

## 2.2 Operational Indicators

In addition to monitoring the overall performance of *Strategy 2015* (see section 2.1 above), 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.

Operational indicators include measures of audience share, website visits, subscriber counts and revenue generation.

### 2013–2014 Results French Services

Again this year, Radio-Canada teams delivered bold, innovative and high-quality programming that forged close ties with the Canadian public. Our audiences responded well to new content across all of our platforms, as several indicators show that we met or surpassed targets established for 2013–2014.

With a combined share of 21.5%, ICI Radio-Canada Première and ICI Musique's audience share reached an all-time high, surpassing annual targets. This performance can be attributed to exceptionally high results starting in spring 2013 and maintained into the fall. By the same token, at 20.9%, ICI Radio-Canada Première's morning show audience share exceeded its target for the year by more than two share points.

ICI Radio-Canada Télé also exceeded its share target, capturing a 20.6% primetime audience share. The network benefited from a robust program schedule, which featured returning favourites that steadily drew over one million viewers (*Dans l'œil du dragon*, *L'Auberge du chien noir*, *Les enfants de la télé*, *Les Parent*, *Mémoires vives*, *Tout le monde en parle*, *Trauma*, *Unité 9*, etc.), new shows rapidly and widely embraced by audiences (*Les pêcheurs*), and Signature Events that drew Canadians together, such as special New Year's Eve programming like *Bye Bye 2013*, which obtained an 88% share<sup>1</sup>.

In the specialty channel market, we came in somewhat below target with a 5.0% combined share. This was largely because, with fewer compelling news events than last year, ICI RDI obtained a slightly lower share. On the other hand, ICI ARTV performed well, boosted by the rebroadcast of two landmark drama series that made Radio-Canada history - *Les belles histoires des pays d'en haut* and *Le temps d'une paix*.

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<sup>1</sup> Source: BBM Canada, Portable People Meter (PPM), Francophones in Quebec, ages 2+.

As for other news platforms, on one hand, our 2013–2014 results for ICI Radio-Canada Télé regional newscasts echoed the success we achieved in 2012–2013. Our weekly average minute audience numbers were slightly above target. On the other hand, our average number of unique visitors per month to all Radio-Canada sites and ICI Radio-Canada.ca regional web pages fell short of expectations. Fewer compelling news events than in 2012–2013 and a relatively stable number of Francophone Internet users across Canada contributed to these results<sup>2</sup>. Moreover, this underperformance was somewhat amplified by challenges in the measurement of ICI Radio-Canada.ca<sup>3</sup>.

Combined subscriber numbers for ICI ARTV and ICI RDI were consistent with our annual targets. ICI Explora has about 70,000 more subscribers than expected, due in part to a distribution agreement with Bell TV since March 2013, a free preview period during the holiday season, and ICI Explora's role in broadcasting the Sochi 2014 Winter Olympics.

Radio-Canada generated \$243.3 million of revenue from recurring sources in 2013–2014. Higher revenue from internal services provided to independent producers and specialty channel subscriptions helped us achieve close to the targeted level for the full year and offset the slowdown in the advertising market observed in the third quarter, as discussed further in Section 4.4 *Outlook*.

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<sup>2</sup> Source: comScore Mediametrix, Francophones in Canada, at home, ages 2+.

<sup>3</sup> Source: comScore, persons aged 2 years and older. There appears to be a discrepancy between our internal data and comScore's. Analysis of our internal data suggests that the comScore data underestimates usage of ICI Radio-Canada.ca during the months of January, February and March 2014, especially during the Sochi 2014 Olympic Winter Games in February.

