

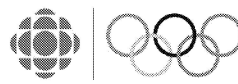
ANNUAL REPORT 2013–2014

GOING THE DISTANCE



SOCHI
2014

OLYMPIC WINTER GAMES



YOUR OLYMPIC NETWORK

FEBRUARY 6 TO 23, 2014

CBC  Radio-Canada

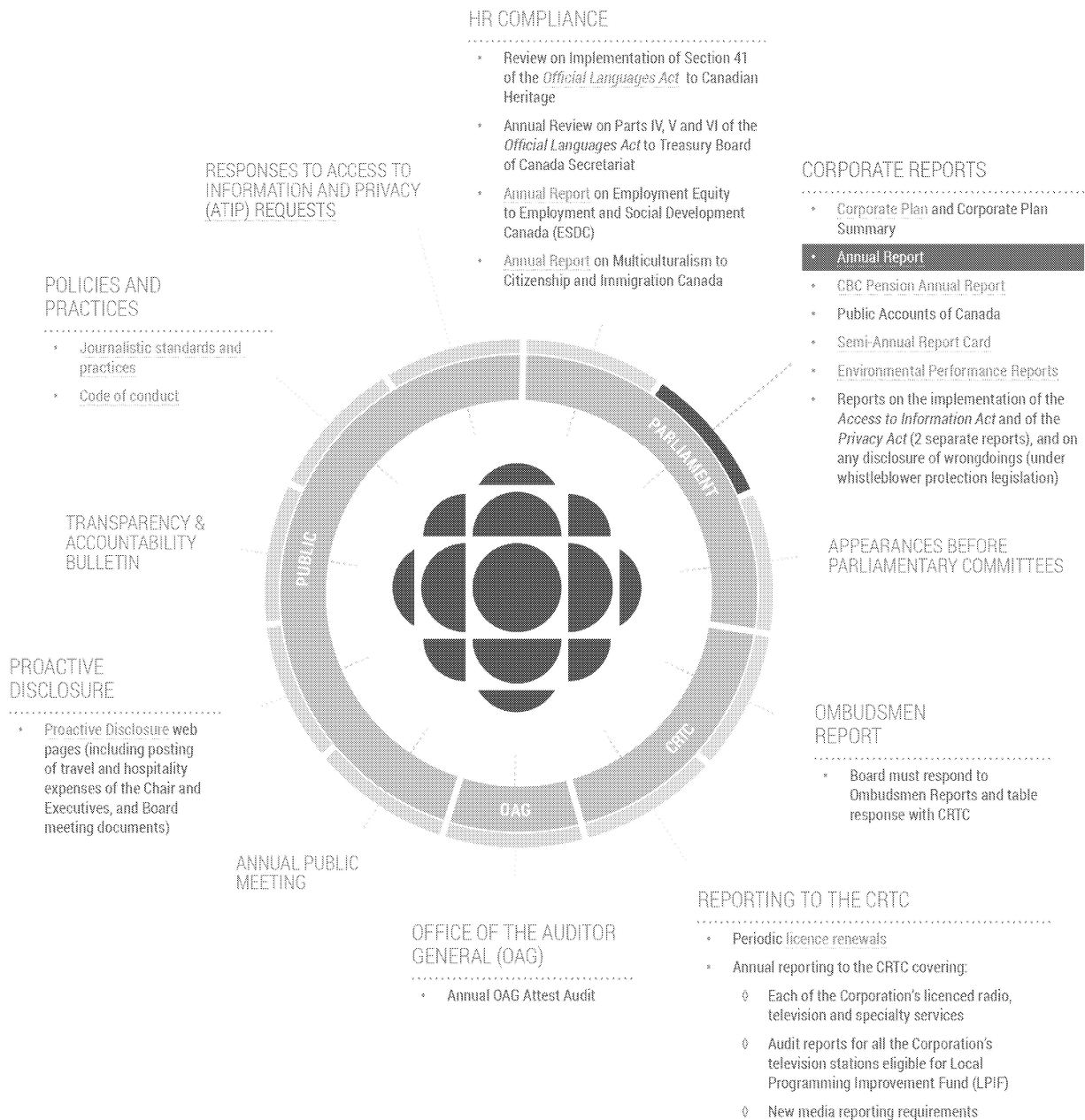
Table of Contents

CBC/Radio-Canada's Commitment to Transparency and Accountability.....	4
Message from the Chair.....	5
Message from President and CEO.....	7
Year in Review	10
Financial Highlights	10
Strategic Directions: Year in Review	12
The Next Strategic Plan Beyond 2015.....	14
Programming Year in Review.....	15
Corporate Year in Review	22
Management Discussion and Analysis	24
1. Core Business and Strategy	25
1.1 Mandate	25
1.2 CBC/Radio-Canada Services.....	26
1.3 Board and Management Structure	30
1.4 Corporate Strategy	32
1.5 Business Model	33
1.6 Operations.....	34
2. Performance	35
2.1 Strategic Indicators	35
2.2 Operational Indicators.....	45
3. Capability to Deliver Results.....	46
3.1 People and Leadership	46
3.2 Resource Capacity	51
4. Results and Outlook	55
4.1 Results	55
4.2 Financial Condition, Cash Flow and Liquidity	62
4.3 Seasonality and Quarterly Financial Information.....	63
4.4 Outlook.....	64
4.5 Risk Management and Key Risk Table.....	66
5. Financial Reporting Disclosure	71
5.1 Future Accounting Standards.....	71
5.2 Critical Accounting Estimates.....	71
5.3 Transactions with Related Parties	71

Financial Review	72
Management’s Responsibility for the Consolidated Financial Statements	73
Governance Matters	74
Board of Directors.....	77
Senior Executive Team.....	86
6. Consolidated financial statements for the year ended March 31, 2014 ...Error! Bookmark not defined.	
7. Notes to the consolidated financial statements for the year ended March 31, 2014 ...Error! Bookmark not defined.	

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.



Message from the Chair

As Canada's public broadcaster, CBC/Radio-Canada exists to inform, enlighten and entertain. It is also our responsibility to make it a well-run organization in all areas of business, from the programming we provide to responsible management.

This year, the Board played an important role in guiding the Corporation as it faced a shifting media landscape and the financial challenges that led to the 2014–2015 budget reductions. The Board oversaw the strategic planning process to ensure that the budget solutions were informed choices, made with an eye to the future.

Our strategy beyond 2015

Through the Strategic Planning Committee, the Board of Directors is overseeing the strategy development that will position the public broadcaster for the future. Our strategy for beyond 2015 must fully embrace new platforms, with Canadian content that informs, enlightens, entertains, and allows Canadians to connect with each other. The Board will continue to ensure that our new strategic direction will make us a leaner and more focused public media company.

Diversity of Voices

One of the Board's objectives is ensuring that the public broadcaster reflects this country's various perspectives on a wide range of issues. It is essential that CBC/Radio-Canada provides Canadians with forums that allow them to form their own opinions, as well as offering them a safe place to share ideas. The Corporation must also reach Canadians where they live and bring them programming that is tailored to their needs.

The Corporation succeeded in reaching most Canadians from February 6–23, 2014, when CBC/Radio-Canada broadcast the Sochi 2014 Olympic Winter Games. More Canadians tuned in to these Games than any other Olympics in history. More than 33 million Canadians viewed some portion of Sochi 2014 on either an online or traditional platform.

CBC/Radio-Canada's coverage of the Winter Olympics connected Canadians to our athletes and their performances in Russia. In addition to numerous digital offerings, we were able to make the Games as widely distributed as possible through partnerships. This business model allowed the Corporation to provide Canadians with exceptional coverage for the best price possible.

This collaborative approach is the way forward for the public broadcaster; partnerships will allow us to continue delivering the relevant and compelling content that Canadians want across all platforms.

Transparency and accountability

The Board continues to support the Corporation's approach to respecting and upholding transparency and accountability as being of the utmost importance. During 2013–2014, the Corporation proactively disclosed approximately 32,000 pages of information, including almost 5,000 pages pertaining to our Board.

We also received recognition for our corporate reporting. CBC/Radio-Canada was awarded the 2013 Chartered Professional Accountants of Canada (CPA) Corporate Reporting Award of Excellence, in the category of Large Federal Crown Corporations, in recognition of the 2011–2012 Annual Report.

