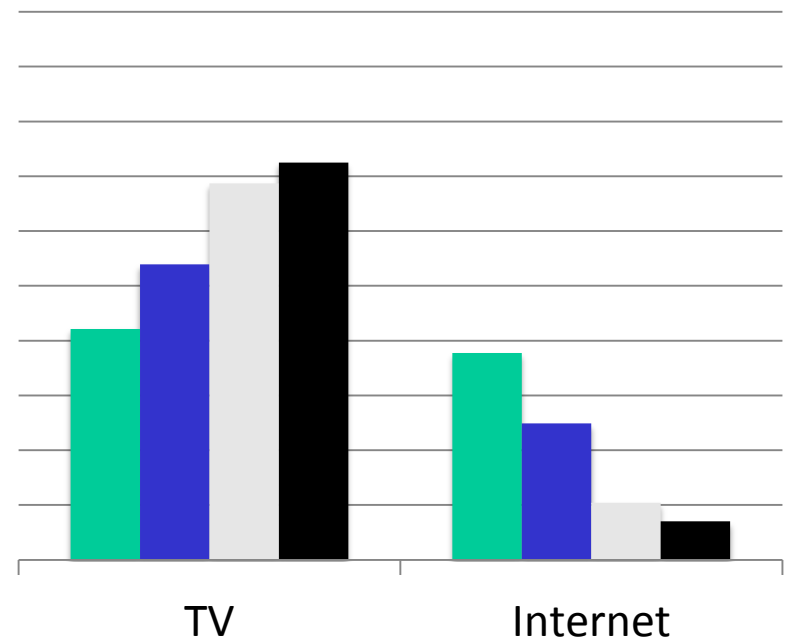
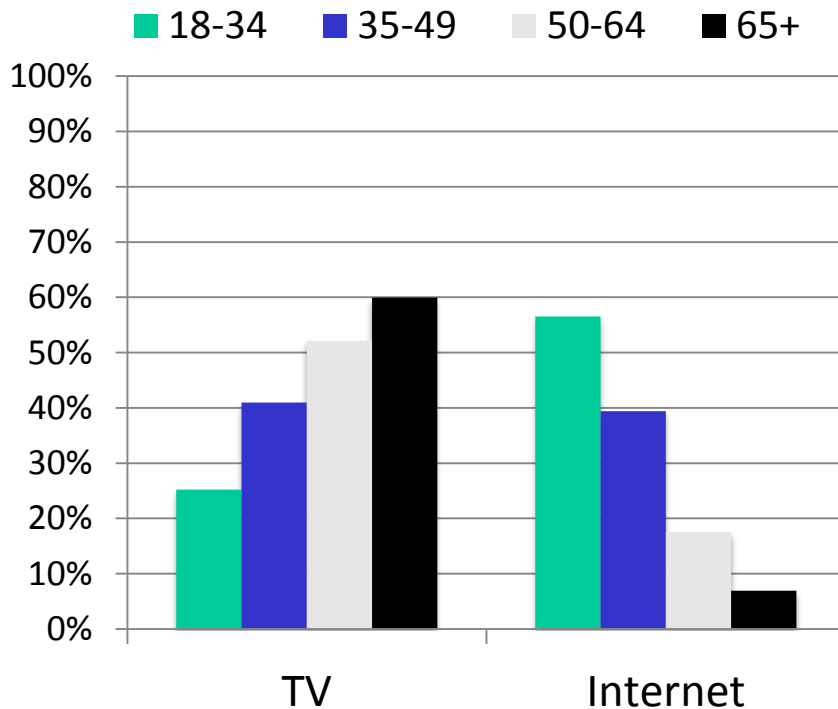
THE INTERNET IS IMPACTING THE WAY WE CONSUME NEWS

