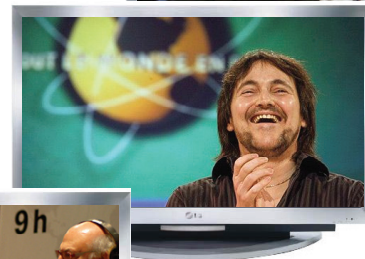
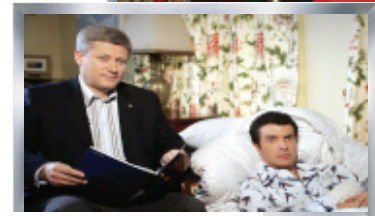
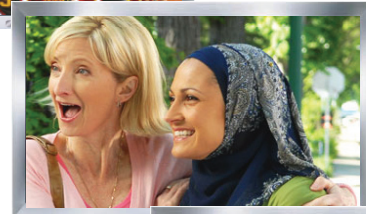
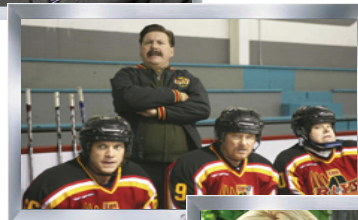


CBC|Radio-Canada Corporate Plan Summary for 2008-2009 to 2012-2013



**Taking Bold Steps...
To Better Serve Canadians**

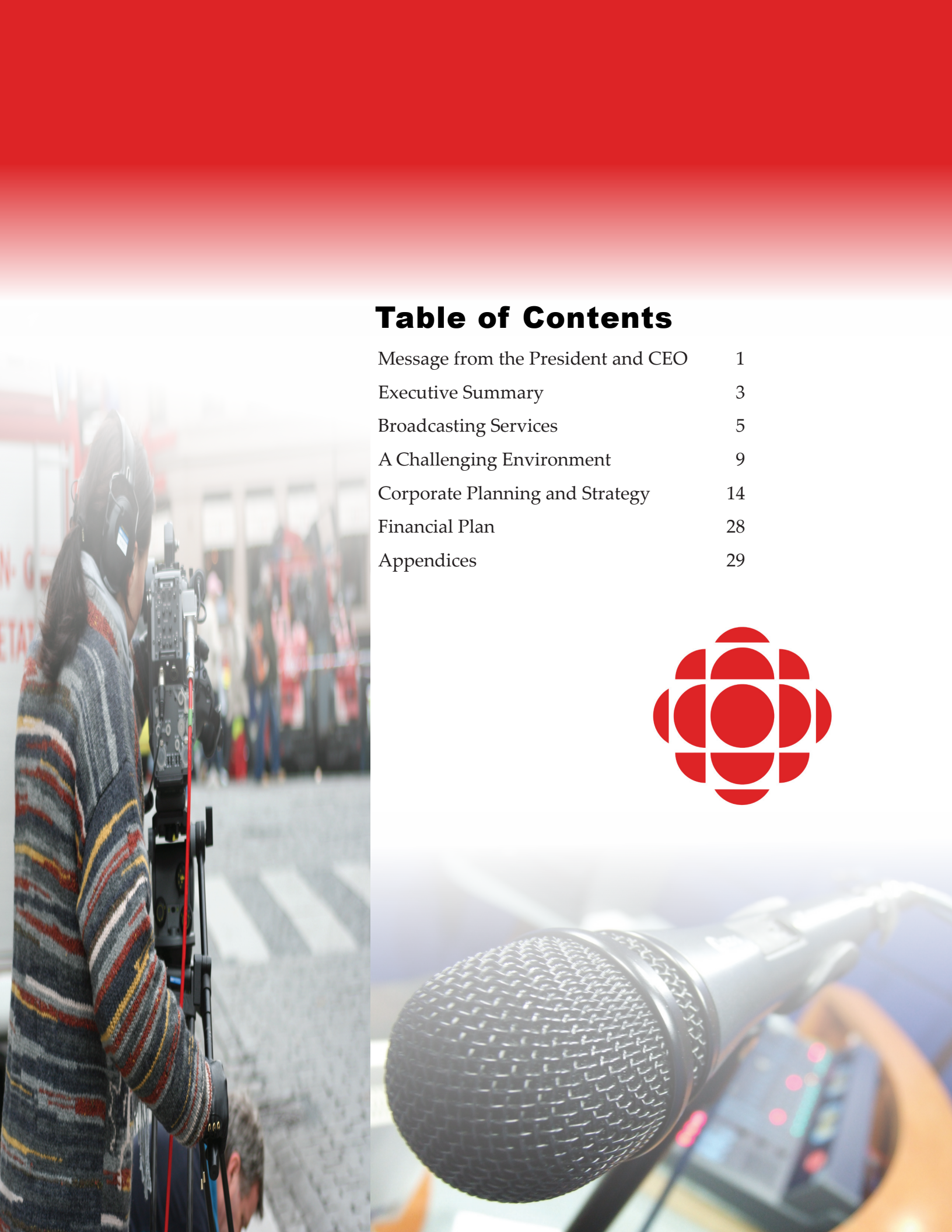


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Message from the President and CEO



CBC|Radio-Canada is the nation's most effective disseminator and promoter of Canadian values and culture. Radio and television—and increasingly the Internet—remain the principal vehicles of culture in our society, and the best way that we have to reach out to all Canadians. Indeed, in the face of ever-increasing cultural influences from other countries,

Canadians must be able to count on a strong and independent national public broadcaster to reflect Canadian reality and Canadian identity.

I feel fortunate to be leading an organisation that over the past eight years has undergone a process of remarkable renewal. The management team that past President and CEO Robert Rabinovitch assembled, combined with talented, committed employees has created a national public broadcaster that is thriving in a challenging, increasingly complex broadcasting environment.

Today's CBC|Radio-Canada is more focused and has made great strides towards improving the management of the Corporation. Despite inflationary pressures and financial constraints, we are delivering 29 distinctive Canadian programming services, ranging from our core Radio and Television services to the Internet, cell phones and other mobile devices, as well as satellite radio. This has been possible because we have generated over \$80 million in annual cost savings and, this year, we expect to yield almost \$110 million in self-generated revenues through everything from merchandising to better use of our real estate. These cost savings and additional revenues are fundamental to the renewal of our programming.

Despite these initiatives, we face a very challenging business environment characterised by declining advertising revenue, rapidly evolving technologies and the emergence of highly consolidated media companies. This is why this Corporation will continue to face tough choices, as we adapt to new technologies, acquire or divest of assets, expand into new markets, to remain focused on our core strategy: delivering the best possible program offering to Canadians.

To ensure that we remain relevant to Canadians, CBC|Radio-Canada has taken bold, even audacious, steps to create more of the programming Canadians tell us they want—programming that is entertaining, informative, challenging, and engaging. Canadians have enthusiastically embraced this programming.

Our Radio services are continually broadening the range of their programming, an achievement that has been recognised by virtually every prestigious broadcasting award, not only in Canada but around the world. And the audience shares for CBC Radio and Radio de Radio-Canada have never been higher.

Since introducing a renewed schedule four years ago, Télévision de Radio-Canada has had a string of both popular and critical successes—from *Les Bougon - c'est aussi ça la vie!* through to *Tout le monde en parle*. Télévision de Radio-Canada continues to attract about one-fifth of all viewing by Francophones in prime time, despite the fragmentation of the French-language television marketplace as the number of broadcast services increases and as video content is available on alternative platforms. And we have taken steps to reinforce our position in arts and culture by increasing our ownership in ARTV.

CBC Television, which faces the considerable challenge of competing in a market dominated by American programming, has achieved success with a new management team and a bold plan. Many of this year's debuting shows such as *The Tudors* and *Heartland* performed well, and some established shows like *The Mercer Report* increased their ratings. CBC Television has recently reaffirmed its commitment to documentary programming by acquiring The Documentary Channel.

CBC|Radio-Canada's English-language media lines were recently integrated under one leadership, just as French Services were two years ago. Integration of our media businesses permits CBC|Radio-Canada to meet the central challenges of the future as a content-based, audience-focused broadcaster offering high-quality and distinctive Canadian programming.

On the Internet, *Radio-Canada.ca* and *CBC.ca* are again among the country's most visited media sites. We have also had considerable success with New Media platforms, in which we have been a Canadian pioneer. Podcasts of CBC|Radio-Canada programs are downloaded by more than one million listeners per month, and our youth music service CBC Radio 3 is one of the top podcasts worldwide, with six million downloads in the past year. This year Sirius Canada, which provides satellite radio service across Canada, established itself as the leading satellite radio provider in this country. As a founder and a partner in Sirius Canada, CBC|Radio-Canada supplies six channels of content to the service, extending the reach of our programming throughout the United States.

CBC|Radio-Canada is, above all, a creative organisation. It must take risks and evolve continuously to stay ahead of trends and new technologies. Our job is to serve Canadians—to make sure that distinctive content created by, for and about them is available where, when and how they want it.

Message from the President and CEO

Since my appointment to CBC | Radio-Canada, I have traveled a lot and spoken with employees of the Corporation, listening to their views and their ideas about the challenges and opportunities we face. I intend to continue this dialogue with employees, various stakeholders and business leaders from across the country so that we can turn these ideas into action and build on our recent successes.

I would be remiss if I did not take this opportunity to salute Robert Rabinovitch for his outstanding leadership over the last eight years. His ongoing focus on making CBC | Radio-Canada a well-managed company that operates as one organisation has laid the groundwork for my term as President and CEO.



Hubert T. Lacroix, President and CEO

Executive Summary

Established by an Act of Parliament as Canada's national public broadcaster, CBC|Radio-Canada has a unique place in the Canadian broadcasting system.

Our mandate is to inform, enlighten and entertain Canadians using the full range of broadcasting platforms available to us. We must provide Canadians with comprehensive programming that encompasses News, information, entertainment, and sports to meet all of their interests and needs. And these programs must reflect Canada in all of its diversity to show Canadians who they are and what it means to be a citizen of this country.

CBC|Radio-Canada delivers 29 distinctive Canadian programming services via more than 20 different media platforms, from conventional Radio and Television, to video delivered over cell phones and audio via satellite radio. It is the only Canadian broadcaster delivering Radio, Television, Internet, and satellite-based services, in both English and French plus eight Aboriginal languages, to all Canadians. The Corporation's broadcasting reach extends across Canada and around the world.

Key action plans have been developed by our English and French Services to bring Canadians high-quality, distinctive Canadian programs in 2008–2009. All CBC|Radio-Canada's services contribute in a major way to enriching the democratic and cultural life of Canadians.

Key Action Plans for 2008–2009

ENGLISH SERVICES

CBC|Radio-Canada's English-language media lines were integrated in November 2007. Starting with next year's Corporate Plan, objectives and action plans will be reported for all of English Services rather than for individual media lines, as is the case this year.

CBC Television

- Solve the chronic problem of Canadian entertainment programming by making more shows about and for Canadians that they watch in large numbers;
- Continue to provide high quality Canadian content to audiences across a wide range of formats;
- Strengthen News and information programming.

CBC Radio

- Continue redeveloping CBC Radio 2 by broadening the range of music to make it more representative of the musical community in Canada and more relevant to Canadian adult listeners;
- Enhance on-demand programming to make more digital content easily available to listeners in Canada and beyond;
- Revitalise local news through *myCBC*, a multi-platform local news service valued by audiences for quality, accessibility, relevance and distinctiveness, that is expressly designed for their needs;
- Expand CBC Radio One local service to the six million English-speaking Canadians who currently lack it.

CBC.ca

- Migrate from the current *CBC.ca* infrastructure to a more robust, flexible and interactive Web 2.0 infrastructure;
- Continue to offer Canadians thematic portals as gateways to Television, Radio, and digital content.

FRENCH SERVICES

CBC|Radio-Canada's French-language media lines have a common set of objectives to make the brand more consistent, particularly with respect to news, children's and entertainment programming, and to increase regional presence on the national airwaves.

Télévision de Radio-Canada

- Refine the daytime schedule;
- Make programming more distinctive;
- Make our dramas more representative of Canadian French-speaking society.

Radio de Radio-Canada

- Develop a music production policy to be implemented on all platforms.

News and Information

- Consolidate the 6:00 p.m. *Téléjournal* newscast and make it more distinctive;
- Launch a new current affairs program on television.

Radio-Canada.ca and Digital Services

- Develop exclusive content for the Web and new digital platforms;
- Increase distribution of audio and video content.

Delivering on these action plans will be a demanding task for CBC|Radio-Canada in view of its financial situation and rapidly changing broadcasting environment, driven by an aging, more diverse and urbanised population that has access to more media options than ever before.

Recent mega-mergers in the communications industry are creating major challenges for the Corporation in its ability to obtain program rights and to maintain advertising revenues.

Technologically, CBC|Radio-Canada owns an aging transmission infrastructure that needs to be replaced. Government provided one-time capital and operating funding between 1974 and 1984 under the Accelerated Coverage Plan (ACP) to extend the over-the-air transmission of CBC Radio, Radio de Radio-Canada, CBC Television, and Télévision de Radio-Canada to all communities in Canada with a population of 500 or more. These assets are reaching the end of their useful life and must be replaced. At the same time, CBC|Radio-Canada must complete the

transition to high definition television (HDTV) and provide services to Canadians over a host of emerging platforms.

Parliamentary appropriations to CBC|Radio-Canada were cut dramatically in the 1990s and are currently \$428 million less, in constant dollars, than in 1990. The *Broadcasting Act* has not changed in more than fifteen years, yet today's CBC|Radio-Canada delivers Canadian content to audiences through a wide range of services, including interactive television, video-on-demand, mobile television and satellite radio.

The Corporation continues to reduce costs and seek out other sources of funding to supplement its Parliamentary appropriations. However, in the absence of a radically revised mandate, it will be difficult for CBC|Radio-Canada to properly fulfill its role in the Canadian broadcasting system on the basis of its current resources.

To continue to respond effectively to rapidly changing technologies and audience preferences, the Corporation requires a memorandum of understanding with the Canadian government. This memorandum would clarify for all Canadians the services we will provide and the resources necessary to deliver them.

Broadcasting Services

CBC|Radio-Canada delivers a comprehensive range of News, information, entertainment, and sports programs via 29 different services. It is the only Canadian broadcaster delivering Radio, Television, Internet, and satellite-based services, in both English and French plus eight Aboriginal languages, to all Canadians. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for and about Canadians, however and wherever they want it.

Television



CBCtelevision

Canada's leading 24-hour English-language network of ground-breaking news, information, sports, and entertainment programming produced by, for and about Canadians, for more than 55 years.