Events like the Annual Public Meeting continue to be an important exercise for the CBC/Radio-Canada Board. The 2013 edition of CBC/Radio-Canada's Annual Public Meeting was held live from the Glenn Gould Studio in the Toronto Broadcast Centre on October 23, 2013. The focus was on radio, and how new technology is changing the medium. The meeting gave Canadians the opportunity to ask questions and share their expectations for the future of public broadcasting in Canada.

Board Appointments

In 2013–2014, the Board welcomed two new directors, each for a five-year term. Marlie Oden was appointed on July 30, 2013 and Cecil Hawkins was appointed on March 6, 2014. We also said goodbye to directors Vivian Bercovici and Patricia McIver. I'd like to thank each of them for their important contribution to the public broadcaster during their time spent on our Board. You can find a complete list of Board members and their biographies under the *Governance Matters* section of this report.

In closing, I'd like to extend my thanks to all Board members for their ongoing commitment to public broadcasting.

[Signature]

Rémi Racine
Chair, Board of Directors

Message from President and CEO

Progress of Strategy 2015

Since 2011, our *Strategy 2015: Everyone, every way* has guided all of our decisions, and despite our financial challenges, we made progress on our priorities this fiscal year.

Canadian content broadcast on various platforms received a strong and positive response, with several programs drawing over one million weekly viewers. On ICI Radio-Canada Télé, this included *Les enfants de la télé*, *Les Parent*, *Tout le monde en parle* and *Unité 9*. On CBC Television, these programs included *Battle of the Blades*, *Dragons' Den*, *Hockey Night in Canada* and *Murdoch Mysteries*.

ICI Radio-Canada Première and ICI Musique achieved record market shares throughout the year. CBC Radio also had excellent results, with 25 of 26 Morning Shows ranking in the top 3 in their respective markets. The combination of CBC Radio One and CBC Radio 2 achieved an all-time high fall share of 15.5%.

We continued investing in digital platforms with the launch of Canada's largest educational content website, Curio.ca; the first CBC Music tablet magazine from CBCMusic.ca; and original web content like ICI Tou.tv's *Les Jaunes*. CBC also became the first Canadian broadcaster to use Facebook's new tools for broadcast media outlets. The tools let CBC feature real-time feeds of public Facebook posts on our broadcasts, and also measure public engagement.

We have maintained our regional presence and local impact by expanding local news in Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montreal and opening a new broadcast centre in Matane, Quebec. Our multiplatform capability allows regional teams to deliver high-quality and timely regional coverage. Our small ICI Estrie team was first on the scene at the Lac-Mégantic tragedy in July, and was first to supply footage viewed around the globe. During the Calgary flood, the local team on the ground provided high-quality, up-to-the-minute coverage for Calgarians and Canadians across the country, despite challenging circumstances.

In addition, we capped our year with our unparalleled Olympic coverage. More than 33 million Canadians - 97% of all Canadians - tuned in to watch our coverage of the Sochi 2014 Olympic Winter Games.

A changing media environment

The way we delivered Sochi 2014 is an example of how our environment is changing. Conventional television is undergoing a huge transformation. While the majority of Canadians still watched television coverage of the Olympics, mostly in the evenings in prime time, online viewing grew significantly. More than 10 million Canadians - 1 in 3 Canadians - watched our coverage via mobile platforms. Canadians consumed more than 17.5 million hours of video content offered live and on demand, and there were 2.6 million downloads of our Olympics app.

We aired a combined 1,653 hours of Olympic programming in English and French across both networks and our distribution partners. The CBC and Radio-Canada Olympic websites experienced more than 600 million page views. We did it with less money, fewer on-site staff, and more content volume than our fellow Olympic broadcasters BBC and NBC. We sent 287 employees to Sochi. Compare this to NBC, who had 2,800 employees onsite for 539 hours of TV coverage and 100 hours of online coverage. The BBC had 100 people onsite for 200 hours of TV coverage and 600 hours of online coverage.

A model for the future

Sochi 2014 was a success because our bid was fiscally responsible. We also engaged in key partnerships, such as broadcast partnerships with TSN, Sportsnet, RDS and TVA Sports; leveraged technology by pioneering a new method of digital transmission that reduced production costs on the ground; and engaged in real cooperation across our networks, sharing resources, content and expertise. This is how we must continue to work - meeting our commitment to Canadians while ensuring sound management of our financial resources.

Challenges this year

From a financial perspective, 2013–2014 was a strong year with our revenue increasing 19% and our expenses remaining flat, while producing more significant events. And we did this successfully with lower amounts of government funding. However, 2013–2014 also presented difficult challenges for the public broadcaster: an industry-wide softening of the television advertising market; a disappointing schedule performance in the key 25-54 year-old demographic on certain CBC Television programs; the NHL's decision to grant exclusive future rights to Rogers for the next twelve years; and much lower-than-expected ad revenues from ICI Musique and CBC Radio 2.

Things came to a head halfway through the fiscal year when, in November, we saw signs of lower-than-expected revenue. We took immediate action, freezing spending and working to reduce, postpone or cancel as many expenses as possible. Nevertheless, balancing Budget 2014–2015 wasn't easy. Due to market and funding realities, the budget included difficult cuts of \$130 million and the equivalent of 657 positions over the next two fiscal years.

The challenges to CBC/Radio-Canada go far beyond balancing next year's budget. We must take action now to match our services and our footprint to an uncertain financial environment, a constantly changing media landscape and expanding expectations from Canadians.

The way forward

In September 2013, our new broadcast licences with the Canadian Radio-television Telecommunications Commission (CRTC) came into effect, following the first full review in 14 years. The new conditions of licence reflected the CRTC's understanding of the challenges we have been facing, and their support for our *Strategy 2015*. Since that time, the media environment has continued to shift, as have our financial realities. Certainly, our financial situation is such that we are no longer able to entirely protect the priority areas of our strategy; national and regional programming have been affected.

Following 2014–2015 Budget announcements, local programming will be reduced in some communities and replaced with regional, network or syndicated programming. Though we will not close any stations, planned expansions are cancelled. Also, we are out of the business of competing with the privates for professional sports rights, and will now only consider broadcasting sports events that will allow us to break even. That being said, we remain committed to events of national importance like the Olympics. We will simply have to find a way to go about them differently, as we did in Sochi.

Canada ranks 16 among 18 western democracies (above only New Zealand and the United States) in per capita funding. The money we receive is divided among all of the 33 services we provide: English, French, eight Aboriginal languages; radio, television, online; across six time zones. Right now, every Canadian pays about \$29 per year, for all the services we provide.

This is our financial reality. As we plan a strategy to take us to 2020, our goal must be to build a sustainable business model.

Informing, enlightening and entertaining Canadians will always be at the forefront of our operations. We must develop a strategic direction that allows us to be agile and adaptable through partnerships, collaboration and continued technological innovation. Our outstanding success at Sochi proved that we have the ability to think differently, act quickly and deliver on our revenue and audience targets. That is the spirit in which we must move forward.

[Signature]

Hubert T. Lacroix
President and CEO

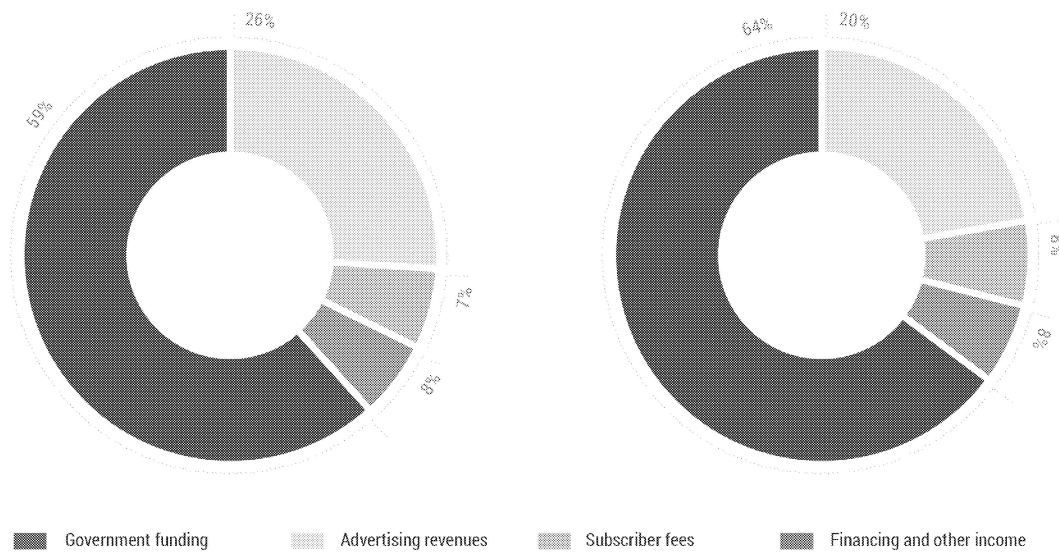
Year in Review

Financial Highlights

REVENUE AND SOURCES OF FUNDS FOR FISCAL YEAR

2013-2014

2012-2013



(in thousands of Canadian dollars)