NEW

Primary Platform for News by Age

Anglophones

Francophones



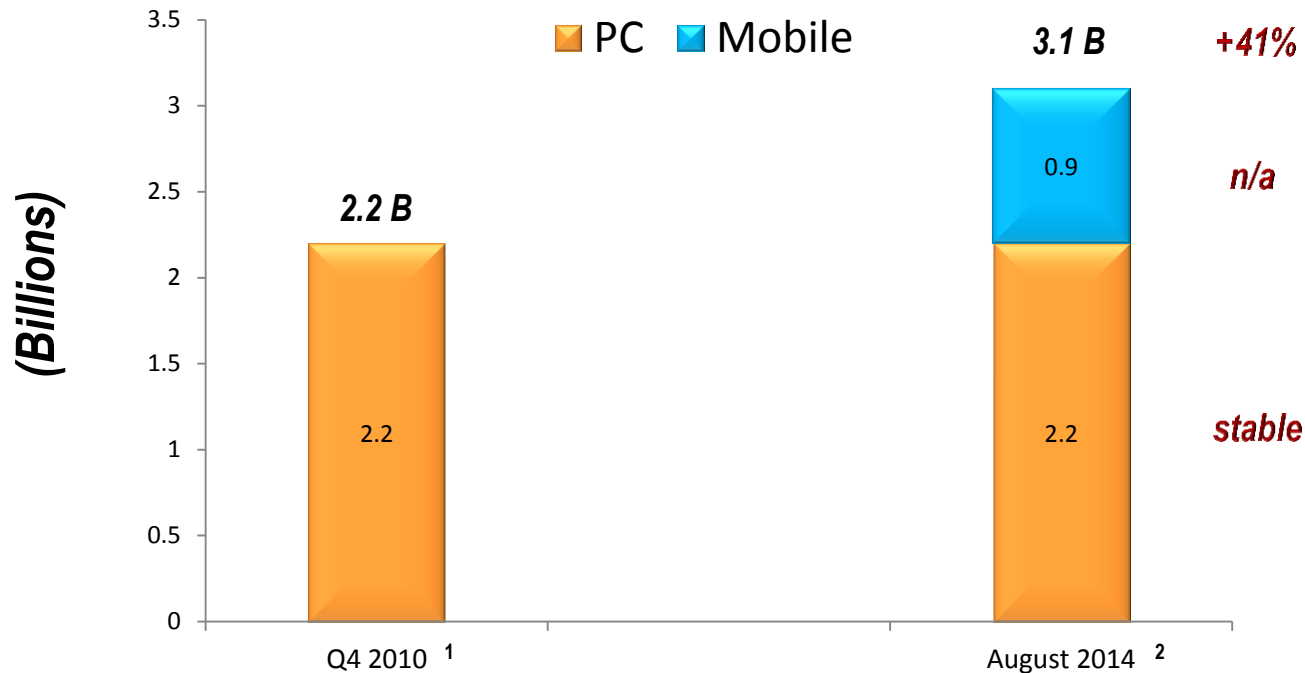
Source: MTM, Spring 2014



NOW THAT INTERNET USAGE ON A MOBILE IS MEASURED, INTERNET TRAFFIC HAS INCREASED BY 41%

NEW

Total Visits by Platform



Note: comScore just launched its Multi-Platform service which measures usage from smartphones and tablets.

Please note that mobile measurement is currently underestimated since not all websites and mobile applications have been tagged.

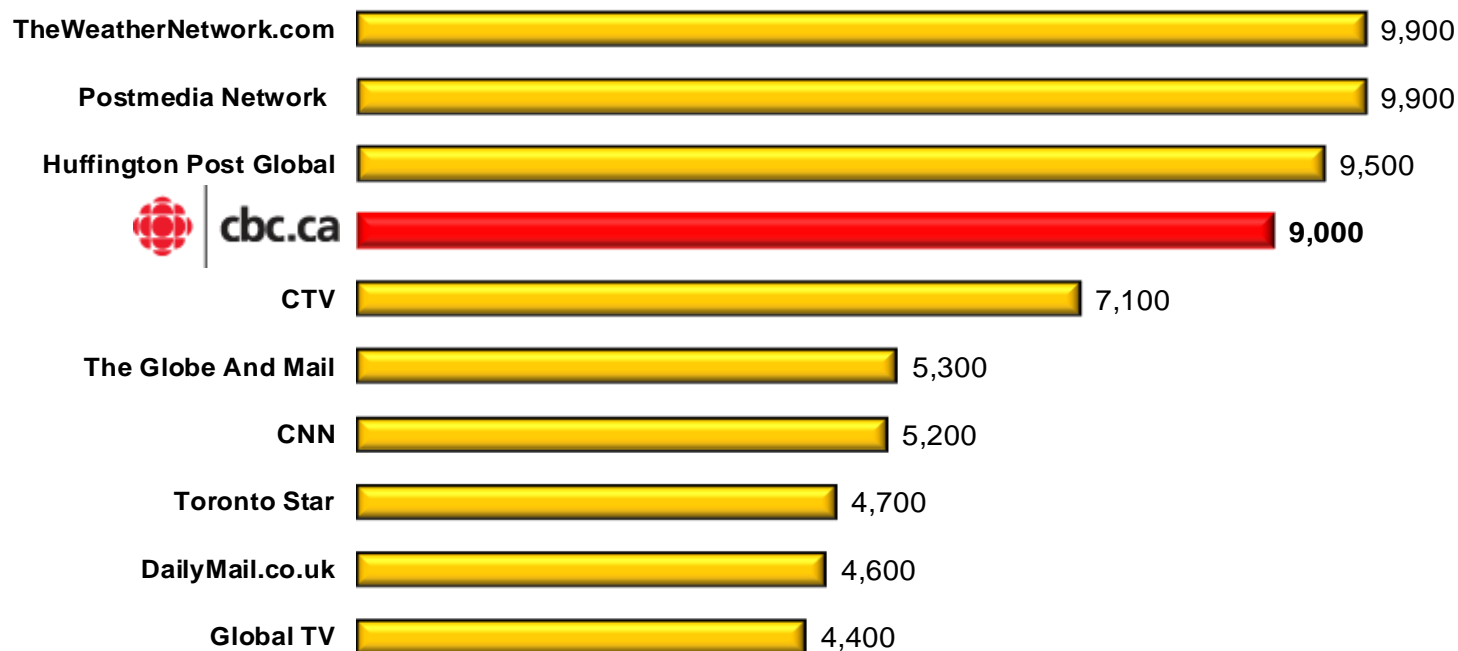
Source: comScore, ¹Media Metrix, All Locations, Persons: 15+, 3 Mo. Avg Q4 2010