CBCnewsWORLD

The country's first and most-respected 24-hour all-news and information English-language television service. Live news updates throughout the day keep Canadians informed about the world, while award-winning documentaries delve even deeper into it. By subscription.



Be daring. Be **bold**. Canada's 24-hour English-language digital television service pushes the boundaries with innovative drama and comedy, the world's best performing arts and exclusive coverage of sporting events. By subscription.



documentary

Provocative and compelling, *documentary* is the première English-language digital television service delivering the best in Canadian and international docs, films and series – 24 hours a day. By subscription.



**RADIO-CANADA
TÉLÉVISION**

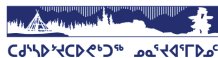
The pre-eminent cross-country French-language television network connecting Canadians with popular and high-quality original programming, including news, current affairs and arts and culture.



The leader in French-language 24-hour news and information for Canadians, Réseau de l'information de Radio-Canada (RDI) links francophones across the country with the best in public affairs programming, including documentaries and interviews. By subscription.



**CBC North
Radio-Canada Nord**



Bringing together, via the airwaves, the diverse communities that make up Canada's vast North, and broadcasting award-winning radio and television services in English, French and eight Aboriginal languages.



A rich blend of arts and culture, showcasing the best in film, theatre, music, dance, visual arts, and more, all brought together on one vibrant French-language television channel. By subscription.

TV5MONDE

The première worldwide French-language television network, TV5MONDE encompasses 10 broadcast partners across the globe and creates a space dedicated to public expression. It airs programming that increases awareness of the diversity of cultures and points of view.

Radio and Satellite Radio



radio one

Canada's English-language radio service, where the country turns for its local, national and international news, current affairs, documentaries, arts and culture, on radio and Sirius Satellite Radio Channel 137. Commercial-free and reflecting the true lives of Canadians, no matter where they live.



radio 2

Music music music. Commercial-free and ready to transport listeners with the beauty of classical, the smooth sounds of jazz, and the diversity of world beats. An English-language network, with music that speaks to all.



radio3
BREAKING NEW SOUND

If it's new, you'll find it here. Catch the next big thing on this showcase of emerging, commercial-free Canadian music via the Internet at radio3.cbc.ca, podcast and Sirius Satellite Radio Channel 94. English-language.



RADIO
PREMIÈRE CHAÎNE

From one end of the country to the other, Première Chaîne is Canada's commercial-free French-language radio network, offering listeners a truly diverse mix of information and cultural programming. Engaged in its environment while being open to the world, it is enlightening and entertaining.



ESPACE
MUSIQUE

French-language musical radio that accompanies you night and day with a multitude of diverse styles and rhythms – classical, jazz, vocal, world music, and emerging artists. Commercial-free and always engaging.



BANDE À PART

Rock, pop, hip hop, alternative, punk, electronica – the explosion of French-language music is at the heart of this commercial-free, 24-hour network, where Canadian artists are always front and centre. Find it on radio at Espace musique, on the Internet at bandeapart.fm, via podcast, and Sirius Satellite Radio Channel 93.



PREMIÈRE plus

Listen in on original French-language programming and the best of Première Chaîne's news, current affairs and cultural broadcasts – with the luxury of no commercials. In partnership with Radio Canada International and Radio France International, across North America on Sirius Satellite Radio Channel 138.



Sports extra

The only French-language sports service on satellite radio. Get the real scoop from expert hosts and analysts from the Radio-Canada sports team. Amateur and pro – everything is fair game on Sirius Satellite Radio Channel 187.



RADIO CANADA
INTERNATIONAL

Canadian voices have been extending across the planet since 1945 with this commercial-free international radio service, now broadcasting information and cultural programs in nine languages via the Internet, digital and analogue shortwave, satellite, and hundreds of partner stations worldwide.



RCI plus

Reflecting Canada and its vibrant multicultural population in eight languages on Sirius Satellite Radio Channel 188. Try out a new language thanks to programming from Radio Canada International, as well as from national and international partners.



CBC North
Radio-Canada Nord


Bringing together, via the airwaves, the diverse communities that make up Canada's vast North, and broadcasting award-winning radio and television services in English, French and eight Aboriginal languages.

Internet



cbc.ca

One of Canada's most popular and comprehensive English-language media websites, with up-to-the-minute CBC news and information, streaming audio and video, sports highlights, Web-only interactive features, multimedia archives, and much much more.



Radio-Canada.ca

Don't miss a minute of Canada's favourite French-language radio and television content from Radio-Canada – all online. Constantly updated news and information, and unique new media and Web features ensure that each visit is dynamic and different.



radio3
BREAKING NEW SOUND

If it's new, you'll find it here. Catch the next big thing on this showcase of emerging, commercial-free Canadian music via the Internet at *radio3.cbc.ca*, podcast and Sirius Satellite Radio Channel 94. English-language.



BANDE À PART

Rock, pop, hip hop, alternative, punk, electronica – the explosion of French-language music is at the heart of this commercial-free, 24-hour network, where Canadian artists are always front and centre. Find it on radio at Espace musique, on the Internet at *bandeapart.fm*, via podcast, and Sirius Satellite Radio Channel 93.



RCI viva

Radio Canada International

Giving the world a window on Canada, Radio Canada International's commercial-free Web radio service broadcasts in eight languages at *rciviva.ca*. It's a true gateway to this country for new and aspiring immigrants, with information to help them discover Canada.



ESPACE
classique

The sweet sounds of continuous classical music, commercial-free, and customised just for you. This French-language Web radio service at *radio-canada.ca/espaceclassique* introduces you to fresh new talent, even as it shines the spotlight on timeless favourites.

Reaching New Audiences

Galaxie 

Tune in on your television to 45 channels of continuous music, talk-free and commercial-free. No musical stone is left unturned for the pop star, jazz hound or classical buff in your household. More than six million subscribers are already part of the Galaxie family.



This in-house recording label partners with Canada's pre-eminent musicians, releasing about 15 new homegrown CDs annually. With 29 Junos and one Grammy Award to its credit, CBC Records is one of the most recognised independent labels in the country.

CBC  **Radio-Canada**

WIRELESS | SERVICES SANS FIL

For those who prefer the small screen... the really small screen. CBC|Radio-Canada offers WAP and SMS messaging services, delivering some of our most popular interactive content to personal digital assistants and cell phones.

Business and Operating Units

In addition to operating its broadcasting services, CBC|Radio-Canada engages in a range of non-broadcasting activities for the purpose of supporting its Corporate priorities and programming activities. Besides efficiently supporting CBC|Radio-Canada's key Corporate priority—the creation and airing of high-quality Canadian programming, the activities of these Business and Operating Units generate significant revenue on an annual basis that is reinvested in programming.

The **Real Estate Division** manages CBC|Radio-Canada's Real Estate portfolio of more than four million square meters of real estate across Canada. It optimises revenues by selling or renting surplus assets and generates savings by managing CBC|Radio-Canada real estate more efficiently. The Division frees up funds that can be invested in programming while ensuring that all CBC|Radio-Canada business units have the facilities they need.

The **Merchandising Division** generates revenues by licensing, selling and distributing CBC|Radio-Canada CDs, DVDs, digital downloads, books, clothing, and licensed merchandise of one of the most widely recognised brands in the country. More than half a million CBC|Radio-Canada products found their way into Canadian households in 2006-2007.

CBC|Radio-Canada Technology provides the technical leadership, expertise, tools, planning, infrastructure and support enabling the reliable and cost-effective production, distribution and delivery of CBC|Radio-Canada programming. This entails the operation of a network of some 2,400 transmitters. The Division contributes to the Corporation's annual cost savings and brings in revenues for investment in programming.

The **Mobile Division** ensures that programs, such as *Hockey Night in Canada*, have access to mobile production equipment. It also generates revenues for investing in programming by renting excess capacity.

Shared Services was created to optimise the delivery of transactional and administrative services, according to industry best practices in the areas of Human Resources, Information Technology and Finance and Administration.

A Challenging Environment

CBC|Radio-Canada's complex operating environment is influenced by statutory policy objectives, regulatory obligations, ongoing technological changes, shifting consumer trends, and industry restructuring, as well as significant financial constraints.

1. Policy Objectives and Regulatory Requirements

Section 3(1) of the 1991 *Broadcasting Act* sets out the broadcasting policy for Canada and lists general policy objectives for the Canadian broadcasting system, as well as specific policy objectives for CBC|Radio-Canada. The Corporation must keep all of these policy objectives in mind when assessing its current activities and planning for the future. In addition, CBC|Radio-Canada must take into account the ways in which the Canadian Radio-television and Telecommunications Commission (CRTC) has interpreted and sought to implement these policy objectives in its licensing decisions and regulations.

This statutory and regulatory context has a significant influence on the planning process as CBC|Radio-Canada attempts to determine the best way to implement its Corporate mandate. In particular, the Corporation must take into account the fact that implementation of its plans may involve licensing or other regulatory approvals by the CRTC under the *Act* or, in the case of the use of radio-communication spectrum, authorisation or licensing by Industry Canada under the *Radiocommunication Act*.

Major Public Policy Reviews Underway

In response to rapid change in Canada's broadcasting environment, the CRTC has launched several public policy initiatives that will have a major impact on CBC|Radio-Canada and on the Canadian broadcasting industry in general. These included the CRTC's first review in seven years of conventional television broadcasting policy; a review of Broadcasting Distribution Undertakings (BDUs) and specialty services; and a review of the Canadian Television Fund. As well, in early 2007 the CRTC, under its recently appointed Chairman, announced a new approach of developing lighter and more targeted regulation to achieve the objectives of the *Broadcasting Act*.

Review of Conventional Television

In the CRTC's review of conventional television broadcasting policy in late 2006, conventional broadcasters argued that changes such as audience fragmentation, the rapid growth of the specialty television sector, the weakening of the traditional advertising market for conventional television, and the declining importance of over-the-air television reception, require a new financing model for the industry. They proposed that for the programming that conventional television broadcasters provide, BDUs—which include cable or wireline distribution systems and Direct-to-home (DTH) satellite systems—should provide subscription revenues, also called a fee for carriage.

In its decision, the CRTC affirmed that it has the right to establish a fee for carriage for conventional television broadcasters; however, it felt it had not yet seen sufficient economic evidence to justify imposing a fee at that time.

New Framework for Cable and Satellite

In April 2008, the CRTC held a three week hearing on the regulatory framework for BDUs and for discretionary programming services. The Commission has proposed an approach that would reduce regulation to the minimum required to achieve the objectives of the *Broadcasting Act*, relying on market forces whenever possible. Earlier on, the CRTC had announced that the scope of the review would be expanded to reconsider introducing a subscription fee for conventional broadcasters.

CBC|Radio-Canada welcomes this review as an opportunity to enable it to address new initiatives to promote the objectives of the *Act*—that are currently unattainable from within its budget.

Because about 90 per cent of Canadians receive their television service via BDUs, equitable access to BDU distribution by the Corporation is essential. Indeed, CBC|Radio-Canada cannot fulfill its mandate unless the full range of its services—including over-the-air, specialty, and pay audio—are distributed by BDUs. To be able to reach Canadians efficiently, the Corporation will require similarly equitable access to new distribution platforms as they become widely used.

In addition, Canadian cable and DTH services do not face true competition; the top four BDUs in Canada control 75 per cent of the market, and three of these four do not offer services in each other's territories. As a result, BDUs have unequal bargaining power in negotiations with Canadian programming services, such as CBC|Radio-Canada. To address this inequality, the Commission needs to establish an effective dispute resolution process that is simple, transparent, timely, and effectively enforced.

A Challenging Environment

The Commission is expected to announce its decisions on BDUs and discretionary programming services in Fall 2008. Recognising that the outcome of the review may have an impact on conventional television broadcasters, the CRTC moved license renewal hearings for these broadcasters, including CBC|Radio-Canada, from 2008 to 2009.

Canadian Television Fund (CTF) – Under the Microscope

Created in 1996, the CTF offers financial support for the production and broadcast of high quality, distinctively Canadian television programs. The CTF exists because Canada's small domestic market makes it extremely difficult to finance television programming made primarily for Canadian audiences. Left to pure market forces, certain types of distinctively Canadian and culturally significant programming would simply not be made. As a public-private partnership, the CTF is financed by contributions from the Government of Canada, BDUs and Telefilm Canada. Since its inception, the CTF has proven to be extremely effective in financing popular Canadian television programs. In fact, of the top 100 most popular English-Canadian drama and comedy programs aired over the last ten years, over two thirds have been funded by the CTF. In French Canada, the numbers are even more impressive.

In response to criticism by certain cable and satellite operators, the CRTC undertook a comprehensive review of the Fund this past year. The Commission recently released its report on the CTF; it contained 11 recommendations, the main one being to split the Fund into public- and private-sector streams. CBC|Radio-Canada would not have access to the private-sector fund.

Currently, an envelope representing 37 per cent of the CTF is earmarked for independent producers whose programs air on CBC|Radio-Canada.

2. CBC|Radio-Canada Mandate Review: A New Memorandum with the Canadian Government

This past February, the Standing Committee on Canadian Heritage tabled its report on the role of the national public broadcaster in the 21st century. The report contains 47 recommendations broken down into six main themes:

- the Corporation's mandate;
- the impact of new media;
- programming;
- the Corporation's financial status;
- governance; and
- accountability.

The cornerstone of the report is the establishment of a

seven-year memorandum of understanding (MOU) between the Government and CBC|Radio-Canada.

In its submission, and in the course of two appearances before the Committee, CBC|Radio-Canada defended this idea and called for a permanent, ongoing mandate-review process that would result in a contract with Canadians.

This type of memorandum is essential to ensuring that CBC|Radio-Canada remains relevant and that Canadians have access to its content when, where and how they want it. It would give CBC|Radio-Canada the certainty required to plan effectively, and it would make the Corporation even more accountable to Government and to the Canadian public.

The Government's recent decision not to endorse the Standing Committee on Canadian Heritage's report on CBC|Radio-Canada is a missed opportunity to enhance the accountability and transparency of Canada's national public broadcaster. Governments around the world have recognized the importance of developing clear strategic directions for their national public broadcasters in multi-year agreements. The Heritage Committee's proposal for a seven-year Memorandum of Understanding (MOU) offers to provide CBC|Radio-Canada with the same opportunity for accountability.

CBC|Radio-Canada will continue to press the Government on the importance of the Memorandum for public broadcasting in Canada.