	For the year ended March 31		% change
	2014	2013 (revised ¹)	
Revenue	767,830	646,065	18.8
Expenses	(1,873,717)	(1,870,963)	0.1
Government funding	1,090,898	1,154,850	(5.5)
Results before non-operating items	(14,989)	(70,048)	(78.6)
Net results for the year	(17,953)	(50,972)	(64.8)
Results on a current operating basis²	46,429	216	N/M

N/M = not meaningful

¹ The amounts for 2013 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 3A, *New and Future Changes in Accounting Policies* of the consolidated financial statements for more details.

² 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 in section 4.1.

Results under IFRS and on a Current Operating Basis

Changes in net results under IFRS and on a Current Operating Basis were primarily due to the following:

- Revenue increased by \$121.8 million largely due to higher advertising revenue from our coverage of the Sochi 2014 Olympic Winter Games. This year's revenue also included advertising from broadcasting a complete season of *Hockey Night in Canada (HNIC)* after last year's NHL lockout. This revenue increase was somewhat offset by a weaker advertising market.
- Our overall expenses were comparable to last year while producing a larger number of significant events, including a full season of *HNIC* and the Sochi 2014 Winter Olympics. This was possible because of our successful cost management initiatives.
- Government funding recognized for accounting purposes was \$64.0 million lower this year, reflecting decreases in both government appropriations received and capital funding recognized in income as a result of the shutdown of our analogue TV assets.
- Results on a Current Operating Basis for the year were \$46.4 million. This excludes items that do not generate or require funds from operations, the most significant being \$58.8 million charged for non-cash pension expense. Further details reconciling net results to Results on a Current Operating Basis are provided in section 4.1 of this report.

Strategic Directions: Year in Review

Strategy 2015

Achieving our plan's objectives

Over the last year our two main networks, English Services and French Services continued to implement a wide range of projects relating to our five-year strategic plan, *Strategy 2015: Everyone, every way.*

The plan has three key thrusts:

- More distinctly Canadian: network programming and national public spaces
- More regional: regional presence and community spaces
- More digital: new platforms and digital spaces



Overall, we were successful in reaching our objectives for the year.

More distinctly Canadian: network programming and national public spaces

During 2013–2014, we continued to produce new, high-quality and distinctly Canadian content that explores the unique identities woven into our wider Canadian culture. For example, CBC/Radio-Canada produced 19 Signature Events, which are events of significant meaning to Canadians, delivered on multiple platforms.

The largest of these was the Sochi 2014 Olympic Winter Games, a collaboration between French and English Services that reached approximately 33.5 million Canadians, or 97% of the population. We aired a combined 1,653 hours of Olympic programming in English and French across both networks and our distribution partners, and more than 2.5 million people downloaded our Olympic Apps¹.

In the spring of 2013, Radio-Canada helped introduce more Canadians to francophone literature with the *Prix des lecteurs Radio-Canada 2013*. In November 2013, CBC broadcasted the 20th anniversary of the Scotiabank Giller Prize, which showcases excellence in Canadian literature, on CBC Television. The event was live-streamed on CBC Books and highlighted across our social media channels.

CBC Television continued to “Canadianize” its prime-time schedule in 2013–2014, with enhanced Canadian content throughout the year.

Sochi 2014 Olympic Coverage for CBC/Radio-Canada & Partners¹



¹ Sources: BBM Canada and Adobe Site Catalyst.

More regional: regional presence and community spaces

This year, we continued to pursue programming opportunities to enrich our regional presence across the country.

Radio-Canada strengthened its regional roots by introducing local on-air personalities to anchor many morning and late-afternoon flagship programs on our radio and TV platforms. In September 2013, we opened the ICI Gaspésie-Îles-de-la-Madeleine Broadcast Centre in Matane, Quebec. Then, in October 2013, we launched new week-end editions of *Le téléjournal*, a 30-minute newscast on Saturday and Sunday evenings, in Eastern Quebec and Ontario.

Other initiatives took us right into the heart of Canadian Francophone communities. In September, we held a public meeting in Windsor, Ontario that highlighted the return of the French radio morning show, new integrated radio newscasts and a new 30-minute week-end television newscast in Ontario. The meeting was also a forum for answering questions and interacting with 150 members of Windsor's Francophone community.

CBC also continued to add local services to its offering. Sunday late night television news expanded to 30 minutes each week in Calgary, Edmonton, Toronto, Ottawa, and Montreal. Those locations, plus Vancouver, also added a new one-hour weekly program, focusing on local interests and activities. In Windsor, the Monday to Friday Supper Hour news expanded to 90 minutes. Meanwhile, on CBC Radio One, "Saskatoon Morning" began over-the-air and digital broadcasts to serve the Saskatchewan market.

While our regional presence is of paramount importance to us, we had to cancel our future regional expansion plans, including a radio station planned for London, Ontario as part of Budget 2014–2015 announcements. However, we remain focused on the regions and will protect our existing footprint to keep delivering programming that originates and reflects the whole of our country.

More digital: new platforms and digital spaces

We made progress this year on the *Strategy 2015* priority of increasingly engaging with Canadians through digital platforms.

For example, in October 2013, we launched Curio.ca, a CBC and Radio-Canada collaboration. This web portal allows school instructors at all levels - elementary, secondary and post-secondary - to stream, for a nominal subscription fee, relevant video and audio content in classrooms to support their teaching.

Our music platforms reached further into the digital realm, beginning in May 2013 when our six channels distributed on Sirius Satellite Radio also became available to XM Satellite Radio subscribers.

We also revamped several targeted websites. Radio-Canada International (RCI) was re-launched as a digital-only platform, RCI.net.ca, in April 2013. A new section of the site, *Aboriginal Peoples, the Other Story*, went live in the fall of 2013. Meanwhile, ICI Explora became available on Bell TV.

CBC is continually expanding its multi-platform offering. Increasingly we use social voting, "second screen" apps that enhance viewers' television viewing experience, and various means of interacting and engaging with audiences for shows such as *Battle of the Blades*, *Canada Reads*, *Heartland*, and the Sochi 2014 Olympic Winter Games.

The Next Strategic Plan Beyond 2015

Through our current plan, *Strategy 2015*, we are working to meet the evolving needs of Canadians by becoming more Canadian, more regional and more digital. As we chart our next strategic plan that will take us to 2020, we will continue to be guided by these principles. However, as we saw with the balancing of Budget 2014–2015, we will not be able to fully protect all elements of the *Strategy 2015* priorities. Our next strategic plan will continue the changes that began with the Budget 2014–2015, the details of which are available [here](#) on our corporate website.

While our next strategic plan will build on the successes of its predecessor, it must also address our relevance to Canadians in the broader term, including how we relate to our audiences and how we become their public broadcaster of tomorrow. The plan must also allow us to be flexible enough to adjust our direction if required, given the near certainty that we will need to address changing revenues and evolving technologies in the future.

Programming Year in Review

French Services

More distinctive: delivering quality, innovative and engaging content

In 2013–2014, Radio-Canada continued to support top talent in the French-language television industry (producers, screenwriters, directors, actors, etc.) to deliver high-calibre and distinctly Canadian programming.

Numerous ICI Radio-Canada Télé hit shows once again drew over one million viewers per episode. *Unité 9* continued its strong success, averaging 2.0 million weekly viewers in 2013–2014, compared to 1.8 million in 2012–2013². The year-end comedy event *Bye Bye 2013* broke its 2012 record with 5.3 million Canadians watching its original broadcast and repeat the following evening. It captured an 88% market share on New Year's Eve, similar to the share achieved in 2012 (89%²).