## Performance Table - French Services

	Past Performance			Future
	Annual Targets 2013-2014	Annual Results 2013-2014	Annual Results 2012-2013	Annual Targets 2014-2015
<b>Radio Networks</b>				
ICI Radio-Canada Première and ICI Musique				
Full-day audience share <sup>1</sup>	19.3%	21.5%	18.5%	20.6%
<b>Television</b>				
ICI Radio-Canada Télé				
Prime-time audience share Fall/ Winter season <sup>2</sup>	19.5%	20.6%	20.3%	20.0%
ICI RDI, ICI ARTV, ICI Explora				
All-day audience share April-March <sup>2</sup>	5.2%	5.0%	5.4%	5.0%
<b>Regional</b>				
ICI Radio-Canada Première				
Morning shows audience share Mon-Fri 6-9 a.m. <sup>1</sup>	18.5%	20.9%	17.7%	19.5%
Téléjournal 18h				
Average viewer per minute Weekly average Mon-Fri 6-6:30 p.m. Fall/ Winter season <sup>2</sup>	0.350 million	0.355 million	0.347 million	0.350 million
Regional web pages				
Monthly average unique visitors April-March <sup>3</sup>	0.710 million	0.660 million	0.646 million	0.592 million
<b>New Platforms</b>				
ICI Radio-Canada.ca, ICI Tou.tv, ICI Musique, RCInet.ca, ICI ARTV.ca and ICI Exploratv.ca				
Monthly average unique visitors April-March <sup>3</sup>	2.3 million	2.0 million	2.2 million	1.8 million
<b>Specialty Television Channels<sup>4</sup></b>				
ICI RDI				
Subscribers	11.1 million	11.1 million	11.2 million	11.1 million
ICI ARTV				
Subscribers	2.0 million	2.0 million	2.0 million	2.0 million
ICI Explora				
Subscribers	0.4 million	0.5 million	0.3 million	0.5 million
<b>Revenue<sup>5</sup></b>				
Conventional, specialty, online	\$243.8 million	\$243.3 million	\$252.8 million	\$239.2 million

<sup>1</sup>Source: BBM Canada, spring and fall survey (diary), persons aged 12 years and older. Results for Francophone radio stations, in markets served by a Radio-Canada base station.

<sup>2</sup>Source: BBM Canada, Portable People Meter (PPM), Francophones in Quebec (specialty channels: Francophones in Quebec that subscribe to the cable channel), persons aged 2 years and older.

<sup>3</sup>Source: comScore, persons aged 2 years and older. There appears to be a discrepancy between our internal data and comScore's. Analysis of our internal data suggests that the comScore data underestimates usage of ICI Radio-Canada.ca during the months of January, February and March 2014, especially during the Sochi 2014 Olympic Winter Games in February. Targets have been adjusted to, among other things, account for measurement issues encountered in 2013-2014.

<sup>4</sup>As at March 31, 2014.

<sup>5</sup>Revenue for ICI ARTV is reported at 100% although CBC/Radio-Canada owns 85%. Includes revenue from LP IF, a fund reported by the CRTC to support local programming. Amounts reflect the phase out of the fund over three years ending August 31, 2014. Results as at March 31, 2014.

## Strategy 2015 Future Directions - French Services

### *Transformation*

On April 10, 2014, CBC/Radio-Canada unveiled its plan to balance its budget for 2014–2015. Under the plan, Radio-Canada will contribute to the Corporation’s \$130 million reduction effort and will need to accelerate the transformation it has already begun in an effort to support its multiplatform programming strategy. In 2014–2015, Radio-Canada will leverage technologies, conduct a thorough review of its production, broadcasting and management environments, and fully capitalize various potential revenue sources.

### *More distinctly Canadian*

In 2014-2015, Radio-Canada intends to maintain its leadership position in the French-language market. The Canadian content it will air across all platforms will continue to stand out for its high quality and distinctive, innovative nature on Drama, Comedy, Factual, Youth, Current Affairs and News. “Signature” events that engage Canadians will still be an important part of our unique offering. One key highlight this year for CBC/Radio-Canada and its partners will be serving as the country’s official broadcaster in both English and French for FIFA World Cup Brazil 2014.

Overall, ICI Radio-Canada Première, ICI Musique and ICI Radio-Canada Télé achieved exceptional audience shares in 2013–2014. In the coming year, Radio-Canada expects to build on those results despite the financial pressures we face. Targets have been set with this reality in mind.

### *More regional*

Radio-Canada will continue to deliver regionally rooted content, with daily flagship programming across all platforms. It will as well provide up-to-date news digital content seven days a week. To do that, it will continue implementing or solidifying the multiplatform production capacity of its regional stations and encourage synergy between regional and national networks to facilitate sharing of information and ensure better fluidity between the various types of content aired.

Budget reductions were the main factor in the 2014–2015 regional targets being set below the results achieved in 2013–2014.

### *More digital*

To remain the leader in a French-language market that’s becoming more and more fragmented and where consumption habits are shifting rapidly, Radio-Canada, despite the financial pressures, is actively implementing its multiplatform strategy to capture a wider audience wherever they consume content. For instance, in 2014–2015, Radio-Canada will enrich the content on its specialty channels to support their growth, keep promoting and enhancing the fully redesigned ICI Tou.tv and its EXTRA premium service, and continue developing its educational platform Curio.ca to showcase its archives.