3. A Rapidly Changing Broadcasting Environment

Developments in digital, wireless and Internet Protocol (IP) technologies have given Canadians an ever-expanding range of broadcasting choices, offering increased diversity in every dimension: content, technical quality, method of delivery, mode of reception, and time and place of viewing or listening.

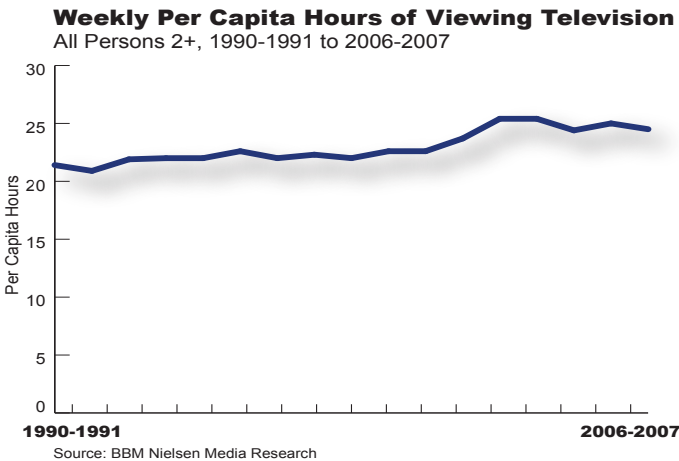
In the last decade-and-a-half alone, Canadians have experienced the shift to digital broadcasting technologies, the advent of the Internet and of Direct-to-Home (DTH) satellite broadcasting, and the introduction of Video-on-Demand (VOD), personal video recorders (PVRs), podcasting, satellite radio, High Definition Television (HDTV), and much more.

Individually, new video and audio technologies such as PVRs and podcasting are used by relatively small percentages of Canadians. Collectively, however, they have a substantial impact—indeed, in an average month, nearly two in five Canadian adults use some kind of personal TV and audio technology.

Television Viewing Remains Strong

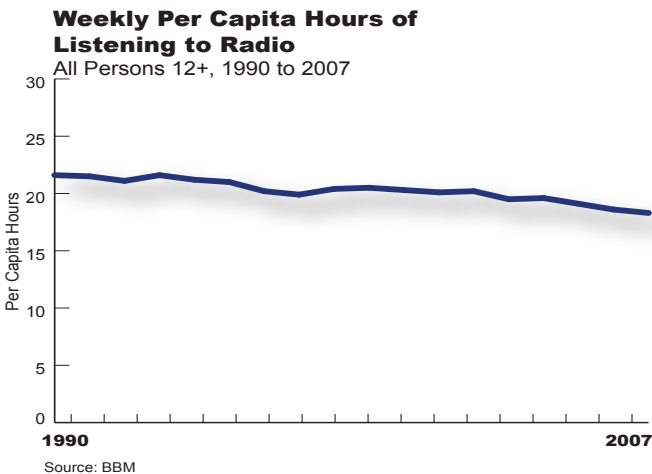
Television remains Canadians’ most popular leisure pastime, with Canadians watching on average 25 hours a week, an increase of about three hours since the early 1990s.

Increased television viewing is directly related to the growth of the digital universe, which offers not only more television channels but also an enhanced viewing experience. However, more choice for viewers means smaller audiences for individual channels.



Radio Faces a Number of Challenges

While Canadians spend almost 20 hours a week listening to the radio, radio listening has declined over the past decade. However, some of this decline is the result of the failure of the current measurement system to accurately capture radio usage on such emerging platforms as the Internet, mobile phones, MP3 devices and iPods, all of which allow listeners to choose when, where and how they access content.



2007: A Year of Mega Mergers

Canadians enjoy a multitude of conventional radio and television programming choices, yet broadcasting ownership is increasingly concentrated. A record \$5 billion in mergers and acquisitions occurred in the Canadian broadcasting industry in 2006-2007. As a result, CBC | Radio-Canada faces increased competition for audiences, advertising revenue and programming from a handful of well-funded, integrated media companies.

4. The Challenges of Financing Canadian Television

If left to pure market forces, few Canadian television programs would be made; the costs of producing high quality, prime time television cannot be recovered by Canadian advertising revenues. For this reason, the Federal Government offers financial support to independent producers of Canadian television programs, chiefly through The Canadian Television Fund (CTF), and requires all television broadcasters to include a percentage of Canadian programming in their schedules. As well as giving Canadians the opportunity to view more Canadian programming, the CTF has created and sustains an independent Canadian production sector that employs thousands of Canadians and helps support the economies of communities across the country.

Without the support provided by the CTF and other public benefits, there would be very little Canadian programming — programming that reflects Canadian experiences, sensibilities, perspectives, and that showcases Canadian actors, writers and directors. This is especially true in the English-language market, in which private television broadcasters present mostly American programs in prime time because these programs cost a fraction of the cost of producing original Canadian programs yet generate high advertising revenues. In 2004, private English-language conventional television broadcasters received public benefits, tax concessions and other indirect Government support estimated at between \$270 million and \$330 million.

Sources of CBC | Radio-Canada Funding

There are four basic sources of funding for the Corporation:

- The annual appropriation of funds by Parliament;
- Advertising revenues;
- Subscription revenues;
- Revenues from ancillary activities.

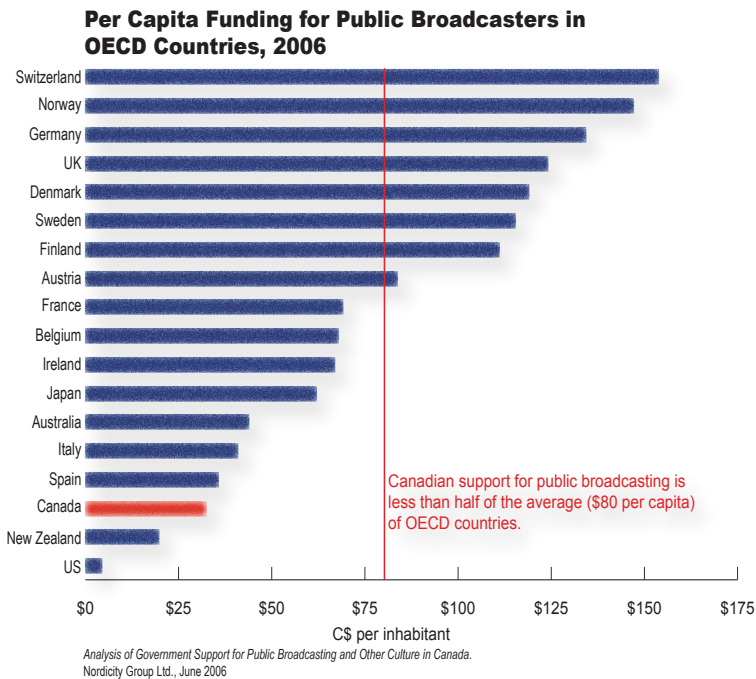
A Challenging Environment

Parliamentary Appropriation – The Need for Multi-year Funding

CBC|Radio-Canada's total Parliamentary appropriation for 2007–2008 is \$1.104 billion – an amount which, in constant dollars, is \$428 million less than the Corporation received in 1990. This basic Parliamentary appropriation has been frozen for many years and is not fully indexed for inflation. Several cost elements within the Corporation's operations, including all non-salary items, are subject to ongoing inflationary cost increases that are not offset through increases in our annual appropriation.

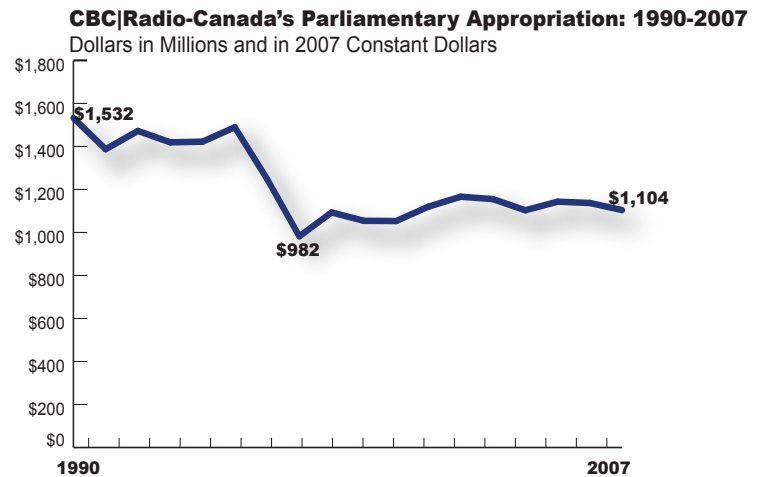
In 2007–2008, CBC|Radio-Canada received \$60 million in one-time funding in support of programming initiatives, as it had in each of the six previous years. The Government also committed to additional funding of \$60 million for Canadian programming for CBC|Radio-Canada for 2008-2009, but not beyond that.

Public funding of CBC|Radio-Canada does not compare well with funding for public broadcasters in other OECD countries. According to a 2006 Nordicity study, Canada ranks third from the bottom in its support for public broadcasting, above only New Zealand and the United States.



CBC|Radio-Canada requires stable multi-year funding if it is to be able to plan its programming and operations with any reasonable degree of confidence. Many broadcasting projects extend across several years, and yet there is no certainty that, once begun, such projects will continue to have the necessary funding to see them through to completion. This is a highly unsatisfactory situation which impairs the ability of CBC|Radio-Canada to properly implement its Corporate mandate. We believe a longer

term funding cycle would best ensure support for the development of programs during the several years it takes to move from an initial concept to broadcast.



Advertising: A Threatened Source of Revenue

In 2006–2007, CBC|Radio-Canada generated \$315 million in advertising revenue from its main television networks. However, the conventional television advertising market continues to experience relatively flat growth, while costs are increasing at a much higher rate. Given the competition from new platforms, conventional television advertising revenues face the prospect of even further erosion. These facts indicate very clearly that the traditional dependence of CBC|Radio-Canada's conventional television operations on advertising revenues is not sustainable. This is a significant concern from a planning perspective, and it implies that new sources of revenue must be found. While the CRTC recently announced the elimination of restrictions on advertising, this is not likely to improve the trend in advertising revenues for the conventional broadcasting sector. Indeed, increased advertising opportunities on American programming may well siphon advertising dollars away from Canadian programming.

Specialty Service Revenues

CBC|Radio-Canada receives subscription and advertising revenues from its specialty services, CBC Newsworld, Bold and Réseau de l'information de Radio-Canada (RDI). In 2006–2007, these revenues totalled \$128 million. These are relatively steady revenues as large-scale movements in subscribership, either up or down, are uncommon. The associated expenses are also relatively steady and are of approximately the same magnitude as the specialty services' revenues. Consequently, these revenues have a neutral effect on overall planning and do not represent a significant source of additional funding.

Self-generated Revenues: Fundamental to our Programming Strategy

CBC|Radio-Canada's strategic direction calls for it to leverage its assets to generate revenue that can then be reinvested in programming. Self-generated revenue accrues from across the Corporation. For example, the media generate revenue through program sales, facilities rentals, CBC News/RDI Express, and advertising on *CBC.ca* and *Radio-Canada.ca*. Other revenues are generated via merchandising, Galaxie (the Corporation's pay audio service), building and parking revenues, revenues from leasing space on our transmitters, and rent charged to external clients who use our mobile facilities.

In 2007–2008, CBC|Radio-Canada forecasts \$110 million in self-generated revenues. By their very nature, these self-generated revenues can vary significantly from year to year. While it is therefore difficult to rely on these revenues from a long-term planning perspective, any revenue generated in this way is extremely valuable to the Corporation for reinvestment in programming or in support of programming.

Corporate Planning and Strategy

1. The Planning Process

The diagram below depicts the various components and the timing of CBC|Radio-Canada's annual planning process.



The September and November Board of Directors meetings are the high points in CBC|Radio-Canada's planning process. The strategic directions approved by the Board at these meetings form the basis of the Corporate Plan and provide the key assumptions necessary to develop each media line's operating and capital budget.

The Corporate Plan is approved by the Board in January and then filed with the Government. Finally, before the start of the fiscal year, the Board approves each media line's operating, capital, and working capital budgets, which have been drawn up to reflect the strategic priorities approved by the Board in September and November.

2. Corporate Priorities

CBC|Radio-Canada's mission is:

To create audacious, distinctive programming, programs designed to inform, enlighten and entertain, programs that reflect Canadians and Canada's regions, programs that help tie the country together and explain great national and international events, programming in all genres with emphasis on News and Current Affairs, drama and culture; and not forgetting our special responsibility to children.

To achieve this mission, we must have a culture driven to achievement, to excellence and to quality, recognising creativity, risk-taking, courage, and adaptability. Creative organisations must be in a continuous state of renewal. We must always be conscious of the audience we serve and we must strive, both from external sources and by internal management, to optimise our finances to put the finest programming on the air.

To achieve this mission on a day-to-day basis, we pursue the following eight Corporate Priorities:

High Quality, Distinctive Canadian Programming	Priority 1 Ensure distinctive programming of the highest quality on all delivery platforms
	Priority 2 Recognise the importance of regional reflection and of the changing face of Canada
	Priority 3 Ensure the sustainability of CBC Radio-Canada's Canadian schedules
Efficiency	Priority 4 CBC Radio-Canada must be a well-managed company and generate cash flow to re-invest in programming
Creative and Human Resources	Priority 5 Strengthen CBC Radio-Canada's commitment to all its employees - to those who create and those who support them
Strategic Partnerships	Priority 6 Position CBC Radio-Canada to enhance its ability to fulfill its mandate through selective alliances and partnerships
Collaboration	Priority 7 Reinforce the capacity of CBC Radio-Canada to work as one integrated company
Strong Stakeholder Relations	Priority 8 Enhance/strengthen CBC Radio-Canada's stakeholder relationships

The focus of these priorities is to deliver high-quality, distinctive Canadian programming to Canadians. They have been central to the Corporation's planning process for each of the past six years, and were approved by CBC|Radio-Canada's Board of Directors in November 2007.

3. Measuring Performance

To enhance the strategic planning process and to respond to the recommendations of the Auditor General's 2005 Special Examination of CBC | Radio-Canada, the Corporation has developed a series of performance indicators that will allow it to better assess its progress in meeting its Corporate priorities. These indicators have already improved the planning process and, in the longer term, should significantly increase the effectiveness of the Corporation's operations.

The Auditor General suggested improvements that would give the Corporation's Board of Directors, the Government, and the public better means of assessing CBC | Radio-Canada's performance on a year-to-year basis. As a result, we have developed performance indicators for each of our eight corporate priorities and have linked these to the Corporation as a whole¹ or to individual media operations, as appropriate.