2013–2014 programs averaging more than 1 million viewers per episode²

- *Dans l'oeil du dragon*
- *Les enfants de la télé*
- *Les Parent*
- *Les pêcheurs*
- *Mémoires vives*
- *Tout le monde en parle*
- *Trauma*
- *Unité 9*

ICI Radio-Canada Télé's new offerings included the comedy show *Les pêcheurs* (drawing over one million viewers in its first season²) and an updated Friday night line-up devoted to celebrating music in a family setting with *C'est ma toune* and *Le choc des générations*. The network also continued to be a unique driver for creativity, innovation, and the use of new technologies, leveraging the interactive and social networking potential of shows such as *Qu'est-ce qu'on mange pour souper?* and *Série Noire*.

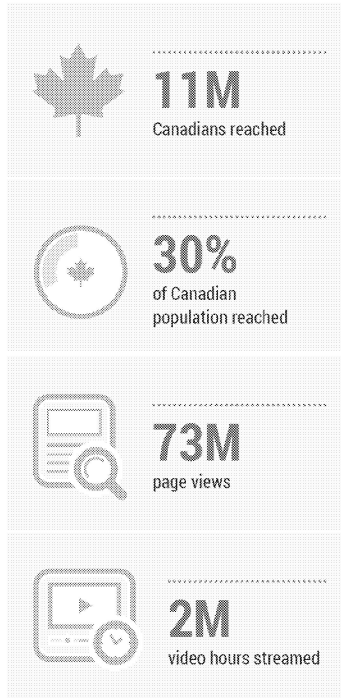
On radio, ICI Radio-Canada Première and ICI Musique³ achieved record market shares throughout the year⁴, partly as a result of focusing on building a closer relationship with our audiences. The revamped morning and drive-home shows across the ICI Radio-Canada Première network clearly reflect this new positioning, which strives to be bold, inquisitive, diverse and people-focused.

² Source: BBM Canada, Portable People Meter (PPM), Quebec Francophones ages 2+.

³ Effective June 2, 2014, ICI Musique brings together our radio and digital offerings formerly known as Espace musique and Espace.mu, respectively.

⁴ Source: BBM Canada, average of spring and fall 2013 surveys (diaries), Francophones ages 12+. Results for Francophone radio stations, in markets served by a Radio-Canada base station. For more details, please refer to the Operational Indicators (section 2.2).

Sochi 2014 Olympic Coverage for Radio-Canada & Partners ^{5,6}



Radio-Canada continued to keep its strategic commitment to engaging Canadians by delivering high-quality, multiplatform Signature Events (events of significant meaning to Canadians delivered on multiple platforms), including the 50th anniversary of Montreal’s Place des Arts, *1 000 jours pour la planète* and *Le bossu symphonique* (in partnership with storyteller Fred Pellerin and the Orchestre symphonique de Montréal). The year’s highlight Signature Event was the Sochi 2014 Olympic Winter Games, produced together with CBC. Thanks to an unprecedented multiplatform offering from Radio-Canada and its Francophone partners, 30% of Canadians enjoyed Olympic content in French between February 6 and 23, 2014. Our games-specific digital platforms (website and mobile apps) generated 11.6 million visits, 43% of which came from mobile apps⁵. Meanwhile, more than 95% of the francophone population in Québec watched the Winter Olympics on ICI Radio-Canada Télé⁶. Coverage of the Sochi 2014 Paralympic Winter Games followed on ICI Radio-Canada Télé and the web from March 7 to 16, 2014.

Radio-Canada participates in cultural life across the country, connecting closely with regional communities through programming tailored to the needs of its audiences. For example, the Black History Month and the first annual Auditions de la diversité in February 2014 showcased the culture, history and talent of Canada’s ethnic communities. Also, the Rendez-vous de la Francophonie in March 2014 reached Canada’s French-speaking communities through initiatives such as Histoires collectives (a group writing contest for young Canadians in partnership with the Association canadienne d’éducation de langue française).

Radio-Canada also continues to broadcast content about and for Aboriginal communities. ICI Musique developed a special microsite on new Aboriginal music for the Mondial Montréal 2013 multicultural music festival; ICI Radio-Canada.ca produced the in-depth feature *Autochtones: hier, aujourd’hui, demain*; RCInet.ca launched the *Aboriginal Peoples: The Other Story* web platform; and ICI Radio-Canada Première extended its agreement allowing the broadcast of its national and international newscasts on radio stations affiliated with the Société de communication Atikamekw-Montagnais (SOCAM).

⁵ Source: Adobe Omniture SiteCatalyst.

⁶ Source: BBM Canada, Infosys+ TV, all Canadians age 2+. Total reach exceeds the number of Francophones in Canada, showing that French Olympic content broadcasted by Radio-Canada and its partners was also watched by a significant number of Anglophones around the country.

More regional: enhancing our presence

In 2013–2014, Radio-Canada's various broadcast centres continued to give the regions a strong presence on the ICI Radio-Canada Télé network. Eight stations contributed their expertise to the news magazine *Tout le monde en parlait*, producing nearly ten new episodes for broadcast in spring/summer 2013. *Les chefs!*, produced by the Quebec City station, averaged the highest ratings of all French-language shows in the summer 2013 prime-time slot⁷. In the summer of 2013, ICI ARTV's weekly arts magazine, *ARTVstudio*, worked more closely with Radio-Canada's regional stations, bringing viewers the latest in arts and entertainment news from coast to coast to coast.

Radio-Canada strengthened its regional roots by investing in regional morning and late-afternoon slots on TV and radio, introducing local on-air personalities to anchor many flagship programs: Marie-France Bazzo in Greater Montreal, Marie-Pier Roy Carbonneau in Estrie, Karine Godin and Janique LeBlanc in Acadia, and Mathieu Nadon in Ottawa-Gatineau.

In news and current affairs, Radio-Canada continued rolling out its seven-days-a-week news offering by adding week-end *Le Téléjournal* newscasts in Ontario and Eastern Quebec. Drawing on fully multiplatform regional teams, we now provide more comprehensive coverage of Canada's top stories. For example, the small ICI Estrie team, which was first on the scene at the Lac-Mégantic tragedy in July 2013 and was first to provide the world with footage was also gearing up to cover the Sherbrooke 2013 Canada Summer Games in August.

During the Quebec municipal and provincial elections, Radio-Canada delivered an innovative and unparalleled multiplatform offering. The teams from ICI Radio-Canada Télé, ICI RDI and ICI Radio-Canada Première went out in the field to talk to voters in special editions of popular programs. ICI Radio-Canada.ca and its mobile apps offered digital content (interactive results maps and candidate lists, web reports, etc.) and conversations on social networks (about the party leaders' debates, for example). On the Quebec election night, April 7, 2014, ICI Radio-Canada.ca recorded the highest traffic in its history with almost 1.2 million visits⁸ as well as almost half a million responses to the Vote Compass online tool⁹.

⁷ Source: BBM Canada, Portable People Meter (PPM), Quebec Francophones ages 2+.

⁸ Source: Adobe Omniture SiteCatalyst.

⁹ Source: ICI Radio-Canada.ca

More digital: reaching our audiences on multiple platforms

Throughout the year, the teams from ICI Musique, ICI ARTV, ICI Explora, ICI Radio-Canada.ca, ICI Radio-Canada Télé and ICI Tou.tv embraced original forms of digital production that boost audience engagement. These included companion web applications for many popular TV shows (*C'est juste de la TV*, *Chroniques scientifiques de Jean-René Dufort*, *Dans l'œil du dragon*, etc.), webdocs (*Jazz Petite-Bourgogne*), docu-games (*Fort McMoney*), e-books (*Annie Brocoli*, *Léon*), interactive profiles (*100th anniversary of Benjamin Britten*), and web series (*Émilie*, *Disparus*, *Les Béliers*, *Les jaunes* and *Quart de vie*). New releases showcased on the ICI Musique web platform included clips of contemporary artists performing renditions of five award-winning songs from years past for the 35th ADISQ music awards, and Arcade Fire's live show from Los Angeles on October 28, 2013.