²Muti-platform, August 2014, Persons 15+



CBC.CA IS A LEADER AMONG NEWS AND INFORMATION DIGITAL PROPERTIES

**Total Unique Visitors/Viewers to Media and News and Information Digital Properties
Total Canada 2+, PC and Mobile
August 2014 (000's)**



Note: comScore just launched its Multi-Platform service which measures usage from smartphones and tablets.

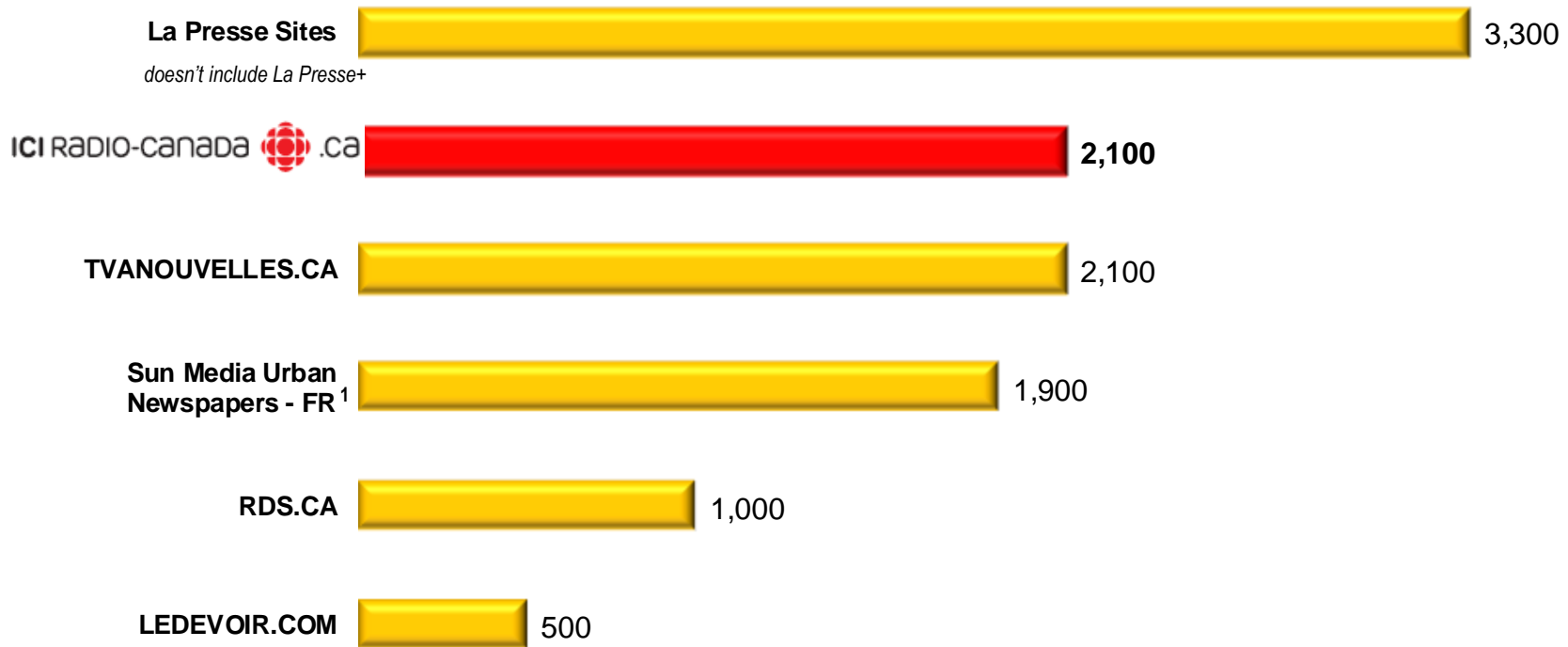
Please note that mobile measurement is currently underestimated since not all websites and mobile applications have been tagged.

