	2015-2016 Q1 FINANCIAL REPORT
TO:	**Board of Directors**
MEETING:	August 20, 2015
FROM:	Judith Purves, Executive Vice-President and Chief Financial Officer Michael Downey, Executive Director & Corporate Controller
DECISION SOUGHT:	It is resolved that the Audit Committee recommends to the Board of Directors approval to issue the CBC/Radio-Canada financial report for the quarter ended June 30, 2015.
DATE:	August 14, 2015

Q1

FIRST QUARTER FINANCIAL REPORT 2015-2016

CBC Radio-Canada

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CBC/Radio-Canada's Commitment to Transparency and Accountability

As the national public broadcaster, we take very seriously our obligation to be transparent and accountable to Canadians. To meet our responsibilities, we provide access on our corporate website to information about our activities and the way we manage our public resources.

MANAGEMENT DISCUSSION AND ANALYSIS

Quarterly reporting requirement

In addition to filing an annual report, we are required — like most Canadian federal Crown corporations — to file quarterly financial reports for the first three quarters of each fiscal year. The following Management Discussion and Analysis (MD&A) aims at providing readers with an overview of our activities and performance for the first quarter of 2015-2016 and should be read in conjunction with our 2014-2015 Annual Report. In keeping with our commitment to transparency and effective oversight of public funds, we are pleased to present this quarterly report for the first quarter ended June 30, 2015.

The Condensed Interim Consolidated Financial Statements have not been reviewed by our auditor.

Seasonality

The majority of our self-generated revenue comes from advertising, which follows seasonal patterns based on the programming schedule. It also varies according to market and general economic conditions, as well as schedule performance. Subscriber-based revenue is relatively more stable on a quarter-by-quarter basis. Operating expenses also tend to follow a seasonal pattern because they are also influenced by the programming schedule.

Government appropriations are recognized in income based on the annual budget, which reflects seasonal impacts on expenditures and self-generated revenue.

Note regarding forward-looking statements

This report contains forward-looking statements about strategy, objectives, and expected financial and operational results. Forward-looking statements are typically identified by words such as "may", "should", "could", "would", "will", as well as expressions such as "believe", "expect", "forecast", "anticipate", "intend", "plan", "estimate" and other similar expressions. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada's government funding remains consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in Outlook and Risk Update in section 4 of this report. However, some risks and uncertainties are by definition difficult to predict and beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

Non-IFRS measure

This report includes the measure Results on a Current Operating Basis, which does not have any standardized meaning according to International Financial Reporting Standards (IFRS). It is therefore unlikely to be comparable to similar measures presented by other companies. Refer to Results in section 2 for further details.

FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars)	For the three months ended June 30 2015	2014	% change
Revenue	118,521	192,592	(38.5)
Expenses	(364,808)	(469,521)	(22.3)
Government funding	169,163	247,755	(31.7)
Results before non-operating items	(77,124)	**(29,174)**	N/M
Net results under IFRS for the period	(76,054)	**(33,569)**	N/M
Results on a Current Operating Basis[1]	(52,651)	**(7,421)**	N/M

N/M = not meaningful

[1] Results on a Current Operating Basis is a non-IFRS measure. This excludes items that do not generate or require funds from operations. A reconciliation of net results to Results on a Current Operating Basis is provided in Results section 2.

This quarter, we delayed some of our drawdowns of government funding until later in the year, resulting in a loss under IFRS and on a Current Operating Basis. Lower expenses of $104.7 million this quarter more than offset decreases in self-generated revenue of $74.1 million. The loss on a Current Operating Basis this quarter is not indicative of a trend that will continue because we will drawdown the remainder of our government funding before year end as we make investments in our strategic priorities.

OUR REVENUE

2015/16: $118.5 million
2014/15: $192.6 million

74.1 million

- This quarter our revenue was lower by $74.1 million (38.5%) mainly because last year's advertising income benefited from broadcasting NHL hockey playoffs and the 2014 FIFA World Cup Brazil. In addition, advertising revenue this quarter continued to be affected by a weaker advertising market.

OUR EXPENSES

2015/16: $364.8 million
2014/15: $469.5 million

104.7 million

- While we incurred lower broadcasting rights and production costs this year given the absence of sports programming, we also continued to implement cost-reduction initiatives. In total, we have more than offset decreases in revenue this quarter, with an overall decrease in expenses of $104.7 million (22.3%).

GOVERNMENT FUNDING

2015/16: $169.2 million
2014/15: $247.8 million

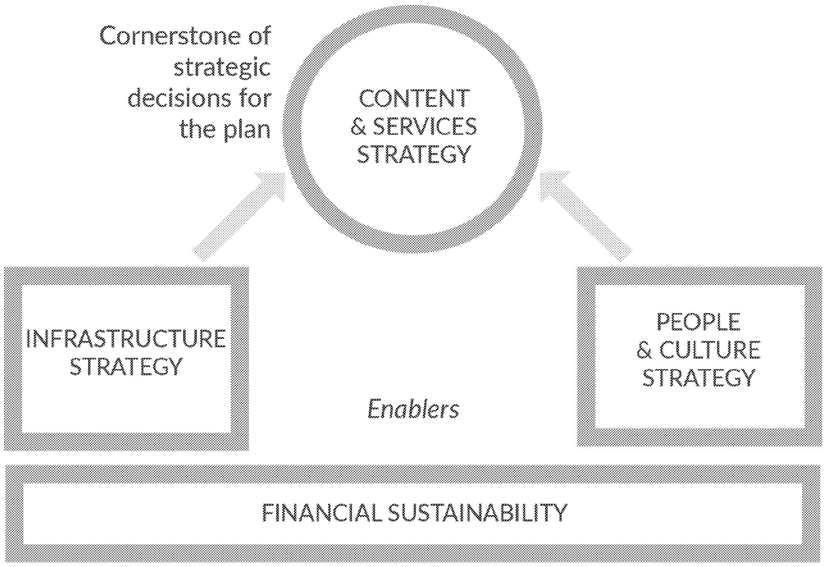
78.6 million

- We drew down less funding during the first three months due to a higher starting cash position this fiscal year. As a result, government funding recognized for accounting purposes decreased by $78.6 million (31.7%) relative to the same period last year. Total government appropriations are not expected to change in 2015-2016 and working capital requirements for funding will increase later in the year.

Business Highlights

Through the Corporation's five-year strategy, *A space for us all*, which will take us to 2020, CBC/Radio-Canada will become more present and more relevant, as well as sustainable for future generations. The strategic plan sets out four objectives to equip us to thrive now and position us for the age beyond traditional broadcasting:

1. Through our distinctive content, increase and deepen our engagement with Canadians; inspire them to participate in the public space.
2. Change our infrastructure to allow increased simplicity, flexibility/scalability and collaboration.
3. Build a culture of collaboration, accountability, boldness, action and agility, with a workforce that reflects the country.
4. Achieve sustainable financial health, including the ability to invest in the future.



The following is just a highlight of all that the Corporation has achieved this quarter.

Content and Services

From current events and documentaries to music, books and beyond, we brought a wide variety of content to audiences across the country. Making the most of all our many platforms, the public broadcaster was at the fingertips of Canadians when, where and how they wanted it. Here is a selection of some of our most innovative and creative projects this quarter.

Focusing on expanding our digital offering and furthering our strategy by encouraging interaction and participation, both CBC and Radio-Canada introduced audiences to some new and exciting multiplatform content. CBC, for example, released *The Infernal Device: A Murdoch Mysteries Interactive Episode*, a six-part, weekly web-based episode that took audiences beyond their screens. In addition, live events in Toronto, Vancouver, Montreal and Edmonton enhanced this web experience. Meanwhile, Radio-Canada asked Canadians how their lives are being changed by new digital technology through an interactive web experience called *Bienvenue chez les #Numéricains*. With plenty to discover, the site includes a series of personal experiences from Canadians across the country. More importantly, the site provides a place for dialogue, asking users to tell their own stories, which have been presented during short radio documentaries on ICI Radio-Canada Première this summer, and inviting interaction through social media. Even more stories, in addition to a ten-part radio series, also on ICI Radio-Canada Première, will come in the fall.

The arts also had pride of place for the public broadcaster this quarter, particularly on our digital platforms. For Radio-Canada, this meant an in-depth look at Francophone author, composer, musician, performer and actor Robert Charlebois. The nine-part radio documentary on ICI Radio-Canada Première, *Charlebois, par-delà Lindberg*, was produced in partnership with the four Radios Francophones Publiques and broadcast in Canada, Belgium, France and Switzerland. A web radio series on ICI Musique.ca and a digital book (available on iBooks) provided audiences with even more content about Charlebois, including interviews, music and photos, in a totally unique and original format. CBC brought audiences a wide range of music programming on a variety of platforms, including the CBC Music Festival, live at Toronto's Echo Beach and simulcast on CBC Radio One; *Searchlight*, the hunt for Canada's best new artist; and *Apocalypsis* a live performance from the Luminato Festival in Toronto, broadcast on CBC Radio 2 and on-demand from both CBCMusic.ca and Radio 2, and featuring a cast of 1,000 musicians, singers and conductors.

Documentaries are also taking more and more advantage of our digital platforms to better reach audiences, and CBC/Radio-Canada's digital offer to recognize Canada's Aboriginal community is a prime example. Radio-Canada showcased 10 portraits of strong and inspiring Aboriginal Canadians in its web documentary series *Kirano* on ICI Radio-Canada.ca. From artists and activists to athletes and doctors, each portrait was accompanied by videos, photos and an interactive map. For its part, CBC hosted a month-long celebration of Aboriginal programming featuring key documentaries, series and films. This was accompanied by a variety of local initiatives, such as the Dream Makers event that took place at our Vancouver Production Centre. 60 Aboriginal women hosted the event, which also included a week-long series on radio, TV and online.

With the goal of offering more and more programming on digital platforms, CBC Books achieved big mobile audiences this quarter, in particular with the 2015 CBC Poetry Prize and the 2015 Summer Reading List. In addition, with an increased effort to reach younger audiences, ICI Tou.tv created a section dedicated to youth programming featuring more than 30 shows.

Never shying away from difficult stories, or asking difficult questions, CBC and Radio-Canada together presented, in an exclusive partnership with the Toronto Star, the world premiere of the first in-depth interview with Omar Khadr. The documentary *Omar Khadr: Out of the Shadows* / *Omar Khadr : de l'ombre à la lumière* provided audiences with unprecedented access and exclusive interviews with Khadr during his first few days of freedom after 13 years in detention.