On March 25, 2014, the new ICI Tou.tv interface went live, offering enhanced free content and new personalization features. Visitors may now pay a monthly subscription fee for the EXTRA premium package for access to more than 400 additional titles (rising to 2,000 within six months) and a full HD-quality experience. Through a partnership with ICI Radio-Canada, Rogers and TELUS offer customers ICI Tou.tv EXTRA content free of charge.

ICI ARTV offered an engaging schedule with both Canadian and international content across all platforms. For example, in December, the ICI.ARTV.ca website premiered the first episode of the BBC/PBS co-production *Bienvenue au paradis*. Also in December, the second season of the popular Danish series *Borgen* aired on ICI ARTV over three consecutive days with no commercial breaks, with the third series premiering at the end of February.

CBC/Radio-Canada's multilingual (English, French, Spanish, Arabic and Mandarin) web service RCInet.ca was revamped in late April 2013 as part of the plan announced in 2012 to discontinue Radio Canada International (RCI) shortwave and satellite radio broadcasts to concentrate solely on the web. RCInet.ca's weekly webcasts, interactive in-depth features, *Cybermagazine* and social media presence help audiences discover and better understand Canada's cultural and democratic life and values. One year later, the results are encouraging, with site traffic more than doubling between 2012–2013 and 2013–2014¹⁰.

¹⁰ Source: comScore Media Metrix.

English Services

More distinctly Canadian: delivering on Canadian programming

CBC continued to offer a wide range of choices this year for high quality and distinctively Canadian programming across our numerous multi-media platforms.

CBC Television aired five of the top 10 Canadian entertainment programs (excluding News, Sports and Specials) during the regular season as in the previous year. In addition, CBC programs with more than one million viewers (2+ year - old demographic) included *Battle of the Blades*, *Dragons' Den*, *Hockey Night in Canada* and *Murdoch Mysteries*. Favorites such as *This Hour Has 22 Minutes*, *Heartland* and *Marketplace* also attracted significant audiences during the regular season¹¹.

5 of top 10 Canadian entertainment programs in 2013¹¹

- *Battle of the Blades*
- *Dragons' Den*
- *Heartland*
- *Murdoch Mysteries*
- *Rick Mercer Report*

On CBC Radio, CBC Radio One and CBC Radio 2 achieved a combined all-time high fall share of 15.5%. On its own Radio One achieved an all-time high fall share of 12.5%¹², and 25 of 26 Radio One local morning shows ranked in the top three in their respective markets. CB Radio 2 had a 3.1% share, its second highest since programming changes on this service were introduced in 2008.

CBC News continued to provide high-quality, original journalism on all platforms. We covered national and international events of importance to Canadians ranging from the Lac-Mégantic rail disaster to weather emergencies in Alberta and Ontario and the international celebration of Nelson Mandela's life and legacy. In addition, CBC News provided analysis and insight through multi-platform pieces investigating pipeline incidents, train derailments, homegrown terrorism, Canadian hospitals' performance through *Rate my hospital* report card and international tax havens.

¹¹ Source: BBM Canada, Portable People Meter (PPM), Quebec Francophones ages 2+.

¹² Source: Fall Diary 2013.

Sochi 2014 Olympic Coverage for CBC & Partners ^{13, 14}



Of the Signature Events offered by CBC, the largest was the Sochi 2014 Olympic Winter Games, a joint CBC/Radio-Canada programming special. CBC alone reached 29.8 million Canadians, 86% of the population¹³, with our English-language programming. Audiences watched a per-viewer average of 15.5 hours of television, radio and digital content throughout the Games. CBC also had more than 529 million page views on the website and app and served 16 million hours of streamed video content¹⁴.

Other CBC Signature Events in 2013–2014 included Canada Day programming (*Live from Parliament Hill* and *Canada Day in the Capital*), the *Canadian Screen Awards*, the *Scotiabank Giller Prize*, the *Canadian Country Music Awards*, and *Wild Canada*, a four-part special that was the largest natural history survey of Canada in a generation.

CBC continued to connect with and reflect the Aboriginal community. For example, the revamped *CBC News/Aboriginal* section of CBC.ca aims to develop a digital community that better engages diverse Aboriginal audiences across the country and is a resource and catalyst for Aboriginal coverage at CBC. Other examples range from CBC Saskatchewan's September 2013 hosting of the all-Aboriginal business challenge, *The 2013 Boom Box*, to our continued sponsorship of the annual Film and Media Arts Festival imagineNATIVE, and our in-depth coverage of the stories shared during the final public hearing of the Truth and Reconciliation Commission this past March.

¹³ Source: BBM Canada, Infosys +TV, all Canadians ages 2+.

¹⁴ Source: Adobe Omniture SiteCatalyst.

More regional: growing our regional presence

As discussed in the *Strategic Directions* section of this report, two significant local initiatives this year were the expansion of *Sunday Late Night* local television newscasts to 30 minutes in major markets; and the introduction of the *Saskatoon Morning* local radio and digital program in Saskatchewan.

We also launched six hour-long local weekly television programs across the country: *Our Vancouver*, *Our Calgary*, *Our Edmonton*, *Our Toronto*, *Our Ottawa* and *Our Montreal*. These programs bring audiences news and information on regional and local stories of interest, as well as stories from other content units such as CBC News, CBC Music, CBC Books and our archives.

Two recently introduced local morning shows, part of our Local Service Extension initiative, demonstrate the success of our local strategy. *Daybreak Kamloops* earned the highest ranking in its market by increasing its market share from 14.6% to 25.3% in one year¹⁵. *The Morning Edition* in Kitchener-Waterloo achieved the second-highest ranking in its market during its first year with a 9.4% share¹⁵.

Both CBC Television and CBC Radio continued to produce a significant amount of programming across Canada for each national network, contributing to numerous local economies. From *Heartland*, *Mr. D*, *This Hour Has 22 Minutes* and *Republic of Doyle* on television, to *The 180*, *The Irrelevant Show*, *C'est la Vie* and *Vinyl Café* on radio, regional production is a major part of our national network programming.

More digital: extending our digital reach

CBC.ca continues to increase the number of monthly unique visitors to our site, growing by 13 percentage points, in 2013–2014 compared to the previous year. This increase is still 10 percentage points even when February's unusually high results, mostly driven by the Olympics, are excluded (See section *Operational Indicators*).

This year we introduced several digital innovations. *Wild Canada's* app for iPad, iPhone and iPod touch featured lush, high-impact HD video and photography, 360° panoramas, immersive soundscapes, fly-throughs, interactive infographics and exclusive material.

CBC continued its leadership in web voting (as opposed to telephone voting) as a means of audience participation. For example, *Recipe to Riches'* trivia app companion to its television broadcast allowed the audience to accumulate voting points by answering trivia questions. On *Battle of the Blades*, we partnered with social media companies such as Facebook to bring interaction to the show's viewers in real time.

CBC advanced its "second screen" viewing experiences with the *Heartland* companion app, allowing users to watch PVR-recorded episodes as well as exclusive content (such as an interactive map, extended content, behind-the-scenes clips and trivia game) that was live-synced to the broadcast.

In the digital audio realm, the *Canada Reads 2014* digital experience amplified the broadcast in an immediate and powerful way through the use of live streaming, video clips, and social media to attract and connect with audiences across desktop and laptop, tablet and mobile devices.

The website *Blood: The Stuff of Life* offered a vivid visual narrative using parallax technology for this year's CBC Massey Lectures by Lawrence Hill. Viewers were able to scroll through striking imagery, listen to audio segments from lectures, watch live panel debates and participate in online chats around specific themes.

¹⁵ Source: Fall Diary 2013.

Corporate Year in Review

CRTC decisions on mandatory carriage and broadcast licence

In September 2013, CBC/Radio-Canada's new broadcast licence with the Canadian Radio-television telecommunications Commission (CRTC) came into effect, after the first full review of licences in 14 years. The new conditions of licence support CBC/Radio-Canada's ongoing evolution into a modern public broadcaster, providing a streamlined regulatory framework that will aid the Corporation in its ongoing implementation of *Strategy 2015*, as well as the next strategic plan that will take us to 2020. A key element of the decision was to permit the introduction of ads on CBC Radio 2 and ICI Musique¹⁶ to help the Corporation generate new revenue.

The CRTC also renewed the licences for CBC News Network and ICI RDI (formerly, Réseau de l'information) requiring that CBC News Network be carried on basic service by distributors in French-language markets and that ICI RDI continue to be carried on basic service by distributors in English-language markets.