Source: CBC/Radio-Canada Research and Analysis, comScore (Multi-Platform)



RADIO-CANADA.CA IS ALSO A LEADER AMONG FRANCOPHONE NEWS AND INFORMATION DIGITAL PROPERTIES

Total Unique Visitors/Viewers to Media and News and Information Digital Properties Total Canada 2+, PC and Mobile August 2014 (000's)



Note: comScore just launched its Multi-Platform service which measures usage from smartphones and tablets.

Please note that mobile measurement is currently underestimated since not all websites and mobile applications have been tagged.

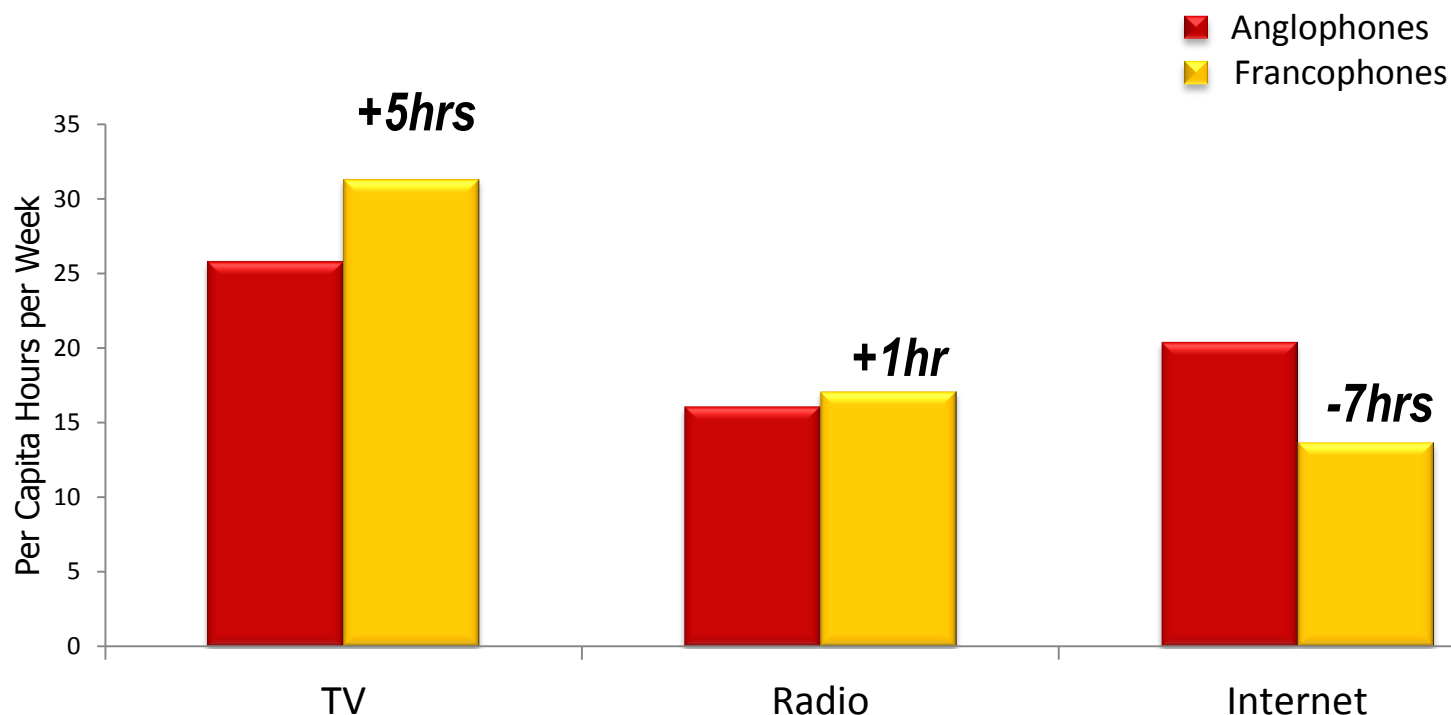
Source: CBC/Radio-Canada Research and Analysis, comScore (Multi-platform)

¹ Includes Journal de Montréal, Journal de Québec and 24 Heures Montréal.