The incorporation of these performance indicators into the Corporation's planning process began in 2006. Results for all indicators were reported for the first time in the 2006-2007 Annual Report. These results will act as benchmarks and become the targets for 2007-2008. For 2008-2009 and beyond, targets for all performance indicators will be communicated through the Corporate Plan. As of April 2008, the performance indicator system is fully operational and it is now possible to examine annual performance results, performance against targets, as well as performance trends.

The following is an overview of CBC | Radio-Canada's corporate performance indicators:

HIGH-QUALITY DISTINCTIVE CANADIAN PROGRAMMING

is measured by

- Canadian content;
- Number of awards;
- Distinctiveness.

REGIONAL REFLECTION AND CHANGING FACE OF CANADA

is measured by

- Programs produced in regions for regions;
- Programs produced in regions for network;
- Visible minority staff;
- Overall usage by visible minorities (18+).

SUSTAINABILITY OF CANADIAN SCHEDULES

is measured by

- Television advertising revenue;
- Expenditures on Canadian programming.

EFFICIENCY

is measured by

- Self-generated revenues;
- Programming expenditures.

CREATIVE HUMAN RESOURCES

is measured by

- Commitment to training and development;
- Employee satisfaction.

STRATEGIC PARTNERSHIPS

is measured by

- Joint ventures/partnerships.

COLLABORATION

is measured by

- Expenditures on cross-media programming.

STRONG STAKEHOLDER RELATIONSHIPS

is measured by

- Canadians' satisfaction levels;
- Opinion leaders' overall impression of CBC | Radio-Canada;
- Opinion leaders' general impression of CBC | Radio-Canada as being an essential service;
- Relevance to stakeholders.

Corporate performance indicators for each of the eight Corporate Priorities—including targets for 2007-2008, estimated performance for 2007-2008, and targets for 2008-2009—are reported in Appendix D.

In addition, CBC | Radio-Canada's main Television and Radio networks use further programming indicators to assess performance against targets, all of which are also reported in Appendix E.

¹In most cases, the main Television and Radio services.

4. Broadcasting Services Strategies

CBC|Radio-Canada's strategic objectives for the Corporation as a whole, as well as for its individual divisions and broadcasting services, are shaped by its Corporate mandate and Corporate priorities, and by the external factors discussed in the environment Section. Our conventional Radio and Television services continue to form the core of CBC|Radio-Canada's broadcasting activities, and planning for these activities is done by our English and French Services.

However, as audiences move to new technologies for news, sports and entertainment programming, CBC|Radio-Canada is rapidly evolving from a traditional television and radio broadcaster into a content provider serving Canadians in whatever way they find most convenient. Our multi-platform strategy includes a new program development process, which requires all programming to be considered from the beginning for multiple platforms. As a result of this process, CBC|Radio-Canada audiences are being offered an unprecedented depth and breadth of theme-focused, interactive content across radio, television, the Internet, and emerging technologies such as podcasting and streaming video to mobile devices.

4.1. English Services

All CBC|Radio-Canada's English-language media lines—Television, Radio and New Media—now report to the newly created position of Executive Vice-President for English Services.

For several years, English Services have been moving toward an integrated model by merging and redefining key areas including the regions, support services, and, most recently, News. French Services merged under one Executive Vice-President two years ago.

Integration positions CBC|Radio-Canada to meet the central challenges of the future—including increased competition, new platforms, new listening patterns, and changing audience expectations—as a content-based, audience-focused broadcaster offering high-quality and distinctive Canadian content where, when and how audiences want it. Integration recognises the individual strengths and distinctive character of each media line while aiming at a common goal: to deliver high quality programming that reaches a broad audience.

For English Services, integration is an ongoing project that allows us not just to keep pace with changing audience expectations and technology, but to lead them. We have pioneered new technologies such as podcasting, streaming video and satellite radio in Canada, and we will continue to increase our cross-media collaboration to ensure that

Canadians have as many windows to our programming as possible.

Currently, the overall objective for English Services is to make more programming by, for and about Canadians, that really connects with more of the country's diverse range of citizens, and to provide it to them when, where and how they want it.

4.1.1. CBC Television

CBC Television encompasses 16 conventional, over-the-air stations across the country, as well as the wholly owned specialty services CBC Newsworld, Bold, and Documentary, a partnership between CBC Television, the National Film Board, and four independent Canadian production companies.

Main Network

Over 14 million Canadians spent some time watching CBC Television each week of the 2006–2007 broadcast year. CBC Television achieved rating success with highly popular new programs such as *Little Mosque on the Prairie*, *Test the Nation*, *The Great Canadian Invention*, *Ron James Wild*, and *Canada's Next Great Prime Minister*, as well as ongoing successes such as *The Rick Mercer Report* and the *Royal Canadian Air Farce*. As well as entertaining about a million Canadians each week, *Little Mosque on the Prairie* is now broadcast in 80 territories worldwide, including Israel and Gaza.

The 2006–2007 broadcast year was the first to feature an audience- and series-driven full schedule of entertaining, engaging, and distinctively Canadian new CBC Television programs. By the end of 2007–2008, compared to 2005–2006, we will have increased the hours of original Canadian drama series by 68 per cent and comedy series by 41 per cent.

Several of our successful new shows were products of the recently established Factual Entertainment group, which develops uniquely Canadian programs in formats that engage and inspire Canadian audiences. For example, *Test the Nation*, which in the 2006–2007 season tested the IQs of Canadians, drew an audience of close to 1.5 million, with 200,000 Canadians taking the test online.

Despite successes such as these, CBC Television continues to face a major challenge in consistently drawing mass audiences to its programming during prime time. Unlike its private sector counterparts, which rely primarily on US programming during prime time, CBC Television's prime-time schedule is overwhelmingly Canadian. In 2006–2007, 81 per cent of CBC Television's prime-time schedule was comprised of Canadian programs.

In 2006-2007, 8 of the 10 most popular Canadian entertainment series were aired on CBC Television, including *Little Mosque on the Prairie*, *The Rick Mercer Report* and *This Hour Has 22 Minutes*.

CBC Television has continued its record of critical acclaim with over 200 award-winning shows in 2006–2007 including, from the 2007 NY Festivals, *The fifth estate: Rogue Agent* (Grand Award); *The National: Land, Gold and Women* (Gold World Medal); *CBC News at six: Shedding the Past* (Gold World Medal) also from the 2007 Gabriel Awards, *CBC News: The National: Loss of Innocence*; *CBC News at six: A Village of Widows: After the Genocide*. As well CBC Television received 42 Geminis and several special awards in 2007.

CBC Television's Strategic Objectives 2008-2009

CBC Television operates in a unique broadcasting environment: the Canadian English-language television market is the only market in the world in which viewership of foreign programming far exceeds viewership of domestic programming. This is due to the overwhelming abundance of programs from the United States, the world's largest producer of television programming, and the dependence by Canada's private English-language television networks on the advertising revenue generated through simultaneous substitution.

This leaves CBC Television as the only broadcaster able to deliver an overwhelmingly Canadian schedule reflecting Canada's culture, values, lives, history, and humour each week throughout the year. This is especially true in today's rapidly evolving and highly competitive media environment, in which Canadians can increasingly gain access to video content when, where and how they want to.

The crisis in television ultimately points to a larger crisis in English-language entertainment. Canadian content is also overwhelmed by foreign, primarily US, content, in Canada's English-language feature film industry. How to overcome this predominance of foreign entertainment is a crucial cultural challenge facing English-speaking Canada.

Given this environment, CBC Television will continue in 2008-2009 to build on its current strategy aimed at:

- Solving the chronic problem of Canadian entertainment programming by making more shows about and for Canadians that they will watch in large numbers;
- Strengthening News and information programming;
- Continuing to provide high quality Canadian content to audiences in as wide a range of formats as possible.

CBC Television's strategy to accomplish these goals involves the following:

Programming – Overall Objectives

- Crack the Canadian entertainment puzzle by making more shows about and for Canadians that they will watch in large numbers;
- To offer a service that inspires engagement, loyalty, and use;
- To demonstrate that there's no contradiction between distinctiveness and relevance.

CBC Television Main Network

Entertainment

- Continuing our commitment to entertaining Canadians with their own stories and stars;
- Focusing on sustainable Drama and Comedy series featuring either engaging concepts, star casting, or international partners;
- In Arts, Music & Variety, focusing on high-end Canadian performing arts special event programs;
- Building on Factual Entertainment successes with more uniquely Canadian programs that generate national interest and involvement.

News and Current Affairs

- Continue the renewal of News, based on recommendations from the CBC News Study, by re-engineering program formats and content;
- Expand the approach of *myCBC*, our enhanced and integrated Radio/TV News offering piloted in Vancouver, which features audience contributions and a focus on the community's priority issues.

Sports

- Renewal and growth of *Hockey Night In Canada*, the most valuable Canadian broadcast brand, with a strengthened on-air team, a revamped pre-game show, and online live and on demand distribution;
- Build on our successful coverage of Under 20 World Cup, which established CBC Television as a destination for soccer, with regular FIFA soccer broadcasts from 2007 to 2014.

Children

- Move to 100 per cent Canadian content by 2009, with an emphasis on extending content to digital platforms and creating new interactive content.

Other Priorities

Bold

- Relaunch the CBC Country Canada service as a home for cutting edge dramatic and arts programming and exclusive sports packages.

Documentary

- Launch a rejuvenated offering that showcases more accessible and popular documentaries

4.1.2. CBC Radio

CBC Radio operates three English-language audio platforms: CBC Radio One, CBC Radio 2, and CBC Radio 3. CBC Radio also produces CBC North/Radio-Canada Nord programming for broadcast to Northern Canada in English, French and eight Aboriginal languages.

CBC Radio One is CBC Radio’s flagship News, information and entertainment network with 37 licensed stations broadcasting over 500 transmitters across the country, and is available over the air to 97 per cent of the Canadian Anglophone population. The CBC Radio One service is rooted in the regions, offering a mix of local, regional and national programs that explore different perspectives, opinions and events. All of CBC Radio One’s stations are available to listeners over the Internet. CBC Radio One is also available over Sirius Satellite Radio.

CBC Radio 2 is Canada’s national music network, with 14 licensed stations broadcasting over 200 transmitters across the country, and is available over the air to over 82 per cent of the Canadian Anglophone population. The network’s mission is to reflect the diversity of music making in Canada and to offer listeners quality, relevance, and discovery.

CBC Radio 3 meets the needs of younger listeners by featuring emerging new talent from across the country in a wide range of genres including rock, pop, hip-hop, electronica, and alternative country. CBC Radio 3’s blend of cutting-edge contemporary music is streamed over the Internet, is a podcasting service, and is one of the services offered by Sirius Canada. Radio 3 is one of the top podcasts worldwide, with 6 million downloads in the past year.

Nearly 3.9 million Canadians, aged 12-plus, listened to either CBC Radio One or CBC Radio 2 each week during BBM’s Fall 2007 survey. CBC Radio captured a combined share of 13.4 per cent. CBC Radio One’s share of 9.9 per cent in Fall 2007 is its highest share on record. CBC Radio 2’s share of 3.5 per cent was on par with its performance in recent surveys.

Constant renewal in response to the changing needs and expectations of Canadians has revitalised CBC Radio in

recent years. Ratings are higher than they have ever been, we are in the forefront of digital on-demand delivery, international audiences are expanding significantly, and the quality of our programming continues to be recognised with 270 international and national broadcast awards since March 2005.

However, despite these successes, CBC Radio faces significant challenges. The most important of these is competition from platforms that deliver audio in new ways. The increasing number of choices available to Canadians makes it extremely difficult to maintain, let alone increase, the audiences for CBC Radio’s services, given the current funding level. CBC Radio is responding to these challenges by developing a presence on as many new platforms as possible and by coordinating and cross-promoting its programming.

CBC Radio’s Strategic Objectives 2008-2009

CBC Radio has a unique vision for each of its three major platforms.

- CBC Radio One should be recognised and valued as a context rich, talk programming service with an engaging mix of news, information and entertainment;
- CBC Radio 2 should be Canada’s leading musical platform for adult music in all genres;
- CBC Radio 3 should be a driving force in contemporary music, identifying and promoting leading-edge emerging Canadian talent.

To achieve this vision, CBC Radio has four key strategic objectives.

OBJECTIVE 1 – Redeveloping CBC Radio 2

The CBC Radio 2 redevelopment process that was announced in 2006 involves:

- Broadening the range of music to be more representative of the musical community in Canada and more relevant to Canadian adult listeners;
- Maintaining our strong commitment to our core classical and jazz audience;
- Adding adult-oriented singer-songwriters, adult vocal performers and adventurous contemporary non-pop compositions to be more relevant to Canadians aged 35-49;
- Exposing new Canadian talent not presented elsewhere;
- Presenting programs with inclusive and accessible content and style;

- Ensuring day-to-day schedule consistency so that listeners find the same kind of music at the same time of day.

In 2007-2008, program development, ratings and listener feedback were all on track. The next steps in redevelopment will involve:

- Reinforcing our commitment to high-impact, high-profile classical programming;
- Redeveloping the weekend schedule to create destination cornerstone classical shows and to introduce programs featuring high-impact documentaries and other types of context-rich material;
- Further developing the schedule to reinforce CBC Radio 2's commitment to being Canada's adult music network.

The redevelopment process is expected to make CBC Radio 2 appeal to a broader age range within Canada's adult population. Broader appeal should translate into a service that reaches more Canadians.

OBJECTIVE 2 – Enhancing On-demand Programming

CBC Radio is at the forefront of making digital content easily available to listeners in Canada and beyond. Our on-demand strategy focuses on:

- Prioritising the shows most requested by audiences;
- Building thematic portals, in collaboration with CBC Television and *CBC.ca*, to give audiences easy access to content across all platforms;
- Consolidating content and resources with CBC Television to be able to offer audiences richer and deeper content.

Objective 3 – *myCBC*: Revitalising CBC Radio Local News

Develop *myCBC*, a multi-platform local news service valued by audiences for quality, accessibility, relevance and distinctiveness, and expressly designed for their needs.

Offer communities local news that embodies CBC journalistic standards, is customisable and diverse, and brings strength and nuance to the debate on local, regional and national issues.

Objective 4 – Expanding CBC Radio One Local Service

CBC Radio has developed a plan that will allow us to properly fulfill our mandate by extending service to six million English-speaking Canadians who are without local CBC Radio. In the past year, CBC Radio has held consultations in unserved areas across Canada and found strong

community support for the extension of local service. However, to fully implement the plan, CBC Radio will require additional funding.