In August 2013, the CRTC also approved an application for a distribution order for ICI ARTV in English-language markets, which came into effect on January 1, 2014. This order requires that distributors serving English-language markets offer ICI ARTV to clients who wish to subscribe to the service. Because ICI ARTV already had "must-offer" rights in French-language markets, this new order makes ICI ARTV accessible throughout Canada.

¹⁶ Effective June 2, 2014, ICI Musique brings together our radio and digital offerings formerly known as Espace musique and Espace.mu, respectively.

Challenge and Change

Beginning in the third quarter of the fiscal year, it became clear that the Corporation was facing significant financial challenges on various fronts.

Commercial revenues in English and French Services suffered due primarily to a softer television advertising market, down approximately 5% for all conventional broadcasters. Other pressures were added in the final months of the fiscal year, including disappointing performance for some individual prime time programs in the key 25-54 year-old demographic (a demographic that drives advertising revenue) on CBC Television, and the announcement by the NHL that it had chosen to deal exclusively with Rogers for the next 12 years. For 2014–2015, these factors combined represented pressures of approximately \$47 million. As well, advertising revenues from CBC Radio 2 and ICI Musique were much lower than anticipated, for a shortfall of approximately \$13 million.

Additional pressures of about \$72 million came from increases in fixed costs such as rent and property taxes (\$42 million) and the government's reintroduction of a salary inflation funding freeze for fiscal years 2014–2015 and 2015–2016 (\$30 million).

These financial pressures came after the Corporation had absorbed almost \$390 million in budget reductions and reallocations since 2009, largely due to the 2008–2009 recession, our cost reduction initiatives following Federal Budget 2012 which reduced our funding by \$115 million over three years, the elimination of the Local Programming Improvement Fund (LPIF) and reduced funding from the Canada Media Fund (CMF).

We had to make the difficult decision to cut more than \$130 million from our budget across the Corporation, including a workforce reduction of 657 full-time positions over the next two fiscal years, with 573 to be cut immediately to balance our 2014–2015 budget. This will result in one-time severance payments estimated at \$33.5 million.

At the close of the fiscal year, we faced a two-part challenge. First, we managed to balance Budget 2014–2015. Second, we had to ensure our next strategic plan includes fundamental and far-reaching changes to position the public broadcaster for the future. This will mean making significant choices about what we can afford to do with a much different revenue base.

Over the course of 2014–2015, we will make further decisions about the breadth and depth of this shift. Our vision for the future is that CBC/Radio-Canada will be a more scalable and focused media company. Our new strategic framework will ensure that we evolve as rapidly as the media consumption habits of the audiences we serve.

Management Discussion and Analysis

Note Regarding Forward-Looking Statements

This report contains forward-looking statements regarding objectives, strategies and expected financial and operational results. 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; the funding received from the Local Programming Improvement Fund (LPIF) will be phased out by August 31, 2014 and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Outlook* and *Risk management and key risk table* sections 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 section 4.1 for further details.

1. Core Business and Strategy

1.1 Mandate

We are Canada's national public broadcaster and we are guided by the *Broadcasting Act*.

The *Broadcasting Act* states that "...the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

CBC/Radio-Canada serves the public interest through its programming that should:

- Be predominantly and distinctively Canadian, reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;
- Actively contribute to the flow and exchange of cultural expression;
- Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities;
- Strive to be of equivalent quality in English and French;
- Contribute to shared national consciousness and identity;
- Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and
- Reflect the multicultural and multiracial nature of Canada.

In addition to this domestic mandate, CBC/Radio-Canada is also required by section 46(2) of the Act to provide an international service, Radio-Canada International (RCI). As noted in last year's Annual Report, RCInet.ca went live in June of 2012 and is available in five languages: French, English, Spanish, Arabic and Mandarin.

Our vision is to be the recognized leader in expressing Canadian culture and to enrich the democratic life of all Canadians.

In establishing and operating our broadcasting activities, CBC/Radio-Canada is expected to comply with licencing and other regulatory requirements established by the CRTC, as well as any requirements under the *Radiocommunication Act* that may apply to the Corporation's use of the radiocommunication spectrum.

1.2 CBC/Radio-Canada Services

Television

<p>ICI RADIO-CANADA  TÈLÉ</p>	<p>ICI  RDI</p>	<p>ICI  artv</p>
<p>ICI Radio-Canada Télé</p> <p>News, entertainment, drama, public interest programs, galas... ICI Radio-Canada Télé offers unique and high-quality programming. Thanks to our commitment to constant innovation and creativity, our reach has expanded to all regions of Quebec and to the rest of Canada.</p>	<p>ICI RDI</p> <p>ICI RDI is French Canada's top continuous news source. Viewers turn to ICI RDI to see, hear and understand the latest news stories happening at home and abroad.</p>	<p>ICI ARTV</p> <p>ICI ARTV offers a broad range of high-quality cultural content. Our viewers include arts enthusiasts, as well as fans of popular television programs.</p>
<p>ICI  EXPLORA</p>	<p> CBC</p>	<p> CBCnews network</p>
<p>ICI Explora</p> <p>ICI EXPLORA, Radio-Canada's new specialized French-language station, brings together the best content on science, the environment, nature and health.</p>	<p>CBC Television</p> <p>Canada's leading 24-hour English-language television network of ground-breaking news, information, sports, and entertainment programming; produced by, for and about Canadians, for more than 55 years.</p>	<p>CBC News Network</p> <p>CBC News Network is Canada's number one news network, anchored by leading Canadian journalists. It is the destination for breaking news, live event coverage, in-depth news and current affairs programming, 24 hours a day, seven days a week.</p>
<p>  documentary</p>	<p>CBC  Radio-Canada</p>	<p>TV5MONDE</p>
<p>documentary</p> <p>Provocative and compelling, documentary is the première English-language television channel, available by subscription, delivering the best in Canadian and international docs, films and series – 24 hours a day.</p>	<p>CBC News Express / RDI Express</p> <p>A bilingual news and information service that is available in five large Canadian airports, to serve over 62 million travellers annually.</p>	<p>TV5MONDE</p> <p>The première worldwide French-language television network, TV5MONDE encompasses 10 broadcast partners across the globe and creates a space dedicated to public expression. It airs programming that increases awareness of the diversity of cultures and points of view.</p>

Radio

ICI RADIO-CANADA  Première

ICI Radio-Canada Première

From one end of the country to the other, ICI Radio-Canada Première is Canada's commercial-free French-language radio network. ICI Radio-Canada Première aspires to be bold, inquisitive, and people-oriented - an innovative radio service that promotes thoughtful discussion, a marketplace of ideas, listening pleasure, and a diversity of voices. It provides a wide range of programming, with news, current affairs, the arts, and social issues taking centre stage. Engaged in its environment while being open to the world, ICI Radio-Canada Première enlightens and entertains. Also available via SiriusXM Channel 170.

ICI  musique

ICI Musique

ICI Musique airs a predominantly Canadian lineup of music and cultural programming that aims to connect with listeners, to be a musical companion in tune with their daily lives. Dynamic hosts present a variety of musical genres, from classical, jazz and vocal, to world and new music, via radio and SiriusXM Satellite Radio Channel 153.

ICI  musique
CHANSONS

ICI Musique Chansons

100% French-language vocal music channel, playing the top Quebec and Francophone artists from around the world via SiriusXM Channel 163.

ICI  musique
Franco
COUNTRY

ICI Musique Franco Country

100% Canadian French-language country/folk music. Listen to the biggest country hits, plus emerging artists from the new country/folk scene via SiriusXM channel 166.

 | radio one
CBC


CBC Radio One

Canada's English-language information service to which the country turns for local, national and international news, available on radio and Sirius Satellite Radio Channel 159. Commercial-free and reflecting the true lives of Canadians.

 | radio 2
CBC

CBC Radio 2

Music, music, music - a music mix you won't hear anywhere else! Listen to classical, jazz, world beat, pop and more. It's an English-language network, with music that speaks to all.

 | radio 3
CBC

CBC Radio 3

If it's new, you'll find it here. Catch 'the next big thing' on this English-language showcase of emerging, commercial-free Canadian music, available online, via podcast, and on SiriusXM Satellite Radio Channel 162.

 | CBC music
SONICA

CBC Music- Sonica

CBC Music Sonica features non-stop adult alternative bands from Canada and beyond, combining new rock sounds of today with a sprinkling of Canadian heritage artists; available via SiriusXM Channel 171.