FRENCH CANADIANS USE TRADITIONAL MEDIA MORE THAN ENGLISH CANADIANS

Time Spent with TV, Radio and the Internet in Canada by Language
Weekly Per Capita Listening Hours

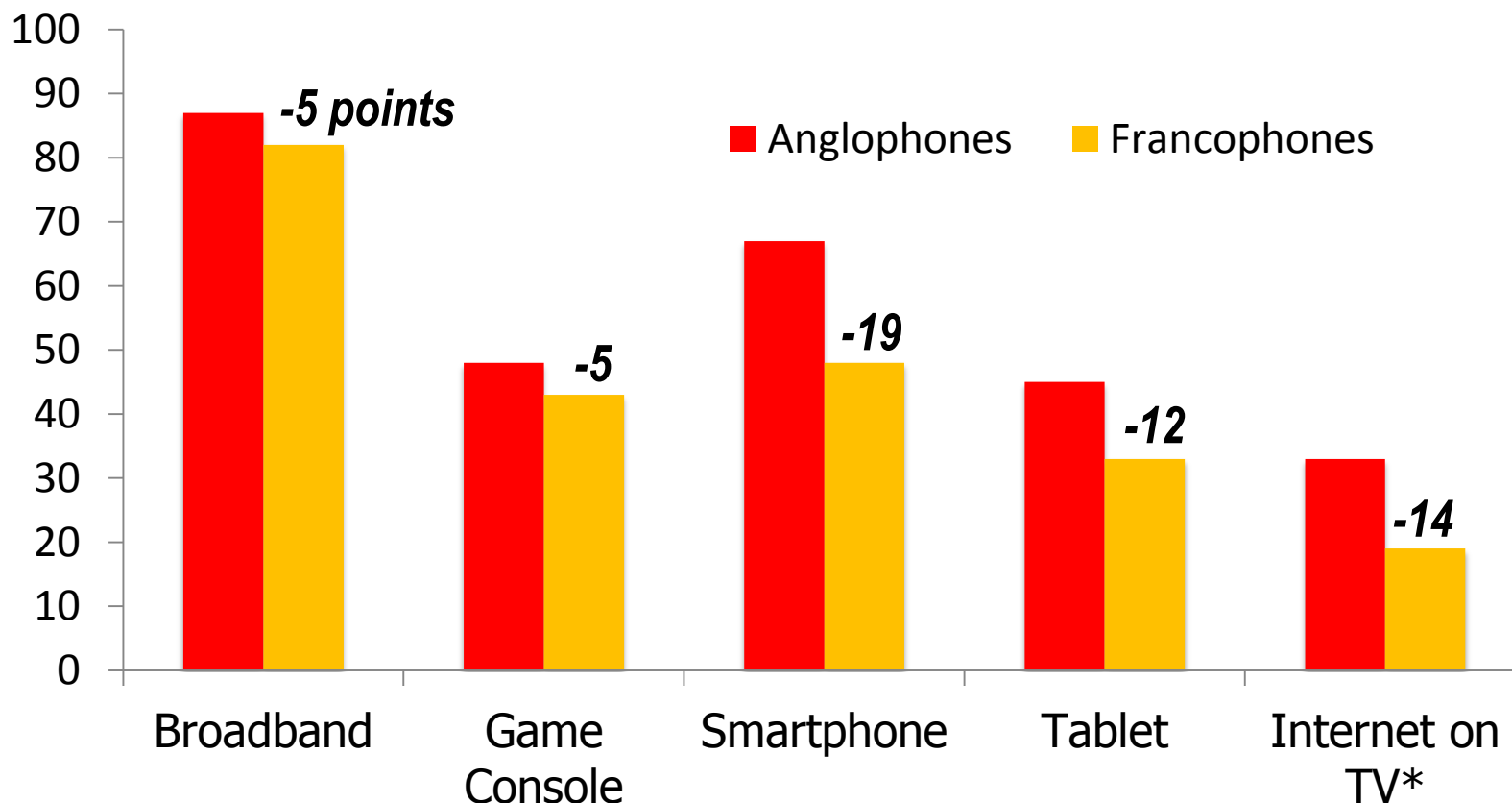


Source: TV (Numeris (BBM Canada), Broadcast Year 2013-14); Radio (Numeris (BBM Canada) Fall 2013 Diary), Internet (MTM, Spring 2014)



... AND TEND TO ADOPT TECHNOLOGY AT A SLOWER RATE

Penetration (%) of Select Technologies in Canada by Language
Persons 18+



Source: MTM, Spring 2014

* Accessed the Internet on a TV set in the past month.