Just after our first quarter, CBC/Radio-Canada was the host broadcaster for the 2015 Pan Am and Parapan Am Games in Toronto, which ran between July 10 to August 15. The TORONTO 2015 Games was the biggest international sports competition ever held, apart from the Olympics, in Canada. They were also an opportunity to showcase Canadian amateur athletes as we look forward to the 2016 Summer Olympics in Rio. We took an integrated approach to sharing resources, staff and activities to bring unprecedented multiplatform coverage of the TORONTO 2015 Games to audiences across the country. More information about this event will be provided in our next quarterly report.

Infrastructure

As indicated in *A space for us all*, we are moving away from property management to leasing space that is more appropriate, cost-effective and allows us to maximize the use of new technologies to provide the best content possible for Canadians. In June, we opened our new station on Main St. in Moncton. Moncton's new open-concept space reflects the Corporation's plan to continue to reduce its real estate footprint, while ensuring a more modern, flexible work environment for its staff. In addition, we held an open house for the public in our new facility in Halifax on June 13. Like in Moncton, the site showcases the modern face of CBC/Radio-Canada and is equipped with a number of eco-efficiency features.

This quarter, a multi-year arrangement was concluded for the leasing of approximately 46,000 square feet at the Canadian Broadcast Centre in Toronto. This is one of many initiatives aimed at reducing our current real estate infrastructure footprint by half by 2020.

On June 25, 2015, we completed the sale of our mobile division to Dome Productions in Toronto. The decision to exit the television mobile production business and sell off our associated assets reflects the Corporation's strategy to reduce infrastructure and reinvest the savings realized into our core business: content.

People and Culture

In *A space for us all*, we stressed that we are in the content business, and we need to focus every resource at our disposal on providing the best possible content for Canadians. Part of making this happen includes a re-think of our organizational structure to empower the creation, promotion and monetization of our content. As a result, a new operating structure was announced on June 10, 2015, which will deliver cost savings by tackling duplication and driving efficiency that can be reinvested in programming.

As employees play an essential part in our transformation into a more present, relevant and focused public broadcaster, we initiated at the end of April a development program designed to build leader ability to deliver on *A space for us all* and enhance change management competencies. In addition, Radio-Canada launched "L'Accélérateur d'idées," an employee-led prototyping process that helps nurture and fully develop cutting-edge technology and digital ideas, while helping reduce the risks often associated with these kinds of projects. In the pilot phase, two projects were selected — an original and exclusive series on Snapchat (Radio-Canada's first foray into the app of the day for millennials); and a secure platform for whistleblowers that guarantees anonymity for sources who wish to contact our journalists (an initiative that would ultimately help Radio-Canada become the first French-language media outlet in Canada to develop this type of communications system).

In early June, we announced our action plan for dealing with the Rubin report's recommendations and our commitment to a respectful work environment for all employees. As noted in our 2014-2015 Annual Report, the plan has five areas of activity. On June 23, we updated employees on progress made to date on a variety of initiatives, including new mandatory training and a proposed helpline. In addition, we launched an organization-wide employee engagement survey, which further reflects management's commitment to ensuring a healthy, engaging and high-performing working environment. Survey results will be shared with management and employees in the fall.

In May 2015, the Canada Industrial Relations Board (CIRB) ruled that the new French Services union structure will be comprised of two bargaining units. One of these units will represent members of the Canadian Union of Public Employees (CUPE 675), the Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada (STARF-CUPE 5757) and the Syndicat des communications de Radio-Canada (SCRC), while the other will represent Association des Réalisateurs (AR) members. On July 3, we received the reasons behind the CIRB's decision. On July 28, CBC/Radio-Canada filed a request for appeal with the Federal Court of Appeal. Employees voted (from June 15 to 26, 2015) to choose the new bargaining unit to represent them, and on July 17, the CIRB announced that the Syndicat des communications de Radio-Canada (FNC-CSN) was selected.

On June 18, the Government of Canada appointed Norman May as a member of CBC/Radio-Canada's Board of Directors for a five-year term. On July 29, Bill Chambers, Vice-President of Strategy and Public Affairs announced his departure, effective August 31. A recruitment process has been launched. For more information on other recent announcements, including Josée Girard, new Vice-President of People and Culture, is provided in our 2014-2015 Annual Report.

Financial Sustainability

In early April, we announced a balanced budget for 2015-2016. It sees us create some room for significant reinvestments in the programming schedules of French and English, television, radio and digital as we promised we would last June. As planning for the next season takes shape, we will have more details on those reinvestments. This will be the first time we have been able to increase our investment in schedules since 2009. For more details on our liquidity and capital resources, see section 3.

Other Business Matters

On July 20, the Senate Standing Committee on Transportation and Communication published its report "on the challenges faced by the Canadian Broadcasting Corporation in relation to the changing environment of broadcasting and communications." CBC/Radio-Canada issued a statement on the report the same day, which outlined the Corporation's participation in the process and our response to the recommendations. While we feel this report fails to address any of the real challenges facing the broadcasting system, we will continue to work hard to demonstrate that the trust Canadians place in their public broadcaster is well deserved. And we will continue to provide the independent, high quality Canadian content and services Canadians expect for their investment in public broadcasting.

1. PERFORMANCE UPDATE

The first quarter of 2015-2016 marks the beginning of the new performance measurement framework for our new strategic plan *A space for us all*. It was designed to be simple and straight-forward, while also serving the unique needs of CBC/Radio-Canada and its strategy. The framework contains three separate report cards:

1. The *Mandate and Vision* Report Card (Strategic Indicators);
2. The *A space for us all* Report Card (Strategic Indicators); and
3. The *Media-Line* Report Cards (Operational Indicators).

1.1 STRATEGIC INDICATORS

MEASURING OUR SUCCESS

As Canada's national public broadcaster, the establishment of metrics to track and assess our performance is essential to demonstrate our accountability to Canadians. For *Strategy 2015*, we developed a representative survey of Canadians that allowed us to monitor how well Canadians believe our services fulfill our mandate under the 1991 *Broadcasting Act*. This survey will continue under *A space for us all*. It is conducted twice a year, is provided to our Board of Directors in January and June, and is made available to the public on the Corporation's website.

New this year is a report card tailored to monitoring our new strategic plan. This report card is used to ensure that we are meeting our corporate-wide strategic objectives. It contains ten core metrics that cover audience, infrastructure, people and finance. The *A space for us all* report card will include long-term 2020 targets and will track progress against them with short-term annual targets starting with 2015-2016. The framework, outlined below, was approved by the Board in March 2015. The first *A space for us all* report card will be published on the Corporation's website upon approval of the Board of Directors in the fall of 2015.

A SPACE FOR US ALL REPORT CARD

INDICATOR	TYPE OF DATA	SOURCE OF DATA
Audience/Market		
1. CBC/Radio-Canada is very important to me personally	Perception	Independent Survey
2. CBC/Radio-Canada's programming reflects diversity of opinions and objectivity	Perception	Independent Survey
3. Digital reach of CBC/Radio-Canada	Ratings	comScore
4. Monthly digital interactions with CBC/Radio-Canada	Ratings	comScore
5. Overall time spent with CBC/Radio-Canada	Ratings	Numeris and Internal Server Data
Infrastructure		
6. Reduced real estate footprint	Output	Internal Data
People		
7. Employee engagement	Perception	Independent Survey
8. Employee diversity	Output	Internal Data
Finance		
9. Achieve cost-reduction target	Financial	Internal Data
10. Achieve investment fund target	Financial	Internal Data

Measuring our Canadian Content

Regulatory requirements for Canadian content on television are specified by the CRTC, which sets conditions of licence for ICI Radio-Canada Télé and CBC Television. For the whole broadcast day, a minimum of 75% of Canadian content is required. For prime time, a minimum of 80% of Canadian content is required. Both measures are averages over the entire broadcast year from September 1 to August 31. As shown in the table below, in the current broadcast year-to-date and in the previous full broadcast year, ICI Radio-Canada Télé and CBC Television exceeded the CRTC's Canadian content conditions of licence, both over the whole day and in prime time.

Canadian content		Yearly Conditions of Licence	Results September 1, 2014 to June 30, 2015	Results September 1, 2013 to August 31, 2014
ICI Radio-Canada Télé				
Broadcast day	(Mon-Sun, 6:00 a.m.-12:00 a.m.)	75%	82%	89%
Prime time	(Mon-Sun, 7:00 p.m.-11:00 p.m.)	80%	90%	90%
CBC Television				
Broadcast day	(Mon-Sun, 6:00 a.m.-12:00 a.m.)	75%	92%	94%
Prime time	(Mon-Sun, 7:00 p.m.-11:00 p.m.)	80%	87%	91%

1.2 OPERATIONAL INDICATORS

In addition to monitoring the overall performance of *A space for us all* (see prior section 1.1), we have developed key performance indicators (KPIs) for our services. These indicators are critical to measuring our progress towards achieving our strategic business objectives and operational plans and we formulate them every year as part of the media's business plans. Our *Media Line* Report Cards include measures of audience share, website visits, subscriber counts and revenue generation.

Our first quarter report contains a partial list of KPIs because many of the principal targets are measured from September. They are not available for CBC Television, CBC Radio, ICI Radio-Canada Télé, ICI Radio-Canada Première and ICI Musique until the fall and are consequently not presented until our third quarterly report.

ENGLISH SERVICES

Below are some key highlights of our performance which has trended positively in the first quarter of 2015-2016:

- This quarter, CBC News Network's audience share performed above both the annual target and the results for the same period last year. CBC.ca performed well during the first quarter, exceeding its target as audiences were drawn by news events such as the Nepal earthquake, the ground-breaking provincial election in Alberta and the release of Omar Khadr. Similarly, for regional online content, our performance remained consistent over the prior year.
- The number of subscribers to CBC News Network ended the quarter at the same level as the annual target, and slightly below the prior year, consistent with our expectations of a decline in subscriptions. *Documentary* also performed in line with our expectations, remaining at a subscription level consistent with the year-end target and the prior year results. Further industry developments, in particular the adaptation to a new regulatory framework, may affect these results by year-end.
- Revenue at the end of this quarter is on track to meet the annual target; however, we are monitoring our revenue forecasts in light of the weaker advertising markets – see Outlook and Risk Update section 4 for additional details. Results this quarter are lower than last year, reflecting the absence of revenue from NHL hockey and the 2014 FIFA World Cup Brazil.