Digital

ICI RADIO-canada  .ca

ICI Radio-Canada.ca

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

ICI  musique


ICI Musique

ICI Musique, Radio-Canada's music destination, delivers a diverse, dynamic range of musical and editorial content. On the web at ICI Musique.ca, and on mobile, users can enjoy the artists, heard it here firsts, and new experiences that have become the hallmarks of ICI Musique.

ICI  TOU.TV

ICI Tou.tv

Canada's leading French-language on-demand Web television site, created by Radio-Canada and bringing together 20 national and international producers and broadcasters. A vast choice of television programs, series and variety shows, documentaries and newsmagazines – wherever and whenever viewers want it.

 | **cbc.ca**

CBC.ca

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

 | **CBCnews.ca**

cbcnews.ca

cbcnews.ca is Canada's home for breaking and in-depth reporting of local, national and international news, offering streaming audio and video, web-only interactive features, and more. It's Canada's meeting place to discuss the stories that matter, wherever you are.

 | **cbcsports.ca**

cbcsports.ca

cbcsports.ca provides the latest in Canadian and international breaking news and special reports from the world of sports, as well as access to live streaming of major events including CBC's *Hockey Night in Canada*.

 | **CBCmusic.ca**

cbcmusic.ca

CBC Music is Canada's free digital music service. Simple and easy to navigate, CBC Music gives Canadians access to 50 web radio stations; 12 genre-based music communities plus CBC Radio 2 and CBC Radio 3; the most up-to-date music news by Canada's top music journalists; plus hundreds of concerts, playlists and more.

 | **CBCbooks.ca**

CBC Books

CBC Books features all of CBC's rich literary content across all platforms. It's an online meeting place where literary enthusiasts can find the books they want to read, connect with other readers, and keep up on all of CBC's major literary programs such as *Canada Reads*.

 | **CURIO.ca**

Curio.ca

Curio.ca gives teachers and students streaming access to the best in educational content from CBC and Radio-Canada. You'll find documentaries from television and radio, news reports, archival material, stock shots and more – thousands of programs and resources that you can access with a single subscription!

RCI  RADIO CANADA INTERNATIONAL

Radio Canada International (RCI)

Canadian voices have been extending across the planet since 1945 with this commercial-free international radio service, now broadcasting information and cultural programs in five languages via the Internet.

Others



CBC Mobile Productions /Productions mobiles de Radio-Canada

Provides services for in-house production and generates programming revenue by selling to the third-party market.

CBC Shop / Boutique Radio-Canada

This online shop sells CBC/Radio-Canada audio and audio/visual recordings of programs, as well as related merchandise.

CBC/Radio-Canada Olympics

CBC/Radio-Canada is proud to have been awarded the rights as official broadcaster of the Olympic Games. In addition to upholding the tradition of top-tier Olympic broadcasting, there will be added emphasis on entertainment and programming across all platforms and genres leading up to Rio 2016.



CBC Kids

100% commercial-free, safe and entertaining content for children and youth.

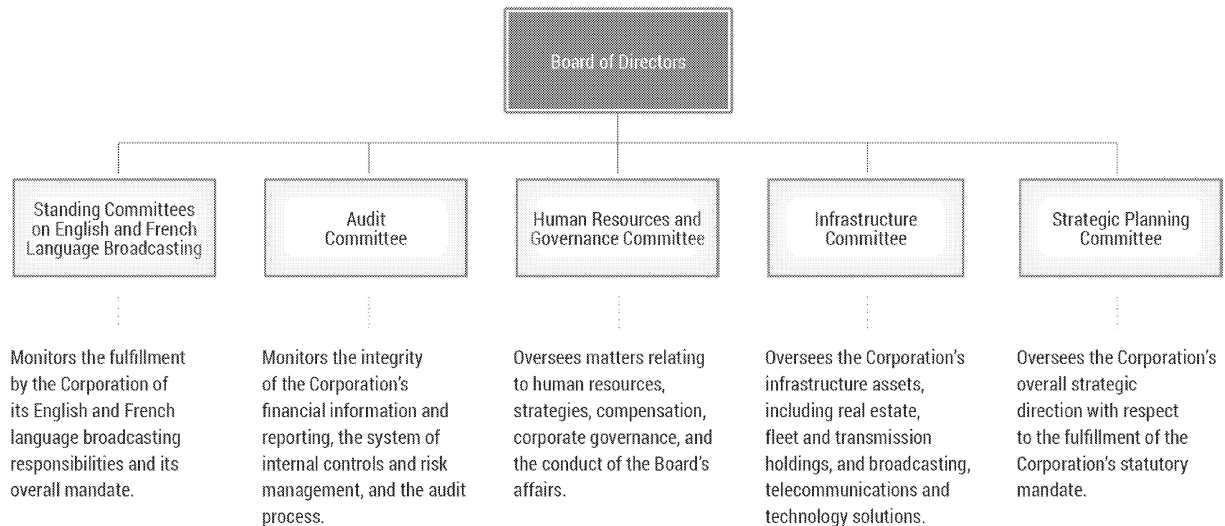
CBC North

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

1.3 Board and Management Structure

CBC/Radio-Canada’s Board of Directors is responsible for the general management of, and exercising oversight over, the Corporation. The Board is composed of 12 members, including the Chairperson and the President and CEO, who are appointed by the Governor in Council.

As of March 31, 2014, the Board had five committees as shown below.



Board activities and highlights

Over the course of 2013–2014, the Board of Directors and its committees met regularly to discuss and monitor the issues facing the Corporation, as well as to provide its mandated oversight and governance over Canada’s public broadcaster.

As part of its goal to connect with Canadians from different regions across the country, the Board held its September 2013 meeting in Saskatoon and participated in the launch of the city’s new station.

The Board’s engagement and involvement in the governance of the Corporation is far-reaching. From the earliest stages of the development of the next strategic plan, the Board has provided direct input to guide the Corporation beyond 2015. This work continues. The Board was also involved in revising the Terms of Reference for both the CBC/Radio-Canada Ombudsmen and the Broadcasting Committees to ensure compliance with conditions of licence and various collective bargaining mandates.

Additional Board actions included the review and approval of Pension Plan amendments to increase the employee share of contributions, which aligns with Federal Budget 2012; a series of Information Technology (IT) projects and transactions to increase efficiencies and modernize assets; and a variety of strategic plans related to real estate and technology.

This year, the Board also monitored CBC/Radio-Canada’s preparation and delivery of the Sochi 2014 Olympic Winter Games and Paralympic Winter Games; the implementation management action plans (in response to the Office of the Auditor General’s Special Examination recommendations); and the CRTC licence renewal process. Moreover, the Board was kept informed of the Corporation’s evolving hockey strategy, and of the financial pressures that accumulated throughout the fiscal year.

Management structure

<p>President and CEO</p>	<p>Responsible for overseeing the management of CBC/ Radio-Canada to ensure that Canada's national public broadcaster can deliver on the various aspects of its mandate and continue to offer Canadians a broad spectrum of high quality programming that informs, enlightens and entertains, and that is created by, for and about Canadians.</p>
<p>Executive Vice-President, French Services</p>	<p>Oversees all aspects of CBC/ Radio-Canada's French-language programming services, which include, among other things, ICI Radio-CanadaTélé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, RCI, ICI Radio-Canada.ca, ICI Musique and ICI Tou.tv.</p>
<p>Executive Vice-President, English Services</p>	<p>Oversees all aspects of CBC/ Radio-Canada's English-language programming services, which include, among other things, CBC Radio One, CBC Radio 2, CBC Television, CBC News Network, <i>documentary</i> and digital operations.</p>
<p>Vice-President, Finance and Chief Financial Officer</p>	<p>In addition to being responsible for all aspects of financial management for Canada's national public broadcaster, plays an instrumental role in helping to achieve a sustainable economic model for the future of the Corporation.</p>
<p>Vice-President, Technology and Chief Regulatory Officer</p>	<p>Responsible for CBC/ Radio-Canada's technology direction, for developing and implementing television and radio regulatory strategies across the Corporation, pursuant to the CRTC regulation and the <i>Broadcasting Act</i>, and for corporate research and analysis.</p>
<p>Vice-President, Brand, Communications and Corporate Affairs</p>	<p>Responsible for developing and implementing a single coherent corporate communication strategy for CBC/ Radio-Canada; leading internal and external communications across the Corporation; and formulating the overall strategic direction for the promotion and marketing of programs. Also oversees the Government Relations group.</p>
<p>Vice-President, People and Culture</p>	<p>Responsible for delivering the Corporation's human resources services and ensuring a positive relationship between management and employees. Helps lead the "people" component of the Corporation's five-year strategic plan, <i>Strategy 2015</i>, ensuring that CBC/ Radio-Canada is a rewarding, progressive and diverse workplace that builds professional teams of innovative and highly skilled people dedicated to accomplishing the plan.</p>
<p>Vice-President, Real Estate, Legal Services and General Counsel</p>	<p>Responsible for CBC/ Radio-Canada's real estate portfolio across Canada and abroad and for the General Counsel's offices in Montreal, Toronto and Ottawa, the Corporate Secretariat and for compliance with Access to Information, privacy, health, safety and environmental laws.</p>