KEY TAKEAWAYS

- Traditional broadcast **radio and TV are still dominant.**
- However, consumers are adopting devices and services that give them **more control over when** they access content **and which screen.**
- **Francophones tend to use traditional media more** than Anglophones and adopt new technology at a slower pace.
- **CBC/Radio-Canada has performed well** in the traditional and in the digital world.

2014 MEDIA ENVIRONMENT



Information for the Board of Directors
November 19, 2014
Montreal, Quebec



January 7, 2015

Mr. Hubert T. LaCroix
President and CEO
CBC / Radio-Canada
181 Queen Street
Ottawa, Ontario

Dear Hubert,

I wanted to address some of the concerns raised around the maturity of the Pension Plan. Like most, defined benefit pension plans, the CBC Pension Plan is a mature plan whereby there are a greater number of non-contributors (pensioners and deferred members) than contributing active employees. In order to address this situation as well as recognizing the materiality of the Pension Plan to CBC's operations, the Board of Trustees implemented a fundamental de-risking investment strategy in 2005 called liability driven investing ("LDI"). This strategy targets investment returns that match the change in the value of the pension obligations due to changes in interest and inflation rates (the biggest risks for defined benefit indexed pension plans). As such, the Plan's assets consist of a lower exposure to public equities and a high percentage of fixed income investments with durations similar to that of the pension obligation. The intent (and our experience) of using the LDI investment policy has been lower volatility in our solvency position which translates to lower contribution volatility and thus greater benefit security.

In order to focus on the Plan's funded position as opposed to just monitoring investment market values, we pro-actively estimate the market value of the pension liabilities on a weekly, monthly and quarterly basis. Because of the regulator's stringent requirement that the solvency position determine total contributions in spite of a large going concern surplus, we particularly monitor our solvency funded position. The LDI investment strategy has held us in good stead and our solvency position, despite unprecedented declines in interest rates, held at 92% as at the 2013 actuarial valuation. We estimate that this year's solvency position, while still in deficit, will be further improved.

The Plan's going concern funded position, which is a more accurate reflection of the health and financial strength of an open pension plan to meet its pension commitments on a going concern basis, had a funded ratio of 119% at the end of 2013. More simply put, on December 31, 2013 the Plan had approximately \$1.19 of assets for each dollar of pension plan obligations. Year-to-date results indicate that the going concern funded ratio is on track to be even higher at the end of 2014. In dollar terms, the going concern surplus (assets in excess of liabilities) is estimated at well over \$1 billion.

The assumptions used in determining both the solvency and going concern positions are conservative and consistent with the guidelines of the Canadian Institute of Actuaries and OSFI including a cap on the investment return assumption and the inclusion of updated mortality tables to reflect that Canadians are living longer.

One cannot easily compare our results on an apples-to-apples basis to our peers, as other pension plans may have been forced over the years to make special contributions or change benefits due to very low funding ratios. Also the fact that the CBC Pension Plan has a maximum indexation benefit of 2.7% (another de-risking element) versus the unlimited indexation benefits offered by many other federal plans helps to keep our future liabilities in line. We do, however strongly believe that our funding ratios compare very favourably to peers given that no additional special contributions have been paid into the Plan since 2006.

The CBC Pension Plan is a very healthy plan and the Board of Trustees continues to focus on risk management primarily defined as lower solvency funding volatility and, on generating solid risk-adjusted investment returns through the LDI policy. This risk tolerance is in recognition of the materiality of the pension plan to CBC operations and is supportive of the goal to reduce contribution volatility thereby enhancing benefit security. I hope that this information has provided some assurance as to the proactive actions taken by the Board of Trustees to address the Plan's mature membership.