4.1.3. *CBC.ca*

The Internet has become an integral part of the lives of most Canadians. Increasingly, it is a platform for services and technologies that gives Canadians new ways to access and interact with entertainment, news, sports and other information.

CBC.ca, CBC|Radio-Canada's English-language Internet service, competes in an extremely fragmented and competitive environment, with competitors ranging from traditional Canadian broadcasters with an online presence (e.g., *CTV.ca*, *Canada.com*), to new social networking sites (e.g., *myspace.com*, *Facebook.com* and *Youtube.com*), to high-profile search engines and portals (e.g., Google, Yahoo!).

More than three million Canadians visit *CBC.ca* each month from home, making *CBC.ca* one of the three most popular News and information websites in Canada. In the five-year period, 2002 to 2007, usage of *CBC.ca* has doubled.

CBC.ca Strategic Objectives 2008-2009

CBC.ca's vision is to be Canada's most important and popular media website.

In pursuit of this vision, *CBC.ca*'s plans for 2008–2009 are to:

- Migrate from the current *CBC.ca* infrastructure to a more robust, flexible and interactive Web 2.0 infrastructure;
- Continue to offer Canadians thematic portals as gateways to Television, Radio, and digital content.

4.2. French Services

All of CBC|Radio-Canada's French-language media lines (Television, Radio and Internet) report to the Executive Vice-President for French Services. This integrated approach ensures a global vision for French Services that recognises the individual strengths and distinctive character of each media line, within the context of achieving our overarching goal of improving the democratic and cultural life of Canadians.

CBC|Radio-Canada's French Services' key strength is its content, which is widely recognised as being:

- Credible, reliable and accessible at any time;
- Civically oriented and inclusive;
- Varied and of high quality;
- Distinctive and innovative.

The biggest challenge facing French Services in the future is maintaining or increasing our audience share in the face of competition from new platforms and from private conventional and specialty television and radio broadcasters.

French Services is addressing this challenge in several ways. First, we are strengthening and increasing the consistency of our brand so that audiences clearly understand the public service values expressed through our distinctive programming. Second, we are broadening and consolidating our services across Television, Radio and the Internet and other digital platforms to meet a broader range of audiences needs and preferences. Third, we continue to offer innovative, diverse, and engaging programming that attracts large audiences. Finally, we are improving our ability to evaluate the needs and preferences of Francophone Canadians to determine how best to extend and evolve our services.

This section reviews the performance of each media line in the past year, and then presents the overall plan for French Services.

4.2.1. Télévision de Radio-Canada

Télévision de Radio-Canada includes eight conventional, over-the-air stations, the specialty News and information service, Réseau de l'information de Radio-Canada (RDI), and ARTV, a French-language arts and culture Television subscription service, offered through a public-private partnership. Télévision de Radio-Canada proceeded in Fall 2007 with an application to purchase ARTV shares owned by CTVglobemedia and Spectra, increasing its ownership in the service from 37 to 60 per cent.

Main Network

Télévision de Radio-Canada captured almost one-fifth of all Francophone viewing in prime time throughout the 2006-2007 broadcast year. Télévision de Radio-Canada has managed to retain this high audience share despite the fragmentation of the French-language television market place as the number of broadcast services increases and as video content is available on alternative platforms, especially the Internet.

In 2007-2008, Télévision de Radio-Canada launched key programming initiatives that were well received by audiences:

- Introducing new entertainment programs and events that connected with large audiences, including *Les Boys* and *Paquet voleur*;
- Revising our programming lineup for children;
- Revamping our daytime schedule to reach audiences looking for intelligent entertainment, with programs featuring Annie Brocoli (*Grosse journée*), and France Castel and Michel Barrette (*Pour le plaisir*, broadcast before a live audience);
- Launching a new weekly cultural program, *On fait tous du show business*, hosted by Catherine Perrin;
- Launching two new programs, *Une heure sur la terre* and *Enquête*, to enhance our international coverage and investigative journalism;
- Continuing to present a large number of high-quality original dramas, including *L'Auberge du chien noir* and *Les hauts et les bas de Sophie Paquin*.

Canadian programming dominates the prime-time schedule of Télévision de Radio-Canada. In 2006-2007, 89 per cent of Télévision de Radio-Canada's prime-time programming—25 of 28 hours—was Canadian.

Not only was Télévision de Radio-Canada's prime-time schedule overwhelmingly Canadian, but regular series such as *Tout le monde en parle*, *L'Auberge du chien noir*, *Et Dieu créa Laflaque* and *Match des étoiles* attracted average weekly audiences of about one million viewers or more. The network will continue to strengthen its position as the venue for entertaining, socially relevant Canadian programming of the highest quality and greatest appeal.

4.2.2. Radio de Radio-Canada

Radio de Radio-Canada includes three main audio platforms: Première Chaîne, Espace musique, and *bandeapart.fm*. Radio de Radio-Canada is also responsible for the operation of Radio Canada International (RCI), CBC|Radio-Canada's international service, and the new multilingual Web Radio service, RCI viva. RCI viva plays

a pivotal role for immigrant communities in Canada and provides a gateway to Canadian culture and society for all new and prospective arrivals to the country.

In addition, Radio de Radio-Canada cooperates with CBC Radio in the production of CBC North/Radio-Canada Nord, which broadcasts to Northern Canada in French, English and eight Aboriginal languages.

Première Chaîne, with 20 production centres and 14 regional News bureaux across the country, is the most comprehensive French-language News network on radio in Canada. Première Chaîne is available to 98 per cent of Canada's Francophone population.

Première Chaîne's key achievements in 2006–2007 included adding writer Dany Laferrière to the *Je l'ai vu à la radio* team, and assembling a celebrity host regional tour that featured, among others, Joël Le Bigot in Moncton, Christiane Charette in Toronto, and Pierre Maisonneuve in Gatineau. In addition, Première Chaîne aired compelling series devoted to such cultural icons as Alain Souchon, Luc Plamondon and Serge Reggiani, as well as hard-hitting news series like *Un an avant les Jeux olympiques en Chine*, *L'âge de la retraite* and *La place de l'automobile dans les grandes villes*.

Espace musique is a distinctive music service reflecting the diversity and breadth of Canadian music. It is available to Francophones from coast-to-coast, including a local presence in each provincial capital. Its mandate is to develop and promote French-language Canadian talent and music of all genres (classical, jazz, world music, and emerging music) for Francophone Canadians.

Espace musique's major achievements in 2006–2007 included the new show *Studio 12*, with host France Beaudoin featuring each week a guest star performing live in studio. Espace musique also introduced a web site offering streamed classical music twenty-four hours a day, seven days a week.

In 2006-2007, RCI viva launched two original and popular initiatives to help new immigrants settle in Canada, *Métissé serré/ DigitalDiversity*, an electronic media competition on immigration, and *J'adopte un pays/Embracing Canada*, the saga of two Brazilian newcomers in Montreal.

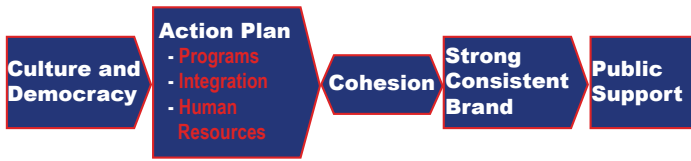
In Fall 2007, Radio de Radio-Canada captured record-breaking audience shares with 20.0 per cent of French-language radio listening among Francophones in markets served by the Corporation. Première Chaîne attracted an audience share of 13.8 per cent in Spring 2007 and 15.9 per cent in Fall 2007. Taken together, Première Chaîne and Espace musique reached 1,363,000 listeners each week in Fall 2007.

4.2.3. *Radio-Canada.ca*

Radio-Canada.ca provides Francophones with high-quality content complementing the programming offered by Télévision de Radio-Canada and Radio de Radio-Canada.

According to comScore Media Metrix, almost 1.5 million Francophones visited *Radio-Canada.ca* from home in 2006-2007. Usage of *Radio-Canada.ca* has increased by almost 50 per cent since 2002.

French Services' Overall Plan



Objective

Enriching the democratic and cultural life of Canadians.

ACTION PLAN – 2008-2009 DIRECTIONS

French Services Group

- Increase audiences and Website visits;
- Make the brand more consistent, particularly with respect to news, children’s and entertainment programming;
- Increase regional presence on the national airwaves;
- Ensure we meet specific, measurable objectives for diversity (of opinions, regions and representation on the airwaves);
- Put an international strategy in place for programs, partnerships and visibility.

Télévision de Radio-Canada

- Continue to refine the daytime schedule;
- Make programming more distinctive;
- Make our dramas more representative of Canadian French-speaking society;
- Engage viewers more effectively by developing a schedule that provides a continuous flow linking programs, commercials, station identifications, and promos for upcoming programs seamlessly;
- Identify possible means of budgetary leverage and maximise their uses to compensate for potential changes in the Canadian Television Fund.

Radio de Radio-Canada

- Develop a music production policy to be implemented on all platforms;
- Take further steps in the integration process;
- Strengthen Première Chaîne’s social content;
- Reinforce Espace musique’s personality by increasing continuity and consistency across the schedule;

- Increase the impact of Radio Canada International in Canada and abroad by continuing to offer innovative services and content.

Radio-Canada.ca and Digital Services

- Develop exclusive content for the Web and new digital platforms;
- Adopt a “Web 2.0”, user-generated approach;
- Increase distribution of audio and video content;
- Increase interactivity in our services.

Regions

- Expand the network of stations and regional offices, with the consolidation of Quebec City services as the main focus;
- Create a specialty television network centred on non-urban issues;
- Transform morning radio programs;
- Consolidate the 6:00 p.m. *Téléjournal* newscast;
- Make more use of national and international content.

News and Information

- Strengthen News credibility;
- Make the 6:00 p.m. *Téléjournal* newscast more distinctive;
- Launch a new current affairs program on television;
- Position RDI within the French Services brand.

Human Resources

- Put in place a succession strategy that reflects diversity objectives;
- Prepare for renewal of the SCRC (Syndicat des Communications de Radio-Canada) agreement in 2009.

Communications

- Raise the visibility of French Services among all citizens, whether they are influential stakeholders or decision makers.

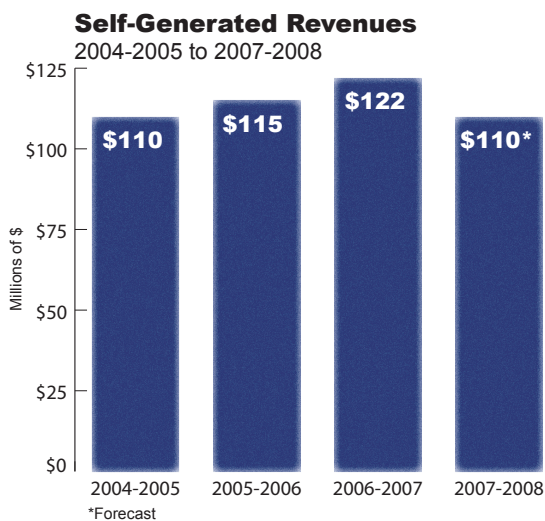
5. Operational Efficiencies

In 2006–2007, the Government introduced measures designed to achieve higher standards of management, accountability and results-based spending across all federal departments and agencies. CBC | Radio-Canada supports this ongoing initiative.

Since 2001-2002 the Corporation has continually reviewed its business approaches and production technologies to identify cost savings and leverage assets to generate revenues for reinvestment in our key corporate priority, programming. All media lines and business units across CBC | Radio-Canada are required to identify, prioritise and co-ordinate opportunities for cost savings and efficiencies, and self-generated revenues on an ongoing basis.

As a result of this initiative, since 2001-2002 CBC | Radio-Canada has generated cost savings and efficiencies that will ultimately total \$80.9 million annually. As of 2007-2008, these measures are already generating ongoing cost savings of \$76.4 million annually.

CBC | Radio-Canada generates additional resources for programming not only through ongoing cost savings and efficiencies, but also through self-generated revenues that leverage our key assets. Since 2004-2005, the Corporation has generated almost \$460 million in self-generated revenues.



Cost savings and self-generated revenues have allowed CBC | Radio-Canada to expand its services and renew its programming despite rising production costs and a Parliamentary appropriation that is currently \$428 million less, in constant dollars, than it was in 1990.

Cost Savings and Efficiencies

Since 2001-2002, media lines have generated cost savings primarily through internal efficiencies, reduced payments to TV affiliates, the introduction of digital technology and the replacement of leased terrestrial distribution with satellite at more than 100 transmitter sites. The Real Estate Division, created in 2000-2001 and responsible for managing CBC | Radio-Canada’s portfolio of more than four million square metres of real estate, has also accounted for significant ongoing savings. On the technology side, CBC | Radio-Canada has benefited from the negotiation of new contracts with our telecom and broadcast common carriers and from the introduction of more cost-effective distribution systems.

Self-Generated Revenues

Self-generated revenues occur across the organisation and are grouped into three components—Media, Business Development, and Other.

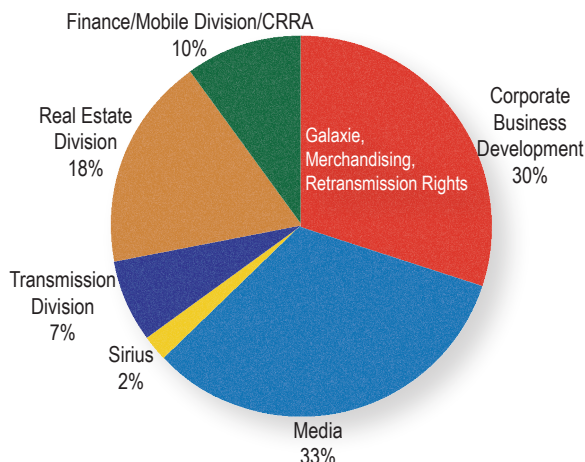
Media generate revenues through the rental of facilities, program sales, specialty services (Bold, Documentary, ARTV), CBC News Express, commercial production and advertising on *CBC.ca* and *Radio-Canada.ca*.

Corporate Business Development alone is expected to generate \$32.6 million in revenue in 2007-2008 from two main sources — Galaxie and Merchandising.

Other revenues are generated from such diverse sources as the rental of land and buildings, rents from the sharing of our transmitter sites, Retransmission Rights Royalties, rent charged to external clients for the use of our mobile facilities, and Interest income.

The pie chart below shows the sources of CBC | Radio-Canada’s self-generated revenues for the current fiscal year.