## 2013–2014 Results - English Services

English Services' performance in 2013–2014 met or exceeded many of its targets but underperformed on a few measures, most notably revenue.

For CBC Radio, the fall diary survey yielded excellent results. Radio One and Radio 2 combined achieved a total share of 15.5% which significantly exceeded targets and which also represented an increase over the prior year's performance.

CBC Television's prime-time audience share ended the regular season at 8.3%<sup>4</sup>, higher than the target of 8.1%. This share was considerably higher than the prior year's 6.8%, which was adversely affected by the absence of NHL hockey for 15 weeks.

CBC News Network's audience share was above target and higher than in 2012–2013. Share performance was strongly influenced by news events such as the Boston marathon bombing, politics in Toronto and other cities, the birth of the British royal baby and weather disasters in Calgary and Southern Ontario.

Our regional performance indicators fell short of annual targets. For local radio, weakness in certain markets (especially Western Canada) caused performance to be down by 6 percentage points compared to both target and prior year. For local television, performance remained essentially flat year-over-year, missing the target mainly because of weaker audiences in the last half-hour of the local supper-time newscasts.

Average monthly unique visitors to regional web landing pages also fell short of expectations; it was 3% lower than last year and 5% below target. In 2014–2015, this indicator will be measured by unique visitors to all regional content, rather than just to regional landing pages. We're making this change because audiences are increasingly accessing content directly, for example through search engines or social media referrals.

By contrast, CBC.ca's monthly average unique visitors completed the year significantly above the annual target. This was driven by events of major international and national interest, such as severe weather events, domestic politics and international terrorism, as well as other CBC audio and video content.

Subscriber levels on our specialty television channels ended the year essentially flat year-over-year as anticipated in our targets, with CBC News Network up by 0.1 million to target (and flat year over year) and *documentary* flat to target and prior year.

Revenue for the year exceeded the prior year, driven by the return of *Hockey Night in Canada* to CBC Television in the fall of 2013. However, revenue failed to meet expectations largely because of weakening advertising revenue performance in the latter part of 2013–2014 as well as on the underperformance of certain CBC programs within the 25-54 demographic compared to selling estimates. This underperformance has contributed to financial difficulties within English Services, as discussed in Section 4.4 *Outlook*.

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<sup>4</sup> The regular season excludes the full Olympic weeks because this event is an unusually large viewing experience that is un-representative of on-going programming and audience results

## Performance Table - English Services

	Past Performance			Future Annual Targets 2014-2015	
	Annual Targets 2013-2014	Annual Results 2013-2014	Annual Results 2012-2013		
<b>Radio Networks</b>					
CBC Radio One and CBC Radio 2					
	All day audience share <sup>1</sup>	14.6%	15.5%	15.3%	15.6%
<b>Television</b>					
CBC Television					
	Prime-time audience share Regular season, Monday-Sunday <sup>2,3</sup>	8.1%	8.3%	6.8%	N/A
	Prime-time audience share Regular season, Monday-Friday & Sunday <sup>2,3</sup>	N/A	N/A	N/A	6.4%
CBC News Network					
	All day audience share April-March <sup>3</sup>	1.4%	1.6%	1.3%	1.6%
<b>Regional</b>					
CBC Radio One morning shows					
	Average weekly hours tuned (Mon-Fri) Regular season <sup>3</sup>	5.5 million	5.2 million	5.5 million	5.2 million
TV supper and late-night news					
	Average weekly hours tuned (Mon-Fri) Regular season <sup>3</sup>	3.9 million	3.7 million	3.7 million	3.7 million
Regional web home pages <sup>4</sup>					
	Monthly average unique visitors April-March <sup>5</sup>	0.995 million	0.941 million	0.971 million	N/A
Regional content <sup>4</sup>					
	Monthly average unique visitors April-March <sup>5</sup>	N/A	N/A	N/A	3.7 million
<b>New Platforms</b>					
CBC.ca					
	Monthly average unique visitors April-March <sup>5</sup>	6.5 million	7.1 million	6.3 million	7.0 million
<b>Specialty Television Channels</b>					
CBC News Network					
	Subscribers	11.2 million	11.3 million	11.3 million	11.2 million
<i>documentary</i>					
	Subscribers	2.7 million	2.7 million	2.7 million	2.7 million
<b>Revenue<sup>6</sup></b>					
	Conventional, specialty, online	\$400 million	\$390 million	\$362 million	\$298 million

N/A not available or not applicable

<sup>1</sup> Source: BBM Canada, fall survey (diary), persons aged 12 years and older.