Sincerely,



Debra Alves
Managing Director / CEO
CBC Pension Plan




919 – 99 Bank Street
Ottawa, Ontario
K1P 6B9

cc: Bill Chambers, Vice-President, Brand, Communications and Corporate Affairs, CBC/Radio-Canada
cc: Roula Zaarour, Vice-President, People and Culture, CBC/Radio-Canada
cc: Stephanie Duquette, Chief of Staff, Office of the President and CEO, CBC/Radio-Canada

Winter 2015 Programming Schedules

English Television Networks

Winter 2015 : CBC, CTV and Global

Network	PM	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
	7:00	Murdoch Mysteries					HNIC	Heartland
	7:30							
	8:00	Murdoch Mysteries	Rick Mercer Rpt	Dragons' Den	Nature of Things	Marketplace		Life Story
	8:30		22 Minutes					
	9:00	Ascension (Cdn) / Chasing Shadows (F)	Schitt's Creek	Book of Negroes / X Company	Doc Zone	the fifth estate		Winnipeg Comedy
	9:30		Mr. D					
	10:00	The National						The National
10:30								
	7:00	eTalk			Grey's Anatomy	eTalk	W5	Master Chef Canada
	7:30	Big Bang Theory		The Goldbergs	Big Bang Theory	Big Bang Theory		
	8:00	Gotham	The Flash	The Mentalist	Big Bang Theory	The Amazing Race	Comedy Night on CTV	Once Upon a Time
	8:30				Odd Couple			
	9:00	Forever	Marvel's Agent Carter	Criminal Minds	Two and A Half Men	Grimm		
	9:30				The McCarthys/Spun Out			
	10:00	Castle	Person of Interest	Saving Hope (Cdn) / CSI: Cybers (F)	How to Get Away with Murder	Blue Bloods	Saving Hope	CSI (F) / Motive (Cdn)
	10:30							
	7:00	Entertainment Tonight					16 * 9	Mulaney
	7:30	Entertainment Tonight (Canada)						Bob's Burgers
	8:00	NCIS: LA	NCIS	Survivor	Bones	About a Boy	Crimetime	Madam Secretary
	8:30					Marry Me		
	9:00	Sleepy Hollow	NCIS: New Orleans	Chicago P.D.	Blacklist	Hawaii Five-O		
	9:30							
	10:00	State of Affairs	Chicago Fire	Stalker	Elementary	Constantine	Documentary Showcase	The Simpsons
	10:30							Family Guy

 Canadian Programming

 Foreign Programming




 Content could be Canadian or Foreign

Updated January 2015

Winter 2015 Programming Schedules

French Television Networks

Winter 2015: Télé Radio-Canada, TVA and V

Network		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday		
	7:00	30 vies					Ti-Mé Show	En direct de l'univers	Découverte	
	7:30	Les Parent	La facture	L'épicerie	Infoman			Et Dieu Créa...Laflaque		
	8:00	L'auberge du chien noir	Unité 9	Les enfants de la télé	Prière de ne pas envoyer de fleurs	C'est ma toune	Mr. Selfridge	Tout le monde en parle		
	8:30									
	9:00	Nouvelle adresse	Mémoires Vives	19-2	Enquête	Vengeance	Dre Grey			
	9:30									
	10:00	Le Téléjournal						Le Téléjournal		
	10:30							Infoman	Ciné-club/19-2	
		7:00	Les gags	Faites moi confiance	Poule aux œufs d'or	Une minute pour gagner	J.E.	Cinéma	LOL :-)	
		7:30	La Voix	Tranche de vie	La Voix				Cinéma	La Voix
8:00		Yamaska	Chicago fire: caserne 51	Au secours de Béatrice	Juste pour rire	Du talent à revendre	Cinéma	Accès illimité		
8:30										
9:00		Lance et Compte	O'	Les beaux malaises	La liste noire	Ça finit bien la semaine				
9:30				Un sur2						
10:00		TVA Nouvelles								
10:30		Denis Lévesque								
		7:00	Les jokers	Taxi Payant	Atlantis	la Bible	L'Arbitre	Cinéma	Cinéma	
		7:30	Les champions du Web	Rire et délire						
	8:00	Ce soir tout est permis/ C'est gars là	CSI Miami	Personne d'intérêt	CSY: NY / Nashville	Cinéma policier	Cinéma			
	8:30	Recettes pompettes								
	9:00	Le mentaliste	Révolution	Mémoire sous enquête	NCIS: LA / Les Disciples					
	9:30							Rire et délire		
	10:00	En mode Sauvail					Deadly Women	Cinéma	Flashpoint	
	10:30									

■ Canadian Content

■ Foreign Content

■ Content could be Canadian or Foreign

Updated: January 2015

PRINCIPLES

CBC-Radio-Canada is fully committed to maintaining accuracy, integrity, balance, impartiality and fairness in its journalism, as expressed in its unique code of ethics and practice, the [Journalistic Standards and Practices](#). Our journalistic mission is to inform, to reveal, to contribute to the understanding of issues of public interest and to encourage citizens to participate in our free and democratic society. We base our credibility on fulfilling that mission through adherence to the values, principles and practices laid out in the [Journalistic Standards and Practices](#).