Gross Revenue Targets by Source for 2007-2008



Strategic Objectives 2008-2009

CBC|Radio-Canada will continue working at improving the efficiency of its operations and leveraging its assets and expertise to generate new revenues. In fact, permanent ongoing annual cost savings of \$4.5 million for 2008-2009 and beyond have already been identified.

The Real Estate Division expects to complete studies to determine the untapped value of our large-scale locations in Montreal and Toronto, and is studying the viability of integrating the Calgary, Winnipeg and Halifax newsrooms. Some 1,500 capital, redevelopment and non-recurring maintenance projects, with an approximate value of \$15 million, will be initiated, and Go Green certification will be pursued for three more locations—Winnipeg, Regina and Calgary.

On the technology side, CBC|Radio-Canada will develop strategies to address the radio Accelerated Coverage Program (ACP) assets and the transition of television distribution from analogue to digital. The Corporation will provide technical infrastructure for *myCBC*, including a new weather system at several regional locations, and will complete technical infrastructure implementation for the Vancouver Redevelopment project. It will also implement another HDTV studio in Toronto and new technologies to deliver audio and video via our Websites, delivering more bandwidth at lower cost.

CBC|Radio-Canada's Merchandising Division will leverage its recent licensing successes, expand retail sales while optimising brand recognition and profitability, consolidate new Electronic Digital Delivery (EDD) channels to take advantage of innovative business models, and improve management of digital rights and inventory.

CBC|Radio-Canada has developed strategies to ensure that Sirius Canada remains the number one satellite radio provider in Canada and that its financial position is protected even with the merger of Sirius and its main competitor XM in the United States.

6. Human Resources

The CBC|Radio-Canada workforce is complex and functions in an increasingly competitive and rapidly changing and vastly technical media environment. In addition, the enterprise boasts a highly unionised permanent and non-permanent staff in 60 Canadian and 16 international locations. Approximately 87 per cent of our workforce is unionised, which is a high proportion by any benchmark.

In an effort to develop professional and civil union/management relationships, the organisation has taken

strides to enhance its relationships with the unions through a series of engagement practices. Various forums are used to achieve this goal, ranging from formal meetings, such as the Union/Management Leaders Forum and a variety of committees aimed at engaging unions in key decisions pertaining to employees—to less formal venues, such as quarterly meetings and lunches with media Vice-Presidents. The organisation is also committed to ensuring ongoing communication and information sharing practices with union representatives.

In the past year, a collective agreement was reached with the Association des réalisateurs (AR) to December 2011. The climate of negotiations was positively affected by the use of an interest-based negotiating process. And yet another agreement, under the same principles, was reached with the Syndicat canadien de la fonction publique (SCFP) to September 2010. A successful ratification of the national American Federation of Musicians (AF of M) agreement was also achieved through to March 31, 2010.

CBC|Radio-Canada is committed to creating a positive industrial relations environment. In doing so, we promote effective communication with our unions making a conscious effort to resolve issues promptly, efficiently and through consultation.

Strategic Objectives 2008-2009

The business continues to face a number of critical challenges that have implications on human resources and support our efforts to deliver more, efficiently and effectively.

- Aging demographics; competitive market; limited talent pool and focus on diversity.
- Sources of funding; budget constraints—doing more with less.
- Media line integration and changing working environment.
- Rapidly changing technology and evolution of multi-platform media.

Accordingly, we have refreshed our human resources strategy and understand the key objectives we want to achieve in order to enhance business performance. We have refocused our priorities to establish the foundation and deliver on key initiatives that will move the organisation towards longer-term objectives.

The Human Resources Strategy

Our strategy for human resources is based on five key objectives and the priorities that must be achieved over the next 12-18 months to move forward:

Objectives	Priorities
Best Practice Tools	1. SAP Implementation
Targeted, Client-focused Solutions and Programs	2. Leadership Development
	3. Industrial Relations (IR) Strategic Management
	4. Engaged Workforce
	5. Succession Planning
"One Corporation" - "One HR"	6. Optimise HR Service Delivery Models
Excellent Client Relationship Management	7. Client "contract" / Service Level Agreements (SLAs)
	8. Feedback on Interview Process
	9. HR Orientation to Business
Fiscal Responsibility	10. Zero-based Budgeting
	11. Benchmarking

7. Strategic Partnerships

Strategic partnerships have assumed greater importance over the years as CBC | Radio-Canada has sought to increase the reach of its programming on new platforms while limiting the risks of new ventures.

CBC | Radio-Canada, along with its partners, Sirius Satellite Radio Inc. and Standard Broadcasting Corporation Ltd., introduced the Sirius Canada satellite radio service to Canadians in late 2005. CBC | Radio-Canada supplies six channels to Sirius Canada, thereby extending the Corporate brand to a new broadcast platform (CBC Radio One, CBC Radio 3, Première Plus, Bande à part, RCI Plus and Sports Extra). In 2007, CBC Sports launched a part-time Sports channel called *Hockey Night in Canada* on Radio.

In 2006-2007, CBC | Radio-Canada increased its stake in Documentary to 82 per cent. In addition, CBC | Radio-Canada agreed to purchase ARTV shares owned by CTVglobemedia and Spectra, which will bring its ownership in the service to 60 per cent.

CBC | Radio-Canada offers an in-flight service through Air Canada and offers its CBC News/RDI Express service in major airports across Canada. The Corporation recently negotiated a contract to extend CBC News/RDI Express to the Vancouver Airport until 2015.

Strategic Objectives 2008-2009

CBC | Radio-Canada continually reviews its partnership agreements to identify opportunities for improving those

agreements which enhance the Corporation's position.

The Corporation will develop strategies for the potential acquisition of television channels to extend the reach of our television networks. For our Galaxie service, we intend to renegotiate major BDU contracts to secure revenue streams and to roll-out a Galaxie broadband music service, and the Corporation will aim to secure future cash flow through a partnership and to expand the Galaxie service into the US market.

CBC | Radio-Canada intends to enter into contracts to extend the CBC News/RDI Express service to additional airports, such as Halifax, Winnipeg and Edmonton. We expect that the service will be launched in one of these three airports during the year. The Corporation also plans to negotiate a deal with Air Canada to extend the delivery of CBC | Radio-Canada content to the enRoute in-flight service after the current contract ends in 2009.

CBC | Radio-Canada expects to continue to work on documentary co-productions with international partners such as The New York Times, S4C, and ZDF. Such co-productions extend the CBC | Radio-Canada brand and offer additional high-quality distinctive programming to Canadians.

8. Working Together

CBC | Radio-Canada is Canada's largest broadcaster and offers services from coast-to-coast-to-coast in English and French and eight Aboriginal languages. Specialisation allows each media to take advantage of its special characteristics; at the same time, collaboration creates both efficiencies and synergies.

In 2006-2007, over 30 cross-cultural initiatives brought CBC | Radio-Canada's English and French services together. For example, the *Canadian Songwriters Hall of Fame* was presented on Espace musique and Radio 2, and *Hockey: A People's History* and the mini-series *René* were broadcast on CBC Television and Télévision de Radio-Canada.

myCBC, the Corporation's integrated, multi-platform News project, is offering community members deeper coverage of the issues they care most about and more ways to participate in news-making.

The new Employee Portal gives all CBC | Radio-Canada employees one-stop access to information and will become an essential destination for everyone at CBC | Radio-Canada.

The Corporation also implemented an online national TV and Radio network/coverage system, providing more information to users faster.

In 2005-2006 French Services were successfully integrated

under one leadership. This year, based on the success and stability of each of our major French-language broadcasting services, CBC|Radio-Canada has decided to integrate all its English language platforms, including television, radio and *CBC.ca*.

Strategic Objectives 2008-2009

A range of projects will continue to reinforce the capacity of CBC|Radio-Canada to work as one integrated company. These include the implementation of a corporate-wide Content Management System and a digital music library and a system for managing key components of human resources, including Performance Management, Succession Management and Training Management.

9. Stakeholder Relationships

CBC|Radio-Canada has developed strong relationships with its stakeholders, including Government, Parliament, the CRTC, and the Canadian public. Maintaining and building on these relationships is critical to the Corporation's ability to achieve its objectives.

CBC|Radio-Canada has strategies to work effectively with all stakeholder groups. One recent initiative was the "Listening to Canada's Leaders" roundtable, an opportunity for key stakeholders and opinion leaders to discuss core issues facing the Corporation. CBC|Radio-Canada also held ongoing meetings with key CRTC staff to strengthen relationships and to keep the Commission informed of CBC|Radio-Canada's challenges and responsibilities. At the local level, seven meetings were held that gave key stakeholders and partners an opportunity to exchange views with CBC|Radio-Canada Board members, senior management, local staff and on-air personalities.

Strategic Objectives 2008-2009

CBC|Radio-Canada will step-up initiatives to promote strong stakeholder relationships. The "Listening to Canada's Leaders" initiative, in which CBC|Radio-Canada is conducting ongoing dialogues with over 500 community influencers nationwide, will help to clarify and build confidence in CBC|Radio-Canada's relevance, vision and accountability.

10. Mitigating Risks

CBC|Radio-Canada has developed a systematic approach to the management of risks that has been integrated into its business processes.

The Corporation's risk management framework commences with an annual discussion of key risks and opportunities with the Board of Directors. The Corporation's media and support areas identify and assess risks through the annual business plan process and develop detailed action plans for key risks. The risks identified through the business planning process are compiled and discussed with the Audit Committee of the Board in some detail and then in a more summarised fashion with the Board of Directors as part of the annual budget approval process. The Audit Committee monitors the key risks identified during the year by discussing the status of two of these key risks with Management at each meeting.

As Canada's national public broadcaster, CBC|Radio-Canada occupies a special place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, the Corporation must recognise and adapt to technological changes, shifts in demographics, evolving consumer demands, as well as structural changes in the industry. However, as a public broadcaster with a statutory mandate to serve all Canadians, CBC|Radio-Canada also faces a unique set of political and financial risks.

Financial Plan

1. Financial Overview

The Financial Overview in Appendix A presents the Corporation's financial picture for 2007-2008 through 2012-2013.

The operating appropriation is assumed to remain stable over the forecast period. The apparent increase in the operating appropriation from 2007-2008 to 2008-2009 is due to a \$20 million transfer from 2004-2005 to help fund the Beijing Olympics that will be held in 2008-09, less \$6.6 million that was cut as a result of Budget 2007. Salary funding increases for the years beyond 2006-2007 are not known so the forecast assumes that salary funding increases will approximate the actual increases in salary expenditures.

While CBC|Radio-Canada receives funding for inflation on the salary portion of its expenditures, inflation on goods and services is not funded. This erodes CBC|Radio-Canada's purchasing power by approximately \$12 million per year.

Beginning in 2001-2002, the Government provided CBC|Radio-Canada with a re-investment in programming of \$60 million. This funding was renewed in each fiscal year up to and including 2008-2009. This much appreciated funding has been used to strengthen and enhance Radio and Television programming, particularly in the areas of drama, children's programs, documentaries, and arts and culture.

The Government has not yet indicated whether this funding will be renewed past 2008-2009, but it has been included in the forecast at this time. If this funding was not forthcoming, the Corporation will have to make significant adjustments to its plans.

Including the \$60 million reinvestment and salary inflation funding, CBC|Radio-Canada's funding has increased by only two per cent between 1990 and 2007. In constant dollars this means that CBC|Radio-Canada's funding has actually declined by approximately \$428 million or 28 per cent over the past 17 years.

With the exception of the expected increased revenues in 2008-2009 due to the Olympics, it is assumed that revenues will increase each year by an amount that is less than inflation.

Operating expenditures for all services are relatively stable from year to year to match available funding, with the exception of increased expenditures for Television services for the Olympics.

2. Material Risks to Financial Plan

The Corporation faces a number of significant financial risks, most of which are directly attributable to funding issues.

The most important is the uncertainty of the \$60 million in Government funding as discussed in the previous section. In addition, CBC|Radio-Canada's share of the Government reduction related to Budget 2007 Cost Efficiencies is \$6.6 million for fiscal year 2008-2009. Further reductions to CBC|Radio-Canada's appropriations would jeopardize the Corporation's ability to fulfill its mandate.

Continued fragmentation in the industry and increased competition from other technologies is continuing to exert pressure on television advertising revenue and is expected to continue to do so in the foreseeable future. Therefore the small growth in commercial revenues for the Corporation is not even expected to keep pace with inflation.

In the early 1970s, the Government provided special funding to CBC|Radio-Canada to embark on an Accelerated Coverage Plan (ACP) designed to ensure that all communities with populations of 500 or more would have access to CBC|Radio-Canada's over-the-air Television signals. As a result, CBC|Radio-Canada's over-the-air infrastructure was expanded significantly. The estimated cost to replace these aging transmitters for Radio alone is \$46 million. This puts increased pressure on the Corporation's already stretched capital budget.

3. Borrowing Plan

Pursuant to the provisions of Section 46.1(1) and 54(3.1) of the *Broadcasting Act*, CBC|Radio-Canada seeks the approval in principle of the Minister of Finance to borrow money, not exceeding in the aggregate \$25 million, subject to the following general conditions:

- Proposals that are to be financed through borrowing will be consistent with and enhance the Corporation's ability to meet its mandate;
- Borrowing will be for investments or activities related to ongoing operations that demonstrate viability by generating funds sufficient to achieve a positive rate of return;
- The Corporation will not borrow money to finance base working capital activities or operating shortfalls.

The Corporation will submit specific borrowing proposals to the Minister of Finance, consistent with the above principles.

Appendix A

Financial Operating Overview

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
SOURCES OF INCOME						
Operating Appropriation	948,330 ¹⁻²	960,406 ¹⁻²	939,795 ¹⁻²	929,860 ²	929,860 ²	929,860 ²
Additional funding for programming initiatives ³	60,000	60,000	60,000	60,000	60,000	60,000
Total Operating Appropriation	1,008,330	1,020,406	999,795	989,860	989,860	989,860
Advertising and program sales	332,368	385,447 ⁴	342,532	344,245	345,966	347,696
Real Estate	8,149	8,278	8,488	8,573	8,659	8,745
Transmission and Distribution	7,899	7,329	8,034	8,114	8,195	8,277
Other revenues ⁵	192,971	189,086	192,134	194,055	195,996	197,956
TOTAL SOURCES OF INCOME	1,549,717	1,610,546	1,550,983	1,544,847	1,548,676	1,552,534
OPERATING EXPENDITURES						
Television and Radio services ⁶⁻⁷	1,498,865	1,555,848 ⁴	1,496,213	1,490,057	1,494,327	1,498,070
Transmission, distribution and collection	66,019	69,320	69,597	69,875	70,155	70,506
Corporate Management	17,395	18,265	18,356	18,430	18,522	18,596
Amortization of property and equipment	99,395	100,389	101,292	102,305	102,715	103,639
Deduct: Items not requiring current operating funds	(131,957)	(133,276)	(134,476)	(135,820)	(137,043)	(138,276)
TOTAL OPERATING EXPENDITURES	1,549,717	1,610,546	1,550,983	1,544,847	1,548,676	1,552,534
NET POSITION	-	-	-	-	-	-
Net position after reduction of funding for programming and other expenditures ⁸			(60,000)	(60,000)	(60,000)	(60,000)

⁽¹⁾ Includes the repayments of funds transferred from NATV proceeds (\$9,277,000 in 2007-2008, 2008-2009 and 2009-2010).