	Targets 2015-2016	April 1 to June 30 2015	Results 2014-2015	April 1 to June 30 2014
Television				
CBC News Network				
All-day audience share, April-March[1]	1.4%	1.6%	1.5%	1.5%
Regional				
Regional content				
Monthly average unique visitors, April-March[2]	4.2 million	4.0 million	4.0 million	4.0 million
Digital				
CBC.ca				
Monthly average unique visitors, April-March[2]	11.2 million	11.0 million	10.6 million	N/A
Specialty Television Channels				
CBC News Network				
Subscribers	11.2 million	11.2 million	11.2 million	11.4 million
documentary				
Subscribers	2.7 million	2.7 million	2.7 million	2.7 million
Revenue[3]				
Conventional, specialty, online	$246 million	$54 million	$321 million	$123 million

N/A not applicable.

[1]Source: Numeris (BBM Canada), Portable People Meter (PPM), persons aged 2 years and older.

[2]Source: comScore Media Metrix, desktop measure, persons aged 2 years and older. (Regional content: desktop only/ CBC.ca: multi-platform measure). Prior to 2015-2016, the measure for CBC.ca website only included unique visitors using a desktop. They now also include visitors using other platforms such as mobile devices.

[3]Includes advertising revenue, subscription revenue and other revenue (e.g., content distribution). Revenue for *documentary* is reported at 100%, although CBC/Radio-Canada owns 82% of this channel. Excludes revenue from the arrangement with Rogers Communications Inc. for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Prior to 2015-2016, revenue also included contributions from the Local Programming Improvement Fund, a fund created by the CRTC to support local programming which ended on August 31, 2014.

French Services

Though it is too early to draw conclusions, performance results to date are currently tracking below the full-year targets. Here are a few highlights:

- Our combined specialty channels' audience share is below expectations so far. This performance can be attributed to the drop-off in ICI ARTV viewership during the spring 2015 (vs. 2014). New programming for the summer season, including the return of popular series, is expected to have a positive impact on this share.
- Consistent with what we've experienced in previous summers, the average number of visitors is tracking below target for all Radio-Canada websites and ICI Radio-Canada.ca regional web pages. Major multiplatform events are expected to draw larger audiences over the next months. These include the 2015 Pan Am and Parapan Am Games in Toronto (July 2015), Radio-Canada new season's kick-off (August-September 2015) and the federal elections (October 2015).
- Boosted by its launch on Shaw in November 2014 (and the free preview period that followed), ICI EXPLORA's number of subscribers is likely to exceed the target set for the year. This performance is positive given the emerging cord-cutting trend that has started impacting the numbers of subscribers to ICI RDI and ICI ARTV.
- Our conventional television advertising revenue continues to be affected by the weaker advertising market. As a result, our self-generated revenue is currently tracking below target.

	Targets 2015-2016	April 1 to June 30 2015	Results 2014-2015	April 1 to June 30 2014
Television				
ICI RDI, ICI ARTV, ICI EXPLORA				
All-day audience share, April-March[1]	4.7%	4.4%	4.8%	5.0%
Regional				
Regional web pages				
Monthly average unique visitors, April-March[2]	0.758 million	0.689 million	0.722 million	0.586 million
Digital				
ICI.Radio-Canada.ca, ICI.Tou.tv, ICIMusique.ca, RCInet.ca, ICI.ARTV.ca and ICI.EXPLORAtv.ca				
Monthly average unique visitors, April-March[2]	2.8 million	2.5 million	1.9 million	1.9 million
Specialty Television Channels				
ICI RDI				
Subscribers	11.1 million	10.9 million	10.8 million	11.2 million
ICI ARTV				
Subscribers	1.8 million	1.8 million	1.8 million	2.0 million
ICI EXPLORA				
Subscribers	0.8 million	0.7 million	0.6 million	0.5 million
Revenue[3]				
Conventional, specialty, online	$227.1 million	$50.4 million	$233.8 million	$60.3 million

[1]Source: Numeris (BBM Canada), Portable People Meter (PPM), Francophones in Quebec, aged 2 years and older. Prior to 2015-2016, the specialty channels' audience share only included Francophones in Quebec that subscribe to a television distribution service, aged 2 years and older.

[2]Source: comScore Media Metrix, unique visitors aged 2 years and older (Regional web pages: desktop only/ Radio-Canada's web offerings: multiplatform measure). Prior to 2015-2016, the measure for all Radio-Canada's websites only included unique visitors using a desktop. They now also include visitors using other platforms such as mobile devices. Our Q1 2014-2015 results only reflected April 2014's results because of a change to comScore methodology that started in May 2014.

[3]Includes advertising revenue, subscription revenue and other revenue (e.g., content distribution). Revenue for ICI ARTV is reported at 100% although Radio-Canada owned only a 85% share prior to March 31, 2015. Since that date, Radio-Canada is the sole owner of ARTV. Prior to 2015-2016, revenue also included contributions from the Local Programming Improvement Fund, a fund created by the CRTC to support local programming which ended on August 31, 2014.

2. RESULTS

(in thousands of Canadian dollars)	For the three months ended June 30 2015	2014	% change
Revenue	118,521	192,592	(38.5)
Expenses	(364,808)	(469,521)	(22.3)
Government funding	169,163	247,755	(31.7)
Results before non-operating items	(77,124)	**(29,174)**	**N/M**
Non-operating items	1,070	(4,395)	N/M
Net results under IFRS for the period	(76,054)	**(33,569)**	**N/M**
Results on a Current Operating Basis[1]	(52,651)	**(7,421)**	**N/M**

N/M = not meaningful

[1] Results on a Current Operating Basis is a non-IFRS measure. A reconciliation of net results to Results on a Current Operating Basis is provided below.

Net results reflected a loss of $76.1 million this quarter, compared with a loss of $33.6 million in the same period last year as we drew down less funding during the first three months of 2015-2016 due to a higher starting cash position this fiscal year. Included in net results for both periods are items that do not currently generate or require funds from operations, as explained below.

RECONCILIATION OF NET RESULTS UNDER IFRS TO RESULTS ON A CURRENT OPERATING BASIS

CBC/Radio-Canada defines Results on a Current Operating Basis as Net Results under IFRS less the adjustments for non-cash expenses that will not require operating funds within one year and non-cash revenues that will not generate operating funds within one year. This measure is used regularly by management to help monitor performance and balance the Corporation's budget consistent with parliamentary appropriations. We believe this measure provides useful complementary information to readers, while recognizing that it does not have a standard meaning under IFRS and will not likely be comparable to measures presented by other companies.

Adjustments include the elimination of non-cash pension and other employee future benefit costs, which represent the excess of the IFRS expense over the actual cash contribution for the year. Adjustments are also made for other non-cash items such as the depreciation, amortization and decommissioning of capital assets; the amortization of deferred capital funding; and non-budgetary annual leave. Other less significant items not funded or generating funds in the current period, primarily employee-benefit-related, are adjusted for in the reconciliation to Results on a Current Operating Basis.

Results on a Current Operating Basis amounted to a loss of $52.7 million this quarter, a decrease of $45.2 million when compared to the same period last year. This decrease primarily reflected lower government funding recognized in income this quarter, consistent with the delay in drawdowns of operating appropriations until later in the year. By year-end, we expect our Results on a Current Operating Basis to be closer to breakeven as we drawdown all government funding that will remain unchanged when compared to last year.

(in thousands of Canadian dollars)	For the three months ended June 30 2015	2014	% change
Net results under IFRS for the period	(76,054)	**(33,569)**	**N/M**
Items not generating or requiring funds from operations			
Pension and other employee future benefits	17,888	12,399	44.3
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	5,094	5,077	0.3
Other provisions for non-cash items	421	8,672	(95.1)
Results on a Current Operating Basis	(52,651)	**(7,421)**	**N/M**

N/M = not meaningful

REVENUE

(in thousands of Canadian dollars)	For the three months ended June 30 2015	2014	% change
Advertising			
English Services	26,688	90,812	(70.6)
French Services	30,310	36,744	(17.5)
	56,998	127,556	(55.3)
Subscriber fees			
English Services	18,397	18,750	(1.9)
French Services	14,920	15,131	(1.4)
	33,317	33,881	(1.7)
Financing and other income			
English Services	13,026	13,407	(2.8)
French Services	4,747	7,362	(35.5)
Corporate Services	10,433	10,386	0.5
	28,206	31,155	(9.5)
TOTAL	118,521	**192,592**	**(38.5)**

The following paragraphs explain the revenue decrease of $74.1 million (38.5%) in the first quarter of 2015-2016 compared to the same period last year.

ADVERTISING

This quarter, advertising revenue decreased by $70.6 million (55.3%), reflecting the absence of revenue from two major sporting events. After Rogers' acquired the NHL broadcast rights in June 2014, no revenue was generated from hockey playoffs during the first three months of this year, largely contributing to the decrease in English Services' revenue. In addition, our coverage of the 2014 FIFA World Cup Brazil in June and July last year generated additional advertising revenue on multiple platforms for both English and French Services. The absence of these income streams this quarter mostly explains the overall decrease in revenue. In addition, our advertising revenue continues to be affected by the persistent softness of the advertising market. This quarter French services advertising was affected by this market trend more than English Services advertising. We are closely monitoring developments which may impact the overall media industry this financial year.

SUBSCRIBER FEES

Subscriber fees were marginally lower by $0.6 million (1.7%) compared to the same period last year, mostly reflecting a small decrease in CBC News Network subscriber base.

FINANCING AND OTHER INCOME

Financing and other income was lower by $2.9 million (9.5%) this quarter. Last year's figures included final receipts from the Local Programming Improvement Fund, digital rights revenue from the 2014 FIFA World Cup Brazil and host broadcasting revenue for the FIFA U-20 Women's World Cup. These overall decreases were partly offset by additional revenue in English Services recognized this quarter as a result of our agreement with Rogers for the ongoing coverage of *Hockey Night in Canada*.

OPERATING EXPENSES

	For the three months ended June 30		
(in thousands of Canadian dollars)	2015	2014	% change
Television, radio and digital services costs			
English Services	186,171	283,260	(34.3)
French Services	152,422	169,596	(10.1)
	338,593	452,856	(25.2)
Transmission, distribution and collection	17,038	16,514	3.2
Corporate management	2,525	2,610	(3.3)
Payments to private stations	591	593	(0.3)
Finance costs	7,432	7,414	0.2
Share of results in associate	(1,371)	(10,466)	(86.9)
TOTAL	364,808	**469,521**	**(22.3)**

N/M = not meaningful

The following paragraphs describe key changes in our operating expenses compared to the first quarter of last year.