The Ombudsman is completely independent of CBC program staff and management, reporting directly to the President of CBC and, through the President, to the Corporation's Board of Directors.

MANDATE

The Ombudsman acts as an appeal authority for complainants who are dissatisfied with responses from CBC information or program management.

The Ombudsman generally intervenes only when a correspondent deems a response from a representative of the Corporation unsatisfactory and so informs the Office of the Ombudsman. However, the Ombudsman may also intervene when the Corporation fails to respond to a complaint within a reasonable time.

The Ombudsman determines whether the journalistic process or the broadcast involved in the complaint did, in fact, violate the Corporation's [Journalistic Standards and Practices](#). The gathering of facts is a non-judicial process and the Ombudsman does not examine the civil liability of the Corporation or its journalists. The Ombudsman informs the complainant and the staff and management concerned of the review's findings and posts such findings on the Ombudsman's website.

As necessary, the Ombudsman identifies major public concerns as gleaned from complaints received by the Office and advises CBC management and journalists accordingly. The Ombudsman and CBC management may agree that the Ombudsman undertake periodic studies on overall coverage of specific issues when it is felt there may be a problem and will advise CBC management and journalists of the results of such studies.

The Ombudsman establishes a central registry of complaints and comments regarding information content, and alerts journalists and managers on a regular basis to issues that are causing public concern.

The Ombudsman prepares and presents an annual report to the President and the Board of Directors of the Corporation summarizing how complaints were dealt with and reviewing the main issues handled by the Office of the Ombudsman in the previous year. The report includes mention of the actions, if any, taken by management as a result of the Ombudsman's findings, provided such disclosure does not contravene applicable laws, regulations or collective agreements. The annual report, or a summary thereof, is made public.

The Office of the Ombudsman reports annually on how each media component has met the CBC standard of service for the expeditious handling of complaints.

COMPLIANCE

The Office of the Ombudsman is responsible for evaluating compliance with the Journalistic Standards and Practices in all content under its jurisdiction. It can be assisted in this role by independent advice panels.

Panel members are chosen by the Ombudsman. Their mandate is to assess content over a period of time, or the overall coverage of a particular issue by many programs, and report their findings to the Ombudsman. The Ombudsman will advise CBC management and journalists of these findings.

The evaluation measures performance in respecting the fundamental principles of CBC journalism:

- balance, impartiality, accuracy, integrity and fairness for information content; and
- balance and fairness for general-interest programs and content when dealing with current issues.

The Office reports bi-annually.

JURISDICTION

The jurisdiction of the Office of the Ombudsman covers all news, current affairs and public affairs content on radio, television and the internet (whether in-house or produced by a third party) that falls within the scope of the Corporation's Journalistic Standards and Practices, as amended from time to time.

This includes news and all aspects of current affairs and public affairs (political, economic and social) as well as journalistic activities in agriculture, arts, music, religion, science, sports and variety. This also includes user-generated content when incorporated in news, current affairs and public affairs stories.

Complaints beyond the Ombudsman's mandate should be addressed directly to the programs concerned, or [Audience Relations](#).

APPOINTMENT

When filling the Ombudsman's position, the CBC openly seeks candidates from outside as well as inside the Corporation.

After appropriate consultation, the President and CEO establishes a selection committee of four. Two members, including the committee chair, must be from the public. People currently employed by the Corporation or employed by the Corporation within the previous three years will be excluded from nomination as public members. The other committee members are chosen, one among CBC management, the other among its working journalists. Members representing the Corporation and journalists jointly select the committee chair among the two representatives of the public.

The selection committee examines applications and selects a candidate to be recommended for appointment by the President and CEO.

The Ombudsman's appointment is for a term of five years. This term may be extended for no more than five additional years. The Ombudsman's contract cannot be terminated except for gross misconduct or in instances where the Ombudsman's actions have been found to be inconsistent with the Corporation's Code of Conduct Policy 2.2.21.

The outgoing Ombudsman may not occupy any other position at the CBC for a period of two years following the end of his/her term but can, at the discretion of the incoming Ombudsman, be contracted to work for the Office of the Ombudsman.