⁽²⁾ Salary funding increases from Treasury Board have not yet been determined for fiscal years 2007-2008 and beyond. It is assumed that salary funding received will be equal to actual increases in salary expenditures.

⁽³⁾ Assumes that the temporary funding for programming initiatives (\$60 million) will become permanent as of 2009-2010.

⁽⁴⁾ Includes 2008 Beijing Olympics revenues and expenditures.

⁽⁵⁾ Includes Specialty Services (CBC Newsworld, RDI, Galaxie and Bold) and other miscellaneous revenues.

⁽⁶⁾ Includes expenditures related to CBC/Radio-Canada's main services and Specialty Services (CBC Newsworld, RDI, Galaxie and Bold).

⁽⁷⁾ Includes \$60 million spending on programming initiatives.

⁽⁸⁾ If the \$60 million in temporary funding is not made permanent as of 2009-2010, programming and other expenditures will be affected.

Appendix B

Capital Budget

At the same time that the refresh of technical production assets represent a high volume demand, new asset investments are also required to deliver improved services to English Television regional news and also respond to changes in the broadcasting environment, such as the transition to HD and DTV. The industry transition to computer and software-based production assets also demands a faster refresh cycle on these assets. The Corporation is also grappling with the pressures of replacing its aging towers and transmitters that were introduced during the Accelerated Coverage Program (ACP) of the late 70s and early 80s to extend the reach of our service to unserved moderate and small communities. The original investment for these assets was provided in one-time government funding; the funding, however, for the refresh of these assets has never been addressed.

The convergence of these pressures makes it impossible for the Corporation to respond to all demands within the limits of its existing capital funding.

Without the ability to supplement funding through conventional debt or other vehicles, the Corporation is left with 2 alternatives:

- Increased Government funding
- Redirect funds from lower priority projects and accept a risk of failure with the related assets.

As part of the measures to balance this capital plan the Corporation will not be able to refresh its Accelerated Coverage Program (ACP) transmitter assets.

Some of the ACP assets are now 30 years old, within their replacement cycle and at risk of failure.

Measures will also be taken to further delay the refresh of some production and other assets which are still core to the business but lower in priority. Here too it is possible that program production and service disruption may increase.

The plans which follow highlight the areas where we will focus our investment on the highest priorities the Corporation faces.

Over the near future, the total capital spending base is planned to be \$130.9 million in 2008-2009, inclusive of all funding sources except carryover of funds from 2007-2008 to complete projects started in that year. The carryover amount will only be known once fiscal 2007-2008 is completed. Beyond 2008-2009, capital spending is projected to average approximately \$106 million per year.

Roughly two thirds of the capital budget over the next three years is planned to be spent on production infrastructure, where major initiatives include replacing failing obsolete equipment, modernizing radio production facilities, updating the Toronto broadcast facilities which

are approaching 20 years of age, upgrade of the Centre de l'Information (CDI) complex in Montreal, further rollout of Desktop Television production, a major facility improvement and integrated newsroom investment in Vancouver and some High Definition Television (HDTV) production investments to replace existing assets which have reached their end-of-life. Assets in this area are increasingly unsupported by vendors and the move to computer-based production technology is accelerating the refresh cycle.

Approximately 20 percent of the budget is planned to be spent on corporate-wide systems and technology infrastructure. Specific initiatives include the roll-out of our desktop radio production system, which has been pushed to the limits of its useful life, and an HR Talent Management system. Further investments include updating our server infrastructure and software upgrades.

The remaining budget will be spent on transmitter and tower maintenance, improving and extending Radio services, building improvements, changes to comply with codes and regulations, and investments to refresh part of our vehicle fleet.

The Corporation is also pursuing three initiatives which meet the criteria for investments based on sound business case fundamentals and financing that is not appropriation dependant.

- Revitalisation of the Toronto Broadcast Center space to significantly reduce CBC occupied workspace and improve its functionality. This initiative is being developed in concert with Public Works, the potential tenant. The changes would also see increased retail tenancy, thereby generating new revenues by leveraging the efficient use of space.
- Disaffiliation from Cogeco/TQS in Trois-Rivières, Sherbrooke and Saguenay.
- Pursue financing through a borrowing authority to invest in a new HD mobile.

These three initiatives are at various stages of development and only the Cogeco/TQS disaffiliation is considered in our Capital Plan over the next three years.

The transition to Digital Television (DTV), High Definition Television (HDTV) and Digital Radio will be market driven and will be very costly but necessary. The CRTC issued its Licensing Policy framework to oversee the transition from analog to digital over-the-air television broadcasting (PN 2002-31) and its Regulatory Framework for the distribution of digital television services (PN 2003-61). Private broadcasters as well as CBC/Radio-Canada have commenced to roll out DTV transmitters and will continue to do so over the next few years.

At the request of the government, a plan to accelerate the CBC/Radio-Canada transition to HD/DTV was submitted to the Department of Heritage on September 23, 2005. On May 17, 2007, the CRTC issued Broadcasting Public Notice 2007-53 on “Determination regarding certain aspects of the regulatory framework for over-the-air television”. One of the main points which came out of this notice is that the Commission decided to adopt, for planning purposes, a shut-down date for analog television transmission of August 31, 2011. This decision has major funding and service impacts on CBC/Radio-Canada, and raises a number of policy issues concerning how CBC/Radio-Canada will deliver its television services in the future. The fact that there is currently no planned funding to replace the aging analog television transmission infrastructure and to convert it to digital, makes this CRTC decision even more problematic and challenging for the Corporation.

The Corporation developed a migration plan to go to a “hybrid model” built on deploying 44 OTA DTV transmitters in 36 markets and relying on BDUs to deliver our television services (HDTV and SDTV) to the population not covered by the 44 transmitters. Only eight of these markets have been delivered to-date. Without new funds, the Corporation will not be able to roll out DTV transmitters beyond the eight markets already delivered.

The CRTC also issued its new Policy on Digital Radio, in Broadcasting Public Notice CRTC 2006-160. This new Policy opens the door for alternative usages of the RF spectrum currently allocated to Digital Radio Broadcasting (DRB), including the broadcasting of new digital audio programming services, multimedia and IP packaged content. Some Industry and Government discussions are being held to consider new service models, such as digital mobile broadcasting, (ie. mobile TV) which could use parts of the DRB spectrum and be another element of the CBC/Radio-Canada multiplatform strategy.

Developments in the US marketplace around In-Band on-Channel (IBOC) digital radio services may have some implications in the Canadian marketplace, prompting a possible utilization of a similar technology in Canada at some point in the future. We are monitoring developments in this area.

Appendix C

Mandate and Governance

Corporate Mandate

The Canadian Broadcasting Corporation/ Société Radio-Canada (“CBC|Radio-Canada” or the “Corporation”) was first established by an Act of Parliament in 1936. The Corporation’s current legislative mandate, Corporate powers and governance mechanisms are set out in the 1991 *Broadcasting Act* (the *Act*). Each year, pursuant to section 54 of the *Act*, the Corporation must submit to the Minister of Canadian Heritage a Corporate Plan regarding the businesses and activities, including investments, of the Corporation and its subsidiaries, if any.

The Role of the Corporation in the Canadian Broadcasting System

Section 3 of the *Act* sets out the broadcasting policy for Canada and includes provisions specifically addressing the role of the Corporation in the Canadian broadcasting system. In particular, paragraphs 3(1)(l) and (m) provide:

- (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;
 - 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 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.

These provisions establish a very broad mandate for CBC|Radio-Canada, requiring the Corporation to make its programming available across the country in a manner

which satisfies both national and regional needs, in both English and French, while also reflecting the multicultural and multiracial nature of Canada.

In addition to this domestic mandate, CBC|Radio-Canada is also required by section 46(2) of the *Act* to provide an international service which must comply with license conditions and regulations issued by the Canadian Radio-television and Telecommunications Commission (the “CRTC”), as well as any directions issued by the Governor in Council.

No other Canadian broadcaster—commercial or public—has the same breadth of mandate or the same scale or scope of operations as CBC|Radio-Canada.

Corporate Powers

Part III of the *Act* sets out the basic powers of the Corporation.

A central feature of the regime established by Part III is the arms-length relationship between CBC|Radio-Canada and the Government with respect to the Corporation’s broadcasting activities. Section 35(2) specifically provides that Part III “shall be interpreted and applied so as to protect and enhance the freedom of expression and the journalistic, creative and programming independence enjoyed by the Corporation in the pursuit of its objects and in the exercise of its powers.” This requirement is repeated in section 46(5) (in the context of the Corporation’s objects and powers) and again in section 52(1) (in the context of certain financial reporting provisions).

The head office of the Corporation is required by section 50(1) of the *Act* to be located in the National Capital Region. The powers of the Corporation are spelled out in section 46(1). Section 46(1) reiterates that CBC|Radio-Canada’s mandate is to provide the programming contemplated by paragraphs 3(1)(l) and (m) and then identifies a list of powers, such as the ability to originate or purchase programs, enter into associated contracts, and acquire copyright and trademarks that have been granted to the Corporation so that it may achieve this purpose.

The Corporation is an agent of Her Majesty except in respect of the Corporation’s international service and the Corporation’s employees: section 47(1) of the *Act*. As such, the Corporation may enter into contracts (47(2)) and acquire property (47(3)) in the name of Her Majesty (48(2)(a)), subject to a \$4,000,000 limit with regard to the acquisition of real property or the disposition of real or personal property (other than program material or rights), as well as a \$15,000,000 (modified by Governor in Council approval) (48(2)(b)) limit for the lease of real property. Transactions involving greater amounts require the approval of the

Governor in Council.

Pursuant to section 46.1 of the *Act*, CBC|Radio-Canada may borrow money, with the approval of the Minister of Finance, up to a limit of \$25,000,000, or any greater amount authorised by Parliament.

Regulatory Requirements

In the establishment and operation of its broadcasting activities, CBC|Radio-Canada must comply with the licensing and other regulatory requirements established by the CRTC under the *Act*, as well as any requirements under the *Radiocommunication Act* which may apply to the Corporation's use of radiocommunication spectrum.

Given the special role of CBC|Radio-Canada in the Canadian broadcasting system, there are limits set out in the *Broadcasting Act* with respect to the CRTC's regulatory authority over the Corporation.

Section 23(1) of the *Act* requires the CRTC to consult with CBC|Radio-Canada, if CBC|Radio-Canada so requests, regarding any license conditions proposed to be applied to the Corporation. If license conditions are applied which the Corporation believes will unreasonably impede its ability to fulfill its mandate under the *Act*, the Corporation may refer the matter to the Minister of Canadian Heritage (23(2)). The Minister may then issue a directive to the CRTC regarding the disputed license condition.

Pursuant to section 24(2) of the *Act*, none of CBC|Radio-Canada's "core" licenses (i.e., conventional Television and Radio station licenses) may be revoked or suspended without CBC|Radio-Canada's consent. If the CRTC determines that the Corporation has breached a condition of license, the CRTC must forward a report to the Minister of Canadian Heritage and the Minister must lay the report before Parliament (S25).

The Corporation's other broadcasting activities (e.g., speciality television and pay audio services) are subject to the same regulatory regime as is applicable to other industry participants. However, pursuant to section 26(1)(b) of the *Act*, the Governor in Council may direct the CRTC to reserve channels or frequencies for CBC|Radio-Canada. Such a direction need not relate to one of the Corporation's core licenses.

CBC|Radio-Canada's main broadcasting licenses were extended to 31 August 2009. The CRTC will initiate the license renewal process when it has completed its review of the distribution sector and speciality services.

Governance

As indicated above, Part III of the *Act* establishes the governance mechanisms for the Corporation.

Pursuant to section 36 of the *Act*, CBC|Radio-Canada has a Board of Directors comprising 12 Directors, including the Chair and the President, all of whom are appointed by the Governor in Council. Directors are appointed for a term of up to five years. The Chair and the President may be re-appointed any number of times, but all other Directors are limited to two consecutive terms, unless the third term is as Chair or President.

The Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation, which, pursuant to section 40 of the *Act*, is accountable to Parliament through the Minister of Canadian Heritage.

Pursuant to section 45 of the *Act*, the Board must establish two standing committees, one in regard to English-language broadcasting and another in regard to French-language broadcasting. Section 148.1 of the *Financial Administration Act (FAA)* requires the Board to establish an audit committee of not less than three Directors.

The Corporate Plan, which the Corporation is required to file with Government pursuant to section 54 of the *Act*, must include a statement of the Corporation's objectives for the next five years and its strategy for achieving those objectives, the capital budget and the operating budget for the next financial year and any borrowing plans for that year. The capital budget is subject to the approval of Treasury Board and any borrowing plans are subject to the approval of the Minister of Finance.

Pursuant to section 55 of the *Act*, the Corporation must also submit to the Minister of Canadian Heritage a summary of the Corporate Plan modified to reflect the financial resources proposed to be allocated to CBC|Radio-Canada by Parliament. The Minister must lay this summary of the Corporate Plan before Parliament.

Section 131 of the *FAA* requires the Corporation to maintain satisfactory books of accounts, while section 132 requires that the Corporation have internal audits conducted in this regard. The Corporation must provide the Minister of Canadian Heritage with such reports of its financial affairs as the Minister may require. The *Act* at section 53(2) states that the Corporation is not required to provide information which could compromise or limit the journalistic, creative or programming independence of the Corporation, to Treasury Board or the Ministers of Canadian Heritage or Finance.

The Auditor General of Canada is the auditor of the Corporation: section 61 of the *Act*. Pursuant to section 132

of the *FAA*, the Corporation must have an annual auditor's report prepared, which is addressed to the Minister of Canadian Heritage. Sections 138 to 142 of the *FAA* require the Corporation to have a special examination of its systems and practices at least once every five years. The auditor's report with respect to this special examination must be submitted to the Board of Directors. If considered necessary by the auditor, after consultation with the Board, the auditor shall bring any relevant information to the attention of the Minister of Canadian Heritage.