TELEVISION, RADIO AND DIGITAL SERVICES COSTS

English Services' and French Services' expenditures decreased by $97.1 million (34.3%) and $17.2 million (10.1%), primarily because last year's expenses included significantly more production and rights costs for sporting events.

English Services incurred rights and production costs related to the hockey playoffs during the first quarter of last year. No such costs were incurred in 2015-2016 as our contract with the NHL ended at the end of June 2014. English Services' lower expenses this quarter were partly offset by costs recognized under our new agreement with Rogers for the continued broadcast of *Hockey Night in Canada*. In addition, both English Services and French Services incurred production and rights costs last year for broadcasting the 2014 FIFA World Cup Brazil. Together, these sports events explain $75 million of the total decrease in expenses across both English and French Services.

The first quarter of last year also included restructuring expenses of $22.6 million as we make changes to reduce our ongoing operating costs.

OTHER OPERATING EXPENSES

The decrease in the share of results in associate line of $9.1 million (86.9%) is mainly because last year's results included the receipt of a special dividend of $10.4 million from Sirius XM Canada Holdings (SiriusXM).

GOVERNMENT FUNDING

(in thousands of Canadian dollars)	For the three months ended June 30		
	2015	2014	% change
Parliamentary appropriations for operating expenditures	144,000	220,036	(34.6)
Parliamentary appropriations for working capital	1,000	1,000	-
Amortization of deferred capital funding	24,163	26,719	(9.6)
TOTAL	169,163	**247,755**	**(31.7)**

Parliamentary appropriations for operating expenditures decreased by $76.0 million (34.6%) in the first quarter of 2015-2016 compared to the same period last year, resulting in lower overall government funding recognized in income. Parliamentary appropriations are recognized based on expected needs, according to forecasted revenues and expenditures for the period.

The decrease for our need to draw down government funding was mainly due to a higher starting cash position as outlined in our 2014-2015 Annual Report. The need for draw down of government funding will increase later in the year as we invest in accordance with our strategic priorities. Government appropriations in 2015-2016 are expected to remain at the same level as received in 2014-2015.

Capital funding is recorded as deferred capital funding. It is amortized and recognized as revenue over the same periods as the related property and equipment, and intangible assets are used in CBC/Radio-Canada's operations.

NON-OPERATING ITEMS

(in thousands of Canadian dollars)	For the three months ended June 30		
	2015	2014	% change
Gain (loss) on disposal of property and equipment and intangibles	1,070	(4,395)	N/M
TOTAL	1,070	**(4,395)**	**N/M**

N/M = not meaningful

Non-operating gains of $1.1 million this quarter resulted largely from the disposal of our mobile production assets and the sale of a property in Iqaluit, Nunavut. Other net gains and losses in the first quarter of 2015-2016 were due to asset retirements and disposals as we continue to renew equipment and reduce our real estate footprint.

TOTAL COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars)	For the three months ended June 30		
	2015	2014	% change
Net results for the period	(76,054)	**(33,569)**	**N/M**
Other comprehensive income (loss)			
Remeasurements of defined benefit plans	181,505	(56,073)	N/M
Total comprehensive income (loss) for the period	105,451	**(89,642)**	**N/M**

N/M = not meaningful

Total comprehensive income recognized this quarter was $105.5 million, compared to a loss of $89.6 million in the same period last year. In addition to net results, total comprehensive income includes remeasurements of pension plan values. These remeasurements are driven by significant non-cash fluctuations in our pension plan's obligations and assets that occur when actual results or interest rates differ from our actuarial assumptions. We recognize these movements immediately in other comprehensive income each reporting period.

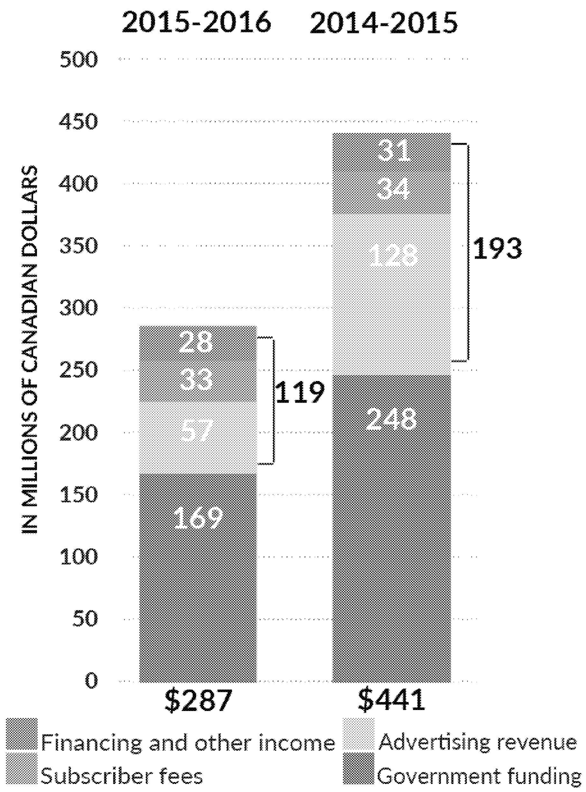
This year's $181.5 million in other comprehensive income was driven by a 50-basis point increase in the discount rate applied to our pension obligation. This effect was partly offset by a lower return on plan assets than we used in our assumptions.

3. Capital Resources, Financial Condition and Liquidity

3.1 Capital Resources

We have four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income. Further details are provided in our 2014-2015 Annual Report.

Quarterly Summary of Revenue and Other Sources of Funds



Financing and other income (10% of sources in 2015-2016): includes income from activities such as rental of real estate assets, leasing of space at our transmission sites, contributions from the Canada Media Fund and program sales.

Subscriber fees (11% of sources in 2015-2016): fees from our specialty services: CBC News Network, documentary, ICI EXPLORA, ICI ARTV, ICI RDI, the new ICI Tou.tv Extra premium package and Curio.ca.

Advertising revenue (20% of sources in 2015-2016): revenue from selling advertising on our conventional and specialty television channels, CBC Radio 2, ICI Musique, and other platforms. Advertising revenue is decreasing as a proportion of our total revenue and sources of funds as a result of the end of our broadcast rights contract with the NHL, and the market shift away from conventional advertising platforms.

Government funding (59% of sources in 2015-2016): government funding recognized of $169.2 million, including $24.2 million of amortization of deferred capital funding. A freeze of salary inflation funding for this fiscal year was confirmed by the government in its November 2013 Economic Update. This means that salary increases for our employees have to be managed through cost reductions in other areas. For an average salary increase of 1.5%, the Corporation needs to find $14.0 million in cost savings each year.

For quarterly variance analysis, see the Results section 2.

Borrowing Plan

The *Broadcasting Act*, section 46. (1), confers on CBC/Radio-Canada the authority to borrow up to $220.0 million, or such greater amount as may be authorized by Parliament, subject to approval of the Minister of Finance. Section 54. (3.1) of the *Act* requires that our borrowing plan be included in our corporate plan for the approval of the Minister of Finance.

The confirmation of the annual borrowing authority is currently pending and any borrowings will need to be individually approved. Guidelines established by the Department of Finance limit our borrowing activities to short-term initiatives with a payback period of six years or less. Borrowing to meet working capital purposes is prohibited.

Under the *Broadcasting Act*, section 47. (1), we are an agent of the Crown and therefore have the constitutional immunities, privileges and prerogatives that are enjoyed by the Crown. The Crown is also fully liable and financially exposed for all our actions and decisions while we are operating within our mandate. In other words, our assets and liabilities are the assets and liabilities of the Government of Canada.

3.2 FINANCIAL CONDITION AND LIQUIDITY

We rely largely on parliamentary appropriations and the cash generated from our commercial operations to fund our operating activities, including our capital needs in an environment highly dependent on technology. Specifically, our main sources of liquidity are parliamentary appropriations for operating, capital and working capital requirements and self-generated revenue such as from selling advertising on our various platforms.

Our cash flows from operating, investing and financing activities for the first quarter ended June 30, 2015 are summarized in the following table. Our cash balance on June 30, 2015 was $99.8 million, compared to $214.9 million on March 31, 2015.

CASH POSITION

	For the three months ended June 30		
(in thousands of Canadian dollars)	2015	2014	% change
Cash - beginning of the period	214,884	**61,974**	**N/M**
Changes in the period			
Cash (used in) from operating activities	(90,105)	72,585	N/M
Cash used in financing activities	(25,323)	(25,834)	(2.0)
Cash from investing activities	350	28,097	(98.8)
Net change	(115,078)	**74,848**	**N/M**
Cash - end of the period	99,806	**136,822**	**(27.1)**

N/M = not meaningful

CASH (USED IN) FROM OPERATING ACTIVITIES

Cash used in operating activities was $90.1 million this quarter, compared to cash generated from operating activities of $72.6 million in the same period last year. This change was primarily the result of fluctuations in working capital and the timing of government appropriation drawdowns for use in the business. In the first quarter, our use of cash in operations was higher than usual as we delayed government appropriation drawdowns to first use cash received from several one-time events in 2014-2015.

CASH USED IN FINANCING ACTIVITIES

Cash outflows for financing activities were consistent with the same period last year. Cash used of $25.3 million was for interest, semi-annual repayments of the Toronto Broadcasting Centre bonds, payments of notes payable and to meet our obligations under finance leases.

CASH FROM INVESTING ACTIVITIES

Cash generated from investing activities was lower this quarter when compared to $28.1 million in the same period last year. This change was primarily due to the receipt last year of a $10.4 million special dividend from our investment in Sirius XM Canada Holdings Inc. (SiriusXM) and the timing of capital funding received for our business.

4. Outlook and Risk Update

We are exposed to a variety of risks inherent to our activities and the environment in which we operate. Our key risks and mitigation strategies are discussed in full in our 2014-2015 Annual Report. Other than the items below, there have been no significant changes to our risk profile since year-end.