<sup>2</sup> Under a contractual agreement starting in the 2014—2015 Regular Season, on Saturday evenings, CBC will broadcast programming produced and owned by Rogers Communications, over which CBC has no editorial control. As such, this Saturday evening programming will no longer be considered as part of the new performance target shown in the table above nor of actual results for 2014—2015. In 2013-14 and in prior years, when the programming was either produced or acquired by CBC, this time period was included in performance evaluation.

<sup>3</sup> Source: BBM Canada, Portable People Meter (PPM), persons aged 2 years and older.  
CBC Television, Regular Season 2013—2014 to date, weeks 6-33, excluding weeks 25-26.  
CBC News Network, Fiscal Year 2013—2014 to date, weeks 32+ for broadcast year 2012—2013 and weeks 1-31 for broadcast year 2013—2014.  
CBC Radio One Morning Shows: regular season 2013—2014 to date, weeks 2-30.  
CBC Television Supper & Late Night (Mon-Fri): regular season 2013—2014 to date, weeks 1-33, excluding weeks 25-26.

<sup>4</sup> In 2014—2015, this metric will be measured by monthly average Unique Visitors to any/all regional content, rather than being limited to regional home pages (i.e. landing pages). Changing audience behaviour, such as the trend to accessing content directly by searches or through social media referrals, has taken away the meaningfulness of the Landing Page concept as a metric in this context. Therefore, the new measurement will accommodate this audience trend.

<sup>5</sup> Source: comScore, persons aged 2 years and older. Note that for an 11 month average excluding February 2014 (the month of the Olympics), the monthly average was 6.9 million unique visitors.

<sup>6</sup> Revenue for *documentary* is reported at 100% although CBC/Radio-Canada owns 82%. Includes revenue from LPIF, a fund created by the CRTC to support local programming. Amounts reflect the phase out of the fund over three years ending August 31, 2014.

## Strategy 2015 Future directions - English Services

Similar to Radio-Canada, 2014–2015 will present new and unique financial and performance challenges for CBC as outlined in the April 10, 2014 budgetary announcements.

One major organizational change in 2014–2015 is the decision of the NHL to grant to Rogers exclusive hockey broadcasting rights for 12 years, and the transition to a new four-year agreement under which CBC Television will broadcast NHL hockey games from Rogers. However, all of CBC's properties on television, radio and digital will continue to deliver against current strategy and transition into the new strategy, to be announced at the beginning of the summer, that will take the organization to 2020.

We will focus and redirect resources on fewer key brands and properties and adjust support appropriately for other content, with an emphasis on culturally distinctive and uniquely Canadian stories. In this way, 2014–2015 will be a “bridge year” as we redefine the organization with a new and sustainable business model.

### *More distinctly Canadian*

CBC will continue to offer distinctive and quality Canadian programming to our audiences.

On CBC Television, we will also be offering audiences some international “best of the world” content in prime time on CBC Television to complement our predominantly Canadian schedule.

On Radio, we will strive to maintain a leadership position in local programming and continue to provide national programming of interest and relevance to Canadians.

CBC News will continue to broaden and grow audiences through original journalism and breaking news coverage.

CBC will also continue to offer Signature Events throughout the year, such as the FIFA World Cup of Soccer, Canada Day celebrations and the Scotiabank Giller Prize.

Nevertheless, programming will be affected by limited financial resources and this is reflected in our performance targets. CBC Television will be measured excluding Saturday prime time with the target as noted above. CBC News Network is targeting to maintain its share in 2014–2015 compared to 2013–2014, which represents maintaining the +0.3% share increase in 2013–2014 over 2012–2013. Finally, for CBC Radio One and Radio 2 combined, our target is to increase share above 2013–2014's performance.

### *More regional*

CBC remains committed to our local community connections in all currently existing stations and regions on television, on radio and digitally. CBC is also connecting Canadians through a mix of local, regionally representative and cross-regional expression in addition to local programming on all platforms.

Our regional performance targets reflect growing (on radio and online, the latter with a new and more accurate measure) and maintaining (on television) performance compared to the results in 2013–2014.

### *More digital*

To remain relevant to Canadians, we will offer our audiences access to programming and content on digital platforms and adapt to their changing preferences. At the same time, we will ensure existing digital distribution is available.

Our performance target for 2014–2015, as in the past, reflects the available data for desktop unique visitors and we have targeted an increase compared to 2013–2014 (adjusted for the exceptionally high February 2014 Olympic month).