Pursuant to section 71 of the *Act*, the Corporation must, within three months after the end of its financial year, provide an Annual Report to the Minister of Canadian Heritage and to the President of the Treasury Board. The Minister must lay the Annual Report before Parliament within a further 15 sitting days.

Finally, in addition to these governance mechanisms set out in the *Act*, in April 2005 the Board of Directors appointed an outsider to act as Independent Officer under CBC|Radio-Canada's Corporate Policy on Disclosure of Wrongdoings (the Whistleblower Policy). CBC|Radio-Canada's Whistleblower Policy is also in accordance with the Government's Whistleblower Legislation, which was subsequently passed in November 2005. The Corporation also has an extensive code of Journalistic Standards and Practices. Complaints from the public, which are not resolved at the program level, are referred to one of the Corporation's two independent Ombudsmen.

With the passage of Bill C-2, the Federal Government's *Accountability Act*, in December 2006, CBC|Radio-Canada became subject to the provisions of the *Access to Information Act (ATI)*, as of September 1st, 2007.

The *Access to Information Act* gives the public a right of access to all records held by the Federal Government, Crown Corporations and other federal institutions subject to the *Act*; it also sets out exceptions to that right. The important exception for CBC|Radio-Canada concerns information related to journalistic, creative and programming activities. Therefore, the *Act* does not apply to information that relates to CBC|Radio-Canada's programming content (Television, Radio, online).

Managerial and Organisational Structure

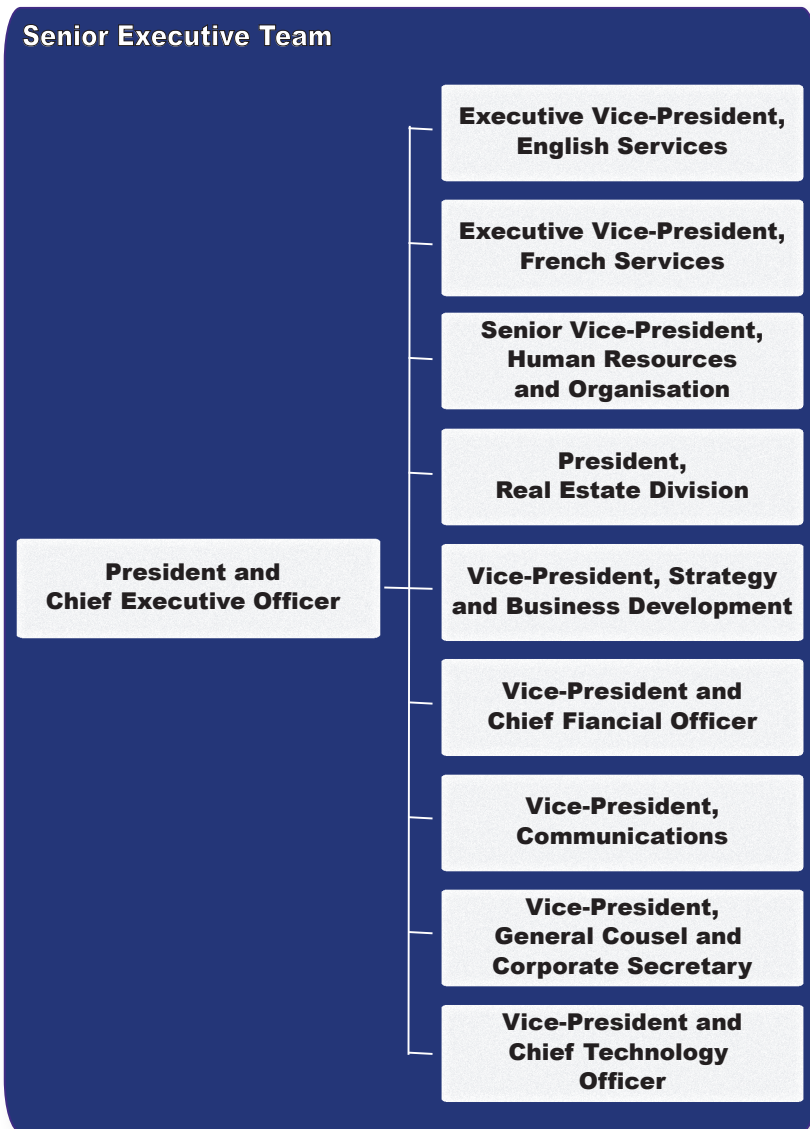
CBC|Radio-Canada's head office is located in Ottawa, with two main network offices in Toronto and Montreal and 27 regional offices across the country in such major cities as Halifax, Québec City, Calgary, and Vancouver.

The Corporation's organisational structure reflects its broadcasting and related activities, as well as its infrastructure and administrative requirements. There are a total of 9 divisions within the Corporation:

1. French Services (Télévision de Radio-Canada, Radio de Radio-Canada and New Media)
2. English Services (CBC Television, CBC Radio and New Media)
3. Technology
4. Real Estate
5. Strategy and Business Development
6. Finance and Administration
7. Human Resources
8. Communications
9. General Counsel and Corporate Secretary

These 9 divisions report to the President through their respective divisional heads. The first two divisions (French Services and English Services) are responsible for the programming activities of the Corporation. The Technology and Real Estate divisions as well as CBC Shared Services, a transaction and call centre that provides human resources, financial and IT support services, support the management of facilities and systems for all broadcasting activities. The remaining divisions assist the main broadcasting activities through management of support functions: human resources, finance, legal, regulatory requirements, strategy, business development, and communications. All divisions continually assess best practices to ensure that the maximum amount of the Corporation's overall funding is available for broadcasting activities.

The Senior Executive Team of the Corporation includes the President and the nine divisional heads.



Appendix D Corporate Performance Indicators

CBC | Radio-Canada's Performance Indicators and Corporate Priorities

Following are the Corporate performance indicators for each of the eight Corporate Priorities — including targets for 2007-2008, estimated results for 2007-2008 and Targets for 2008-2009.

	INDICATORS	2007-2008 Targets	2007-2008 Estimated Results	2008-2009 Targets
High-Quality Distinctive Canadian Programming	Canadian Content ¹			
	CBC Television			
	Broadcast Day	81%	80%	75%
	Prime Time (M-S, 7pm-11pm)	80%	81%	80%
	Télévision de Radio-Canada			
	Broadcast Day	82%	79%	79%
	Prime Time (M-S, 7pm-11pm)	88%	89%	89%
	CBC Radio			
	Broadcast Day	99%	99%	99%
	Prime Time (M-F, 6am-9am)	100%	100%	100%
	Radio de Radio-Canada			
	Broadcast Day	100%	100%	100%
	Prime Time (M-F, 6am-9am)	100%	100%	100%
Number of Awards	CBC Television	288	203	190
	Télévision de Radio-Canada ²	29	30	30
	CBC Radio	100	100	100
	Radio de Radio-Canada	6	6	6
	Distinctiveness			
	Main Television and Radio Networks	90%	90%	90%
Regional Reflection and The Changing Face of Canada	Programs produced in regions for regions	83,800 Hours	86,000 Hours	83,700 Hours
	Programs produced in regions for Network	12,600 Hours	12,600 Hours	12,600 Hours
	CBC/Radio-Canada usage by visible minority (18+)	87%	87%	87%
	Visible minority staff ³	530	540	560

¹ Based on previous broadcast year

² Internal productions only

³ Excludes short-term employees

	INDICATORS	2007-2008 Targets	2007-2008 Estimated Results	2008-2009 Targets
Sustainability of Canadian Schedules	Television advertising revenue ¹	\$320 Million	\$315 Million	\$348 Million
	Expenditures on Canadian programming	95% of programming budget	On Target	95% of programming budget
Efficiency	Self-generated Revenues ²	\$110 Million	On Target	\$123 Million
	Programming expenditures	82% of total budget	On Target	82% of total budget
Creative Human Resources	Commitment to training and development	\$1,013 per employee	\$1,005 per employee	\$1,005 per employee
	Employee satisfaction (periodic)	85% (2004 employee survey)	n/a	78%
Strategic Partnerships	Joint ventures/partnerships	6	15	17
Collaboration	Expenditures on cross-media programming	\$10 Million	On Target	\$10 Million
Strong Stakeholder Relationships	Opinion leaders' overall impression of CBC/Radio-Canada ³	77% favourable	77% favourable	77% favourable
	Opinion leaders' general impression of CBC/Radio-Canada as being an essential service ³	78% agreement	78% agreement	78% agreement
	Canadians' satisfaction levels with main Television and Radio networks	89%	89%	89%
	Relevance to stakeholders ⁴	86%	86%	86%

¹ Only the main Networks, excluding Internet revenues

² Includes primarily Galaxie, Bold, Internet, and program sales, but not advertising revenues

³ CBC/Radio-Canada Opinion Leader Survey, conducted by Phoenix Strategic Perspectives Inc.

⁴ Percentage of Canadians using main CBC/Radio-Canada Television, Radio and websites

Appendix E

Media Performance Indicators

Targets and Results of Main Television and Radio Networks

CBC/Radio-Canada's main Television and Radio networks use further programming indicators to assess performance against targets, all of which are reported in this section.

Media Line Performance Indicators ► **CBC TELEVISION**

Performance Indicators	2007-2008 Targets	2007-2008 Estimated Results	2008-2009 Targets
Public Value			
Differentiation ¹	Maintain ratio	Achieved Target	Maintain ratio
Public Perception	Each program > 60% (top 3 box score)	n/a	Each program > 60% (top 3 box score)
Audience			
CBC Television Prime Time Share Regular Season	7.5% ²	7.6%	\$8.0%
Revenue			
Main Networks Commercial Advertising Revenues April-March (Fiscal Year)	\$212 Million	\$211 Million	Measure dropped
Advertising and Other Miscellaneous Revenues	New measure	\$224 Million	\$258 Million
Cost			
Total Budget with Allocations April-March (Fiscal Year)	\$513 Million	\$523 Million ³	Measure dropped
Cost of Programming	New measure	\$360 Million	\$484 Million

1 : Based on percentage of titles.

2 : These performance indicator targets were reported for the first time in the 2007-2008 Corporate Plan. Unfortunately, the filing deadlines for the Corporate Plan required some of these targets to be provided on a preliminary basis, in advance of final approvals in the spring of 2007. The actual target for this indicator, as established by the Corporation prior to the start of the 2007-2008 fiscal year, was 7.5%, and not the preliminary 8.0% identified in the 2007-2008 Corporate Plan. To correct this issue going forward, CBC/Radio-Canada has adopted a new reporting time frame for Corporate Plan performance measures and targets that is now fully aligned with the company's corporate approval process.

3 : There have been budget releases subsequent to when Target of \$512.8 Million was established

Media Line Performance Indicators ► **CBC RADIO**

Performance Indicators	2007-2008 Targets	2007-2008 Estimated Results	2008-2009 Targets
Cost			
Cost of programming	New measure	\$103.1 Million	\$119 Million
Audience¹			
CBC Radio One and CBC Radio2 Combined Reach	3.8 Million	3.9 Million	3.8 Million
CBC Radio One and CBC Radio2 Combined Share	12.2%	13.4%	12.2%
Mandate			
CBC Radio One			
Satisfaction ²	67%	62%	62%
Essential ²	85%	84%	84%
Regionally Reflective ²	76%	70%	70%
Ethnically/Culturally Diverse ²	65%	n/a	n/a
Relevance - has programs I want to listen to ²	58%	60%	60%
Program Review			
Pitches received and processed	New measure	700	150
Pilots made	New measure	40	15
New shows and new series debuted	New measure	20	5
Recognition for Program Excellence			
Number of National and International Awards	100	100	Measure dropped
Local Service Extended into Unserved Major Radio Markets			
Number of service extensions into markets with more than 100,000 population	n/a	n/a ³	Measure dropped

1 : BBM Fall Survey

2 : FIATS Fall Survey, core listeners (top 3 box score)

3 : Service extensions to underserved markets are a significant long-term goal for CBC Radio. While resources did not permit any such extensions during 2007-2008, this goal remains an important strategic objective for CBC Radio.

Media Line Performance Indicators ► **Télévision de Radio-Canada**

Performance Indicators	2007-2008 Targets	2007-2008 Estimated Results	2008-2009 Targets
Audience			
Overall Appreciation of Programming by Viewers <i>“On a scale of 0 to 10, what score would you give to the programming of Télévision de Radio-Canada?”</i>	6.7	7	7
Combined Audience Share for Télévision de Radio-Canada and RDI	Between 15% and 20% At least 13% for Télévision de Radio-Canada	14.0% (Network) 2.1% (RDI)	Between 15% and 20% At least 13% for Télévision de Radio-Canada
Financial Indicators			
Percentage of Financial Resources Invested in Programming	80%	80%	80%
Meet Advertising Revenue Target (Main Network Only)	\$108 Million	\$104 Million	\$104 Million
Maintain the CTF Envelope Reserved for Radio-Canada at the Level of Previous Years	\$25.2 Million	\$27.5 Million	\$27.5 Million
Regional Reflection and Diversity			
Weekly Hours Averaged Annually - Regional Programs for the Network	7 Hours	7.8 Hours	7 Hours
Percent Increase in Number of Employees from “Visible Minorities”, Network and Regions	1.4%	1.6%	3.7%
Human Resources			
Performance Evaluations for all employees, Tying Performance and Objectives	Between 90 and 100%	Between 90 and 100%	Between 90 and 100%

Media Line Performance Indicators ► Radio de Radio-Canada

Performance Indicators	2007-2008 Targets	2007-2008 Estimated Results	2008-2009 Targets
Maintain an Optimal Level of Listening <i>Combined audience share of Première Chaîne and Espace musique</i>	Between 14 and 16%	18.4% ¹	Between 14 and 16%
Pursue Our Commitment to Canadian Musicians <i>Recording of concerts and shows</i>	300	150 ²	Measure dropped
<i>Budget invested in musical production for Espace musique</i>	New measure	\$5.5 Million	\$5.5 Million
Regional Investment <i>Maintain our level of investment in regional production</i>	45%	45%	45%
Evaluation of the Performance of all Employees, Tying Performance to Objectives	Between 90 and 100%	Between 90 and 100%	Between 90 and 100%

1 : BBM Fall and Spring Survey Average

2 : Number of recordings decreased, but the total investment remained the same. Fewer, larger concerts recorded.