Industry Challenges: A Weaker Advertising Market & Regulatory Changes

As indicated in our 2014-2015 Annual Report, our revenue is exposed to the industry-wide softening of advertising markets and the shift of advertising away from traditional television to digital platforms. The June 2015 Television Bureau of Canada (TVB) report indicated that, between September 2014 and May 2015, total Canadian television advertising revenue was down 8.3% compared to the same period last year. Components of this total decline relevant to us include lower English and French markets (-8.6% and -6.9% respectively), a lower conventional television market (-11.9%) and decreases in the specialty market (-2.2%). Furthermore, May 2015 was the tenth consecutive month of year-over-year advertising revenue declines in the Canadian market. We are closely monitoring the situation as we expect the advertising market to remain challenged for the rest of this fiscal year.

In addition to these developments, we are continuing to monitor the broadcasting industry following decisions made from the CRTC's *Let's Talk TV* review of the television industry in Canada, as summarized in our Annual Report. Changes resulting from these regulatory decisions could also affect our specialty channel revenue. Further insight on the impacts of these decisions is expected in late 2015.

Rethinking our Current Infrastructure

We expect our real estate portfolio to generate more revenue as we rent out vacant space in some of our buildings. Consistent with our overall plan, a multi-year arrangement was concluded in the first quarter of 2015-2016 for the leasing of approximately 46,000 square feet at the Canadian Broadcast Centre in Toronto. We also expect to reduce our total cost of occupancy and real estate risk by selling and exiting some buildings that we own to become tenants in more cost-efficient premises.

5. Financial Reporting Disclosure

5.1 Future Accounting Standards

Refer to Note 2 of the condensed interim consolidated financial statements for information pertaining to accounting changes effective during 2015-2016 and for information on issued accounting pronouncements that will be effective in future years.

5.2 Critical Accounting Estimates and Judgments

Discussion and analysis of our financial condition and results of operations are based upon our condensed interim consolidated financial statements, which have been prepared in accordance with IAS 34 *Interim Financial Reporting*. Our key significant accounting estimates and critical judgments are contained in Note 4 of our annual consolidated financial statements.

5.3 Transactions with Related Parties

Transactions with Defined Benefit Pension Plans

We made employer contributions to defined benefit plans as discussed in Note 15. We also provided management and administrative services to our defined benefit pension plans.

Statement of Management Responsibility by Senior Officials

Management is responsible for the preparation and fair presentation of these consolidated quarterly financial statements in accordance with IAS 34 – *Interim Financial Reporting*, and for such internal controls as management determines is necessary to enable the preparation of consolidated quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the consolidated quarterly financial statements.

Based on our knowledge, these unaudited consolidated quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation, as at the date of and for the periods presented in the consolidated quarterly financial statements.

Hubert T. Lacroix,

President and Chief Executive Officer

Judith Purves,

Executive Vice-President and
Chief Financial Officer

XXX, Canada

August 20, 2015

In thousands of Canadian dollars

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	NOTE	June 30, 2015	March 31, 2015
ASSETS			
Current			
Cash		99,806	214,884
Trade and other receivables	3	128,611	151,444
Programming	4	213,480	170,177
Merchandising inventory		288	274
Prepaid expenses		28,569	26,859
Promissory notes receivable		2,517	2,474
Investment in finance lease		2,808	2,759
Derivative financial instruments	14	102	269
Assets classified as held for sale	5	3,879	1,627
		480,060	**570,767**
Long-term			
Property and equipment	5	885,797	902,752
Intangible assets	6	26,886	25,324
Assets under finance leases		26,312	20,389
Pension plan	9	343,242	190,342
Programming	4	134,611	140,113
Promissory notes receivable		42,866	43,507
Investment in finance lease		46,658	47,379
Deferred charges		16,905	17,252
Investment in associate	7	-	-
		1,523,277	**1,387,058**
TOTAL ASSETS		2,003,337	**1,957,825**
LIABILITIES			
Current			
Accounts payable and accrued liabilities		67,700	87,534
Provisions	8	42,830	40,962
Pension plans and employee-related liabilities	9	148,895	154,876
Programming liability		15,151	15,151
Bonds payable		17,103	21,663
Obligations under finance leases		10,945	10,232
Notes payable		7,192	8,319
Deferred revenues	10	41,127	30,105
Derivative financial instruments	14	19	-
		350,962	**368,842**
Long-term			
Deferred revenues	10	32,725	39,154
Pension plans and employee-related liabilities	9	236,521	247,245
Programming liability		28,535	33,446
Bonds payable		244,177	251,237
Obligations under finance leases		25,245	20,671
Notes payable		97,167	100,513
Deferred capital funding	12	506,037	520,200
		1,170,407	**1,212,466**
Equity			
Retained earnings		481,408	375,976
Total equity attributable to the Corporation		481,408	**375,976**
Non-controlling interests		560	**541**
TOTAL EQUITY		481,968	**376,517**
TOTAL LIABILITIES AND EQUITY		2,003,337	**1,957,825**

Contingencies (NOTE 8) and Commitments (NOTE 16)

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

In thousands of Canadian dollars

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME (LOSS) (UNAUDITED)

	NOTE	For the three months ended June 30	
		2015	2014
REVENUE	11		
Advertising		56,998	127,556
Subscriber fees		33,317	33,881
Other income		25,448	28,857
Financing income		2,758	2,298
		118,521	**192,592**
EXPENSES			
Television, radio and digital services costs		338,593	452,856
Transmission, distribution and collection		17,038	16,514
Corporate management		2,525	2,610
Payments to private stations		591	593
Finance costs		7,432	7,414
Share of results in associate	7	(1,371)	(10,466)
		364,808	**469,521**
Operating loss before Government funding and non-operating items		(246,287)	**(276,929)**
GOVERNMENT FUNDING	12		
Parliamentary appropriation for operating expenditures		144,000	220,036
Parliamentary appropriation for working capital		1,000	1,000
Amortization of deferred capital funding		24,163	26,719
		169,163	**247,755**
Results before non-operating items		(77,124)	**(29,174)**
NON-OPERATING ITEMS			
Gain (loss) on disposal of property and equipment and intangibles	5, 6	1,070	(4,395)
		1,070	**(4,395)**
Net results for the period		(76,054)	**(33,569)**
Net results attributable to:			
The Corporation		(76,073)	(33,674)
Non-controlling interests		19	105
		(76,054)	(33,569)

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

In thousands of Canadian dollars

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	NOTE	For the three months ended June 30	
		2015	2014
COMPREHENSIVE INCOME (LOSS)			
Net results for the period		(76,054)	(33,569)
Other comprehensive income (loss) - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	*9*	181,505	(56,073)
Total comprehensive income (loss) for the period		105,451	**(89,642)**
Total comprehensive income (loss) attributable to:			
The Corporation		105,432	(89,747)
Non-controlling interests		19	105
		105,451	**(89,642)**

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

In thousands of Canadian dollars

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	NOTE	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March, 2015		375,976	541	376,517
Changes in the period				
Net results for the period		(76,073)	19	(76,054)
Remeasurements of defined benefit plans	9	181,505	-	181,505
Total comprehensive income (loss) for the period		**105,432**	**19**	105,451
Balance as at June 30, 2015		**481,408**	**560**	481,968

		Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March, 2014		236,117	468	236,585
Changes in the period				
Net results for the period		(33,674)	105	(33,569)
Remeasurements of defined benefit plans	9	(56,073)	-	(56,073)
Total comprehensive income (loss) for the period		**(89,747)**	**105**	(89,642)
Balance as at June 30, 2014		**146,370**	**573**	146,943

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

In thousands of Canadian dollars

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	NOTE	For the three months ended June 30 2015	2014
CASH FLOWS (USED IN) FROM			
OPERATING ACTIVITIES			
Net results for the period		(76,054)	(33,569)
Adjustments for:			
(Gain) loss on disposal of property and equipment and intangibles	5, 6	(1,070)	4,395
Financing income		(2,758)	(2,298)
Finance costs		7,432	7,414
Change in fair value of financial instruments designated as at fair value through profit and loss	14	186	503
Depreciation of property and equipment	5	25,789	28,295
Amortization of intangible assets	6	1,636	1,597
Depreciation of asset under finance lease		1,898	2,114
Share of results in associate	7	(1,371)	(10,466)
Change in deferred charges		347	(235)
Change in programming asset [long-term]	4	6,099	-
Change in programming liability [long-term]		(5,235)	-
Amortization of deferred capital funding	12	(24,163)	(26,719)
Change in deferred revenues [long-term]	10	(6,839)	(956)
Change in pension plan asset	9	(152,900)	25,642
Change in pension plans and employee-related liabilities [current]	9	10,017	8,684
Change in pension plans and employee-related liabilities [long-term]	9	170,782	(13,249)
Accretion of promissory notes receivable		(5)	(5)
Movements in working capital	13	(43,896)	81,438
		(90,105)	**72,585**
FINANCING ACTIVITIES			
Repayment of obligations under finance leases		(2,548)	(2,861)
Repayment of bonds		(6,557)	(6,090)
Repayment of notes		(3,214)	(3,069)
Interest paid		(13,004)	(13,814)
		(25,323)	**(25,834)**
INVESTING ACTIVITIES			
Parliamentary appropriations for capital funding	12	10,000	23,965
Additions to property and equipment	5	(18,258)	(9,495)
Additions to intangible assets	6	(3,685)	(2,954)
Net proceeds from disposal of property and equipment	5	7,328	850
Collection of promissory notes receivable		597	555
Collection of finance leases receivable		631	589
Dividends received	7	1,371	12,321
Interest received		2,366	2,266
		350	**28,097**
Change in cash		(115,078)	**74,848**
Cash, beginning of the period		214,884	**61,974**
Cash, end of the period		99,806	**136,822**

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements for the First Quarter Ended June 30, 2015

(In thousands of Canadian dollars, unless otherwise noted)

1. General Information

As the national public broadcaster, CBC/Radio-Canada (the Corporation) provides radio, television and digital services in both official languages, delivering predominantly and distinctly Canadian programming to reflect Canada and its regions to national and regional audiences.

The Corporation is a federal Crown Corporation domiciled in Canada. The address of the Corporation's registered office is 181 Queen Street, Ottawa ON K1P 1K9.

2. Significant Accounting Policies

A. Statement of Compliance

The Corporation has prepared these condensed interim consolidated financial statements as required by Section 131.1 of the *Financial Administration Act* which requires most parent Crown Corporations to prepare and make public quarterly financial reports in compliance with the Treasury Board Standard on Quarterly Financial Reports for Crown Corporations. These condensed interim financial statements also comply with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board (IASB) and adopted by the Accounting Standards Board (AcSB).

These condensed interim consolidated financial statements have not been audited or reviewed by the Corporation's external auditor. They have been authorized for issuance by the Board of Directors on August 20, 2015.

B. Basis of Preparation

Basis of Presentation

As permitted under IAS 34, these interim consolidated financial statements are presented on a condensed basis and therefore do not include all disclosures that would otherwise be required in a full set of financial statements. These condensed interim consolidated financial statements are intended to provide an update on the latest complete set of audited annual financial statements for the year ended March 31, 2015. Accordingly, they should be read in conjunction with the audited annual consolidated financial statements for the year then ended.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, excepted as permitted by IFRS and as otherwise indicated within these notes.

The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those disclosed in the Corporation's audited annual consolidated financial statements, except for the application of new standards, amendments and interpretations effective for the Corporation's year end beginning on April 1, 2015. The accounting policies have been applied consistently to all periods presented, unless otherwise noted.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Corporation.

Seasonality

Excluding government appropriations, approximately 60% of the Corporation's source of funds come from advertising revenue that tend to follow seasonal patterns, with the second quarter typically being the lowest mainly due to the summer season attracting fewer viewers. Advertising revenue also varies according to market and general economic conditions and the programming schedule. By contrast, subscriber-based revenue is more stable on a quarter-by-quarter basis. Operating expenses tend also to follow a seasonal pattern, as they are influenced by the programming schedule.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Corporation, its subsidiaries, ARTV and Documentary Channel (documentary), and two structured entities, the Broadcast Centre Trust and the CBC Monetization Trust.

Key sources of Estimation Uncertainty and Critical Judgments

The preparation of these condensed interim consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities at the date of such financial statements and the reported amounts of revenues and expenses recorded during the period, as well as all related disclosures.

Estimates are regularly reviewed by management and changes in those estimates are recognized prospectively by including them in the Condensed Interim Consolidated Statement of Income (Loss) in the period of the change, if the change affects that period only; or the period of the change and future periods, if the change affects both. Actual results could significantly differ from those estimates. Similarly, critical judgments are reassessed at each reporting date.

There have been no changes made to the Corporation's key estimates or critical judgments since the Corporation's last audited annual consolidated financial statements at March 31, 2015.

C. Adoption of New and Revised International Financial Reporting Standards

The following new pronouncements issued by the IASB or the IFRS Interpretations Committee were adopted by the Corporation effective April 1, 2015. These pronouncements had no impact on the condensed interim consolidated financial statements as at and for the quarter ended June 30, 2015.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 was amended in November 2013 to allow for employee contributions that are linked solely to the employee's service rendered in the same period in which those contributions are payable to be accounted for as a reduction in the cost of short-term employee benefits. These amendments are effective for annual reporting periods beginning on or after July 1, 2014, on a retrospective basis.

Annual Improvements to IFRSs: 2010-2012 Cycle and 2011-2013 Cycle

The Annual Improvements to IFRSs 2010-2012 Cycle and the Annual Improvements to IFRSs 2011-2013 Cycle were issued in December 2013. These improvements include a number of amendments to various IFRSs which are effective for annual reporting periods beginning on or after July 1, 2014, on a prospective and modified retrospective basis.

D. Future Accounting Changes

The Corporation has reviewed new and revised accounting pronouncements as well as the ongoing annual improvements that have been issued.

The Corporation has completed its assessment of the following amendments and annual improvements and has concluded that their adoption will not have an impact on its consolidated financial statements, although conclusions made regarding the expected impact of future changes in accounting policies could change until the standards are fully adopted:

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures

The amendments to IFRS 10 and IAS 28 (2011) were issued in September 2014. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture and are effective for annual reporting periods beginning on or after January 1, 2016, on a prospective basis.

Amendments to IFRS 11 Joint Arrangements

IFRS 11 was amended in May 2014 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. This Standard will become effective for annual periods beginning on or after January 1, 2016, on a prospective basis.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

IAS 16 and IAS 38 were amended in May 2014 to clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and that, for intangible assets, there is a rebuttable presumption that amortization based on revenue is not appropriate. These amendments are effective for annual reporting periods beginning on or after January 1, 2016, on a prospective basis.

Annual Improvements to IFRSs: 2012-2014 Cycle

The *Annual Improvements to IFRSs 2012-2014 Cycle* were issued in September 2014. These improvements include a number of amendments to various IFRSs which are effective for annual reporting periods beginning on or after January 1, 2016, on a prospective basis.

The Corporation is still assessing the potential impact of the following standards on its consolidated financial statements:

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009 and amended in October 2010, is part of a multi-phase project to replace current IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has adopted an approach based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets and liabilities. In addition to this logical model for classification and measurement, the final IFRS 9 issued in July 2014 includes a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. This standard will become effective for annual periods beginning January 1, 2018 on a retrospective basis.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and supersedes IAS 18 Revenue and IAS 11 Construction Contracts and a number of revenue-related interpretations. The Standard establishes a comprehensive framework for determining when revenue should be recognized and how it should be measured. The core principle is that an entity should recognize revenue when it transfers goods or services to a customer based upon the amount of consideration to which the entity expects to be entitled to from the customer. The goods or services are transferred when the customer has control of them. IFRS 15 also requires extensive new qualitative and quantitative disclosures designed to help investors understand the nature, amount, timing and uncertainty of revenue. This standard will become effective for annual periods beginning on or after January 1, 2018, after the IASB voted a one-year deferral of the effective date on July 22, 2015. The Accounting Standards Board is yet to approve this one-year deferral. When first adopting IFRS 15, the Corporation will apply the standard in full for the current period, including retrospective application to all contracts not yet complete at the beginning of that period. In respect to prior periods, the Corporation will either fully apply the standard or adopt a modified approach as permitted by the transition guidance. The Corporation is currently assessing these alternatives.

Amendments to IAS 1 Disclosure Initiative

IAS 1 was amended in December 2014 as part of the IASB's Disclosure Initiative work on the *Conceptual Framework*. These narrow-focus amendments clarify, rather than significantly change, existing IAS 1 requirements for which there has been overly prescriptive interpretations of the wording. These amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.

In thousands of Canadian dollars

3. Trade and Other Receivables

	June 30, 2015	March 31, 2015
Trade receivables	117,567	140,999
Allowance for doubtful accounts	(2,318)	(2,683)
Other	13,362	13,128
	128,611	**151,444**

Trade receivables disclosed above include amounts (see Note 3A) that are past due at the end of the reporting period for which the Corporation has not recognized an allowance for doubtful accounts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

A. Age of Trade Receivables that are Past Due but not Impaired

	June 30, 2015	March 31, 2015
31 - 60 days	2,468	22,481
61 - 90 days	15,192	13,096
Over 90 days	16,237	16,724
Total	33,897	**52,301**

B. Movement in Allowance for Doubtful Accounts

	June 30, 2015	March 31, 2015
Opening balance	(2,683)	(3,719)
Amounts written off during the period as uncollectible	-	2,000
Impairment losses reversed	548	349
Net increase in allowance for new impairments	(183)	(1,313)
Balance, end of the period	(2,318)	**(2,683)**

4. Programming

A. Programming by Category

	June 30, 2015	March 31, 2015
Completed programs	54,337	61,918
Programs in process of production	84,598	39,728
Broadcast rights available for broadcast within the next twelve months	74,545	68,531
	213,480	**170,177**
Broadcast rights not available for broadcast within the next twelve months	134,611	140,113
	348,091	**310,290**

In thousands of Canadian dollars

B. MOVEMENT IN PROGRAMMING

	June 30, 2015	March 31, 2015
Opening balance	310,290	223,714
Additions	259,190	1,070,776
Programs broadcast	(221,389)	(984,200)
Balance, end of the period	348,091	**310,290**

The programming write-offs included in the Programs broadcast line in the above table for the three months ended June 30, 2015, amount to $0.3 million (2014 – $1.0 million). Programming write-offs are mainly due to terminated projects, programs not telecasted in the past two years, programming not suitable for telecast or pilots not progressing into a series.

5. PROPERTY AND EQUIPMENT

A. COST AND ACCUMULATED DEPRECIATION

The property and equipment carrying amounts are as follows:

	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost as at March 31, 2015	174,552	553,585	53,253	1,129,557	139,591	42,034	2,092,572
Additions	-	-	-	1,787	307	16,164	18,258
Transfers (refer to Note 6)	-	3,797	6,919	16,894	3,504	(30,631)	483
Assets classified as held for sale	(290)	(5,721)	-	-	-	-	(6,011)
Disposals and write-offs	-	(3,151)	-	(36,098)	(3,224)	-	(42,473)
Cost as at June 30, 2015	**174,262**	**548,510**	**60,172**	**1,112,140**	**140,178**	**27,567**	2,062,829
Accumulated depreciation as at March 31, 2015	-	(209,726)	(28,864)	(847,406)	(103,824)	-	(1,189,820)
Depreciation for the period	-	(7,613)	(828)	(14,397)	(2,951)	-	(25,789)
Reclassification of depreciation on assets classified as held for sale	-	3,039	-	-	-	-	3,039
Reclassification of depreciation on disposals and write-offs	-	1,265	-	32,300	1,973	-	35,538
Accumulated depreciation as at June 30, 2015	**-**	**(213,035)**	**(29,692)**	**(829,503)**	**(104,802)**	**-**	(1,177,032)
Net carrying amount as at June 30, 2015	**174,262**	**335,475**	**30,480**	**282,637**	**35,376**	**27,567**	885,797

In thousands of Canadian dollars

	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	**Total**
Cost as at March 31, 2014	174,709	547,264	52,874	1,209,026	142,580	27,170	**2,153,623**
Additions	-	-	-	9,774	2,808	55,681	**68,263**
Transfers (refer to Note 6)	-	13,017	409	21,802	7,214	(40,760)	**1,682**
Transfers from assets under finance leases	-	-	-	7,208	2,947	-	**10,155**
Assets classified as held for sale	(48)	(3,190)	-	(2,453)	-	-	**(5,691)**
Disposals and write-offs	(109)	(3,506)	(30)	(115,800)	(15,958)	(57)	**(135,460)**
Cost as at March 31, 2015	**174,552**	**553,585**	**53,253**	**1,129,557**	**139,591**	**42,034**	**2,092,572**
Accumulated depreciation as at March 31, 2014	-	(179,369)	(25,836)	(895,476)	(106,405)	-	**(1,207,086)**
Accumulated depreciation on transfers from assets under finance leases	-	-	-	(3,574)	(1,054)	-	**(4,628)**
Depreciation for the period	-	(35,376)	(3,058)	(60,219)	(11,997)	-	**(110,650)**
Reclassification of depreciation on assets classified as held for sale	-	3,188	-	2,453	-	-	**5,641**
Reclassification of depreciation on disposals and write-offs	-	1,831	30	109,410	15,632	-	**126,903**
Accumulated depreciation as at March 31, 2015	**-**	**(209,726)**	**(28,864)**	**(847,406)**	**(103,824)**	**-**	**(1,189,820)**
Net carrying amount as at March 31, 2015	**174,552**	**343,859**	**24,389**	**282,151**	**35,767**	**42,034**	**902,752**

The contractual commitments for the acquisition of property and equipment are $16.9 million as at June 30, 2015 (March 31, 2015 – $11.9 million).

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the three months ended June 30, 2015 (2014 – nil).

C. Assets Classified as Held For Sale

Consistent with the Corporation's financial plan to reduce ownership in land and buildings, several properties were classified as held for sale for accounting purposes as at June 30, 2015, most notably a property located in Moncton, New Brunswick. These properties are expected to be sold on a site by site basis over the next twelve months. Their carrying value, in addition to other assets held for sale, totals $3.9 million (March 31, 2015 – $1.6 million).

D. Disposals

During the quarter, the Corporation sold its mobile assets and properties located in Iqaluit, Nunavut and Gander, Newfoundland that were previously held for sale. The proceeds on the sale of these assets were $9.3 million and resulted in a gain of $3.1 million.

Other net gains and losses in the first three months of 2015-2016 resulted from the disposal or retirements of equipment as part of the Corporation's normal asset refresh cycle.

In thousands of Canadian dollars

CBC Radio-Canada

6. INTANGIBLE ASSETS

The intangible assets carrying amounts are as follows:

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2015	140,594	26,602	9,499	176,695
Additions	-	-	3,685	3,685
Transfers (refer to Note 5)	47	778	(1,308)	(483)
Disposals and write-offs	-	(46)	-	(46)
Cost as at June 30, 2015	**140,641**	**27,334**	**11,876**	179,851
Accumulated amortization as at March 31, 2015	(137,090)	(14,281)	-	(151,371)
Amortization for the period	(375)	(1,261)	-	(1,636)
Reclassification of amortization on disposals and write-offs	-	42	-	42
Accumulated amortization as at June 30, 2015	**(137,465)**	**(15,500)**	**-**	(152,965)
Net carrying amount as at June 30, 2015	**3,176**	**11,834**	**11,876**	26,886

	Internally developed software	Acquired software	Uncompleted capital projects	**Total**
Cost as at March 31, 2014	140,893	23,887	4,948	**169,728**
Additions	-	97	10,150	**10,247**
Transfers (refer to Note 5)	1,299	2,618	(5,599)	**(1,682)**
Disposals and write-offs	(1,598)	-	-	**(1,598)**
Cost as at March 31, 2015	**140,594**	**26,602**	**9,499**	**176,695**
Accumulated amortization as at March 31, 2014	(136,720)	(9,612)	-	**(146,332)**
Amortization for the period	(1,830)	(4,669)	-	**(6,499)**
Reclassification of amortization on disposals and write-offs	1,460	-	-	**1,460**
Accumulated amortization as at March 31, 2015	**(137,090)**	**(14,281)**	**-**	**(151,371)**
Net carrying amount as at March 31, 2015	**3,504**	**12,321**	**9,499**	**25,324**

There were no impairment losses recorded or reversed during the three months ended June 30, 2015 (2014 – nil).

In thousands of Canadian dollars

7. INVESTMENT IN ASSOCIATE

A. DESCRIPTION OF INVESTMENT

As at June 30, 2015, the Corporation held 13,056,787 Class A Subordinate Voting Shares in Sirius XM Canada Holdings Inc. (SiriusXM), which represented a 10.17% equity interest and a 9.66% voting interest.

SiriusXM has a policy to pay dividends on a quarterly basis, as well as to issue special dividends at their discretion. For the three month period ended June 30, 2015, the Corporation received a quarterly dividend from SiriusXM totalling $1.4 million (2014 – received quarterly and special dividends from SiriusXM totalling $12.3 million).

B. ACCOUNTING CONSIDERATIONS

SiriusXM's fiscal year end is August 31, which differs from that of the Corporation. IAS 28, *Investments in Associates and Joint Ventures*, limits the difference between the end of the reporting period of an associate and that of the investor to no more than three months. As such, the Corporation has included its portion of the interim results of SiriusXM for the period up to May 31, 2015, which falls within the allowed three month window. This corresponds to the latest information available for SiriusXM that can be disclosed publicly. IAS 28 also requires an adjustment to results for any significant transactions that occur during the intervening period. No such adjustments were necessary for the quarter ended June 30, 2015 (2014 – nil).

The fair value of the Corporation's investment in SiriusXM at June 30, 2015, was $69.6 million (March 31, 2015 – $71.8 million). The fair value was determined using the closing market price of SiriusXM Class A shares (TSX: XSR) at June 30, 2015, and as such, the fair value measurement is considered a Level 1 measurement in the fair value hierarchy.

The following is a summary of the Corporation's investment in SiriusXM:

	Ownership interest as at:		Carrying value as at:	
	June 30, 2015	March 31, 2015	June 30, 2015	March 31, 2015
SiriusXM - Class A shares	10.17%	10.18%	-	-

A reconciliation of the carrying amount of the Corporation's investment in SiriusXM, as recorded on the Condensed Interim Consolidated Statement of Financial Position, is as follows:

	June 30, 2015	March 31, 2015
Opening balance	-	1,855
Dividends received[1]	-	(1,855)
Balance, end of the period	-	-

[1] Total dividends received during the three months ended June 30, 2015 amounted to $1.4 million (2014 - $12.3 million). In prior periods, dividends received grinded down the investment carrying value to nil. In the current period, the excess of dividends received over the investment carrying value of $1.4 million (2014 - $10.5 million) is recognized in net results under Share of results in associate.

The Corporation has not incurred any contingent liabilities or commitments in relation to its associate.

SiriusXM has no discontinued operations. There are no significant restrictions imposed on SiriusXM relating to their ability to transfer funds to their investors.

In thousands of Canadian dollars

8. Provisions

	Claims and legal proceedings	Environmental	Restructuring costs: Workforce reduction	Restructuring costs: Decommissioning	Total
Opening balance as at April 1, 2015	32,044	377	6,436	2,105	40,962
Additional provisions recognized	4,041	-	1,354	-	5,395
Provisions utilized	(699)	-	(742)	(66)	(1,507)
Reductions resulting from remeasurement or settlement without cost	(768)	-	(1,252)	-	(2,020)
Balance, end of the period	**34,618**	**377**	5,796	2,039	**42,830**

A. Restructuring Costs

In April 2014, the Corporation's restructuring plan included the elimination of 657 positions over two years. Expenses recognized to date include workforce reductions where demonstrably committed and estimable.

Expenses related to restructuring costs in connection with workforce reductions comprise severance, benefits continuation and outplacement services, and were recognized where demonstrably committed and reasonable. All amounts related to restructuring provisions are expected to be paid out within the next 12 months.

At June 30, 2015, the Corporation has provisions related to workforce reductions of $5.8 million (March 31, 2015 – $6.4 million) included in current liabilities.

The Corporation's decommissioning provision includes work associated with the shutdown of both analogue television and shortwave transmission services. Work associated with the provision of $2.0 million (March 31, 2015 – $2.1 million) is expected to be completed within the next year.

B. Claims and Legal Proceedings

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some of these claims demand large monetary damages or other form of relief, and could result in significant expenditures. These claims consist mainly of copyright tariffs, grievances and other legal claims.

Litigation is subject to many uncertainties and the outcome of individual matters is not always predictable. Claims that are uncertain in terms of the outcome or potential outflow or that are not measurable are considered to be a contingency and are not recorded in the Corporation's consolidated financial statements.

At June 30, 2015, the Corporation had provisions amounting to $34.6 million (March 31, 2015 – $32.0 million) in respect of legal claims. All matters are classified as current as, where estimable, the Corporation is working to resolve these matters within 12 months.

C. Environmental Liabilities

At June 30, 2015, the Corporation had a provision of $0.4 million for one environmental matter (March 31, 2015 – $0.4 million). Remediation work is required at the Corporation's Mont Logan property to clean-up oil contaminants found in ground samples from the site's former transmission tower and associated building. The total remaining costs associated with remediation work at this site have been estimated at $0.4 million. A significant portion of the work was completed during 2014, although the project may require up to 6 years to complete.

D. Contingencies

Litigations are subject to many uncertainties and the outcome of individual matters is not always predictable. Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. No amounts have been disclosed in relation to contingent liabilities.

In thousands of Canadian dollars

9. Pension Plans and Employee-Related Liabilities

A. Net Defined Benefit Asset/Liability

Employee-related assets/liabilities recognized and presented in the Condensed Interim Consolidated Statement of Financial Position are as follows:

	Current		Long-term	
	June 30, 2015	March 31, 2015	June 30, 2015	March 31, 2015
Net defined benefit asset	-	**-**	343,242	**190,342**
Net defined benefit liability	-	-	100,416	106,801
Other post-employment plans	-	-	136,007	140,339
Vacation pay	61,633	55,315	-	-
Workforce reduction	25,727	30,809	-	-
Salary-related liabilities	61,535	68,752	98	105
	148,895	**154,876**	236,521	**247,245**

	June 30, 2015			March 31, 2015		
	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
Fair value of plan assets	6,351,958	-	-	6,648,816	-	-
Defined benefit obligation	6,008,716	100,416	136,007	6,458,474	106,801	140,339
Net asset (liability) arising from defined benefit obligation	343,242	(100,416)	(136,007)	**190,342**	**(106,801)**	**(140,339)**

B. Significant Actuarial Assumptions

As disclosed in Note 4.A *Key Sources of Estimation Uncertainty* of the Corporation's annual consolidated financial statements for the year ended March 31, 2015, at each reporting period end the Corporation reviews its actuarial assumptions to ensure that the net defined benefit liability (asset) recognized in the financial statements is updated for significant changes in assumptions and significant changes arising from one-off events. The impact on the net defined benefit liability (asset) arising from any such changes in assumptions is recognized in other comprehensive income as a remeasurement for the period.

Assumptions – annual rates	June 30, 2015	March 31, 2015
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.50%	4.25%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	4.00%	3.50%
Discount rate - long service gratuity	3.00%	2.75%
Discount rate - LTD benefit	3.00%	2.75%
Discount rate - life insurance	4.00%	3.50%

In thousands of Canadian dollars

C. Movements in the Present Value of the Defined Benefit Obligation

	June 30, 2015		March 31, 2015	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening defined benefit obligation	6,565,275	140,339	5,649,933	136,481
Current service cost	31,416	1,245	98,839	5,311
Interest cost	56,949	953	237,284	4,874
Contributions from employees	10,401	-	47,359	-
Remeasurements:				
Actuarial losses (gains) arising from changes in demographic assumptions	-	-	-	-
Actuarial losses (gains) arising from changes in financial assumptions	(476,438)	(3,588)	810,039	6,653
Actuarial losses (gains) arising from experience adjustments	(4,419)	-	1,803	-
Benefits paid	(74,052)	(2,942)	(279,982)	(12,980)
Closing defined benefit obligation	6,109,132	136,007	**6,565,275**	**140,339**

D. Movements in the Fair Value of Plan Assets

	June 30, 2015		March 31, 2015	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening fair value of plan assets	6,648,816	-	5,587,972	-
Administration fees (other than investment management fees)	(1,540)	-	(5,340)	-
Interest income on plan assets	57,378	-	233,795	-
Return on plan assets, excluding interest income	(302,776)	-	1,004,950	-
Contributions from employees	10,401		47,359	-
Contributions from the Corporation	13,731	2,942	60,062	12,980
Benefits paid	(74,052)	(2,942)	(279,982)	(12,980)
Closing fair value of plan assets	6,351,958	-	**6,648,816**	**-**

In thousands of Canadian dollars

E. DEFINED BENEFIT PLAN COSTS

Amounts recognized in comprehensive income

	For the three months ended June 30	
	2015	2014
Current service cost	32,661	25,898
Administration fees (other than investment management fees)	1,540	1,335
Interest cost on defined benefit obligation	57,902	60,468
Interest income on plan assets	(57,378)	(58,449)
Other	(164)	148
Expense recognized in net results	34,561	29,400
Plus:		
Remeasurements recognized in other comprehensive income (loss)	181,505	(56,073)
Total amounts recognized in comprehensive income (loss)	146,944	**(85,473)**

Retained earnings include $548.9 million of cumulative actuarial gains as at June 30, 2015 (March 31, 2015 gains – $367.4 million).

Expense recognized in net results

	For the three months ended June 30	
	2015	2014
Television, radio and digital services costs	33,178	28,224
Transmission, distribution and collection	1,037	882
Corporate management	346	294
Total	34,561	**29,400**

F. TOTAL CASH PAYMENTS

Cash payments for pension, other post-employment and other long-term benefits for the Corporation were as follows:

	For the three months ended June 30	
	2015	2014
Benefits paid directly to beneficiaries	2,942	2,967
Employer regular contributions to pension benefit plans	13,731	14,034
Total cash payments for defined benefit plans	16,673	**17,001**

The Plan is funded on the basis of actuarial valuations, which are made on an annual basis. Employees are required to contribute to the Plan a percentage of their pensionable salary. The Corporation provides the balance of the funding, as required, based on actuarial valuations.

In thousands of Canadian dollars

10. DEFERRED REVENUE

	June 30, 2015	March 31, 2015
Opening Balance	69,259	27,628
Deferred during the period	13,950	75,554
Recognized in net results during the period	(9,357)	(33,923)
Balance, end of period	73,852	**69,259**

	June 30, 2015	March 31, 2015
Included in the Condensed Interim Consolidated Statement of Financial Position as deferred revenue:		
Current	41,127	30,105
Long-term	32,725	39,154
	73,852	**69,259**

11. REVENUE

The Corporation has recognized revenue from the following sources:

	For the three months ended June 30	
	2015	2014
Advertising	56,998	127,556
Subscriber fees	33,317	33,881
Building, tower, facility and service rentals	10,111	10,228
Production revenue	2,367	2,935
Digital programming	4,855	9,040
Retransmission rights	750	760
Program sponsorship	479	621
Other services	1,161	111
Total Rendering of services	110,038	**185,132**
Total Financing income	2,758	**2,298**
Contribution from the Local Programming Improvement Fund (LPIF)	-	4,153
Contra revenues other than advertising	5,466	938
Gain on foreign exchange rates	440	570
Net loss from fair value of financial instruments	(181)	(499)
Total Revenue	118,521	**192,592**

In thousands of Canadian dollars

12. Government Funding

Parliamentary appropriations approved and the amounts received by the Corporation are as follows:

	For the three months ended June 30	
	2015	2014
Operating funding	144,000	220,036
Capital funding received	10,000	23,965
Working capital funding	1,000	1,000
	155,000	**245,001**

Government funding approved and received by the Corporation during the quarter is recorded as follows in the condensed interim consolidated financial statements.

Parliamentary appropriations for operating expenditures are recognized in the Condensed Interim Consolidated Statement of Income (Loss) based on the net difference between quarterly budgeted expenses and self-generated revenue.

Quarterly budgets are established from the annual budget approved by the Board of Directors at the beginning of each year and reflect expected appropriation funding for the year and seasonal impacts of expenditures and self-generated revenue.

Capital funding received is recorded as Deferred Capital Funding in the Condensed Interim Consolidated Statement of Financial Position, with income being recognized in the Condensed Interim Consolidated Statement of Income (Loss) on the same basis and over the same periods as the related property, equipment and intangible assets.

	June 30, 2015	March 31, 2015
Opening balance	520,200	518,272
Government funding for capital expenditures	10,000	104,740
Amortization of deferred capital funding	(24,163)	(102,812)
Balance, end of the period	506,037	**520,200**

13. Movements in Working Capital

	For the three months ended June 30	
	2015	2014
Changes in Working Capital are comprised of:		
Trade and other receivables	24,079	58,793
Programming asset (current)	(43,303)	(21,289)
Merchandising inventory	(14)	(36)
Prepaid expenses	(1,710)	66,116
Accounts payable and accrued liabilities	(19,840)	(33,988)
Provisions	1,868	11,556
Pension plans and employee-related liabilities (current)	(15,998)	28
Deferred revenues (current)	11,022	258
	(43,896)	**81,438**

In thousands of Canadian dollars

14. Fair Value Measurements

The fair values of cash, trade and other receivables, the current portion of the promissory notes receivable, the current portion of the investment in finance lease, accounts payable and accrued liabilities, the current portion of the bonds payable, the current portion of the obligations under finance leases, the current portion of the notes payable and the option liability approximate their carrying value due to the current nature of these instruments.

The carrying values and fair values of the Corporation's remaining financial assets and financial liabilities are listed in the following table:

	June 30, 2015		March 31, 2015		
	Carrying values	Fair values (Level 2)	Carrying values	Fair values (Level 2)	Note
Financial instruments measured at fair value on a recurring basis:					
Derivative financial instruments					
Forward contracts (assets)	-	-	161	161	(a)
Forward contracts (liabilities)	19	19	-	-	(a)
Stock options	102	102	108	108	(b)
Financial instruments measured at amortized cost:					
Promissory notes receivable (long-term)	42,866	50,122	43,507	51,970	(c)
Investment in finance lease (long-term)	46,658	55,420	47,379	57,470	(c)
Bonds payable (long-term)	244,177	323,792	251,237	343,663	(d)
Obligations under finance leases (long-term)	25,245	18,727	20,671	21,629	(d)
Notes payable (long-term)	97,167	109,367	100,513	115,918	(d)

There were no transfers between levels during the three months ended June 30, 2015.

(a) The fair value is based on a discounted cash flow model based on observable future market prices.

(b) The estimated fair value is determined using an option pricing model whose key inputs include the closing price of the related shares, published Government bond rates and directly observable dividend yields.

(c) The fair values related to the various amounts receivable were determined using the expected future cash flows and discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflect the credit worthiness of the various counterparties.

(d) The fair values related to the Corporation's various financial liabilities were determined using the expected future cash flows and were discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflects the Corporation's credit worthiness.

In thousands of Canadian dollars

15. RELATED PARTIES

The Corporation enters into transactions with related parties in the normal course of business, on normal trade terms applicable to all individuals and enterprises and at market prices. These transactions are recorded at fair value by the Corporation. The following transactions were carried out with related parties:

A. TRANSACTIONS WITH RELATED PARTIES EXCLUDING GOVERNMENT-RELATED ENTITIES

	Rendering of services		Receipt of services		Pension contributions	
	For the three months ended June 30					
	2015	2014	2015	2014	2015	2014
Associate	574	672	-	-	-	-
Other related entities[1]	28	30	9	-	-	-
Corporate Pension Plan	-	-	-	-	13,731	14,034
	602	**702**	9	**-**	13,731	**14,034**

[1] Transations with other related entities primarily relate to administration services provided to the Corporate Pension Plan.

The following balances were outstanding at the end of the period and are included in Trade and other receivables on the Condensed Interim Consolidated Statement of Financial Position:

	Amounts owed by related parties	
	June 30, 2015	March 31, 2015
Associate	179	189
Other related entities	-	-
	179	**189**

There are no amounts owing to related parties at June 30, 2015 (March 31, 2015 – nil).

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

B. OTHER TRANSACTIONS WITH ASSOCIATE

There were no significant transactions with the Corporation's associate during the current or previous fiscal period other than the dividends received, as discussed in Note 7.

C. TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

CBC/Radio-Canada is a Federal Crown Corporation that operates in an economic environment dominated by entities directly or indirectly controlled by the federal government through its government authorities, agencies, affiliations and other organizations (collectively referred to as "government-related entities").

For the three months ended June 30, 2015, the aggregate amount of the Corporation's significant transactions with other government-related entities amounted to $0.4 million of its rendering of services (2014 – $0.2 million) and $0.5 million of its purchase of goods and services (2014 – $0.4 million). There were no individually significant transactions during the three months ended June 30, 2015 (2014 – none).

16. COMMITMENTS

Commitments are discussed in Note 27 – *Commitments* of the Corporation's consolidated financial statements for the year-ended March 31, 2015. There were no material changes to commitments during the first quarter of 2015-2016. Commitments for the purchase of property and equipment this quarter are disclosed within Note 5.A *Property and Equipment* of this report.