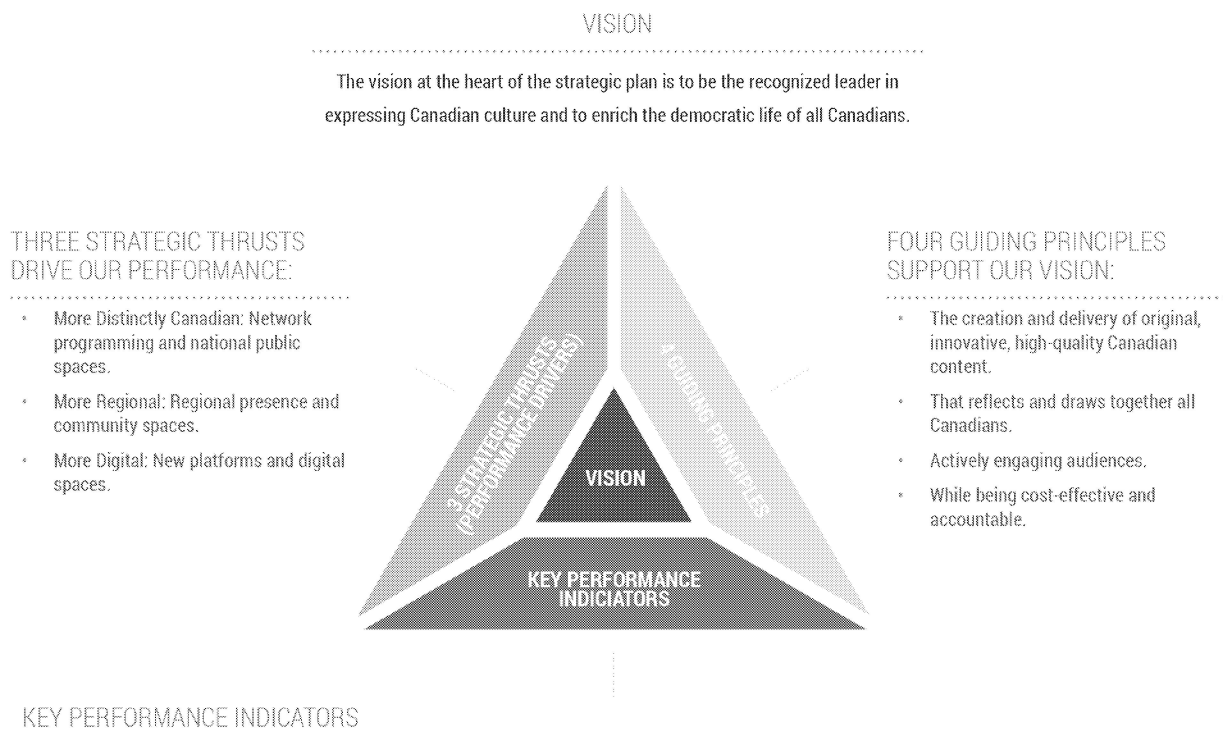
1.4 Corporate Strategy

The Corporation's current strategic plan, *Strategy 2015: Everyone, Every way* includes three components:

- A CBC/Radio-Canada vision
- Four guiding principles supporting the vision
- Three strategic thrusts for achieving our objectives



Its success will be measured against key strategic and operational indicators.



As presented in Section 2 Performance, our key performance indicators (KPI) fall into two categories:

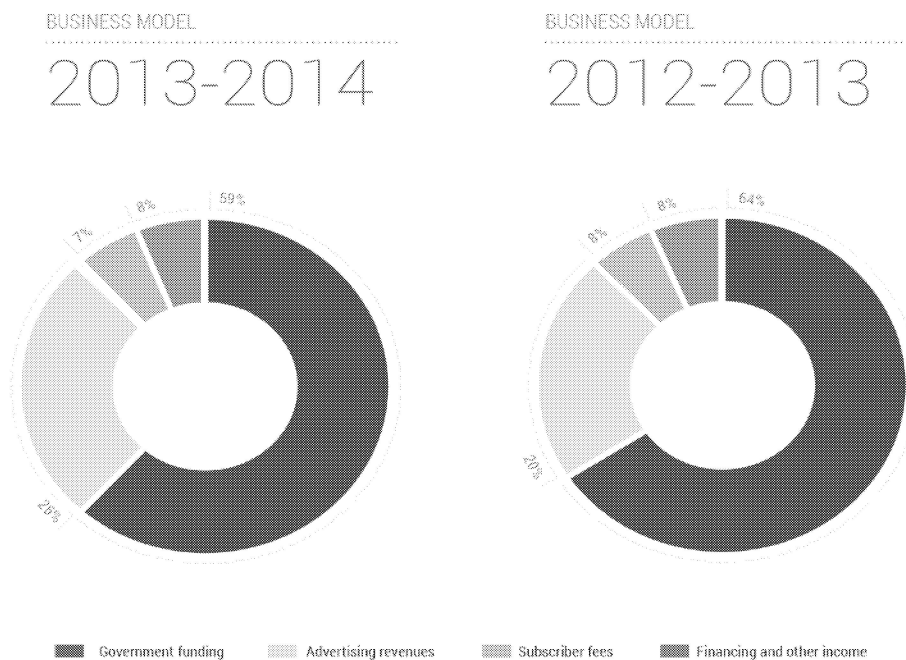
1. *Strategic Indicators* include survey results regarding fulfillment of our mandate and the degree to which our programming adheres to our guiding principles. They also include measures of our Canadian content on television.
2. *Operational Indicators* include measures of audience share, website visitors, subscriber counts and revenue generation for English and French Services.

1.5 Business Model

We have several sources of funds, including government appropriations and self-generated revenues. CBC/Radio-Canada is a Crown corporation with 59% of its budget funded by government appropriations approved by Parliament on an annual basis.

These appropriations remained relatively constant over the past 10 years in a broadcasting environment in which costs increased significantly. However, Federal Budget 2012 resulted in CBC/Radio-Canada's annual appropriation being reduced by \$115 million. This meant a decrease in our per-capita funding from \$33 to \$29 in 2014–2015, when Federal Budget 2012 cost reduction initiatives will be fully implemented. Canada ranks 16 among 18 major Western countries in per capita funding¹⁷.

The remaining 41% of our budget comes from self-generated revenue: advertising, subscriber fees and other revenue. We are also facing new financial pressures on our self-generated revenue, mostly as a result of an industry-wide softening of the conventional television advertising market, the NHL's decision to move to a single, exclusive broadcaster and the disappointing CBC Television schedule performance of some individual prime-time programs among the 25-54 demographics, which drives advertising revenue. This is in addition to continuing pressures on fixed costs from rent and property tax increases and a salary inflation funding freeze for the next two years.



CBC/Radio-Canada is a federal Crown Corporation. All our funds are used to fulfill our public broadcasting mandate. Fulfilling this mandate (discussed fully in Section 1.1) requires us to incur specific costs, such as producing Canadian content locally, broadcasting throughout Canada, and engaging with our multicultural and multilingual communities.

To continue fulfilling our mandate, we need to be a scalable and more focused public media company, one that is more adaptable to changes in audience behaviour, supported by a financially sustainable business model.

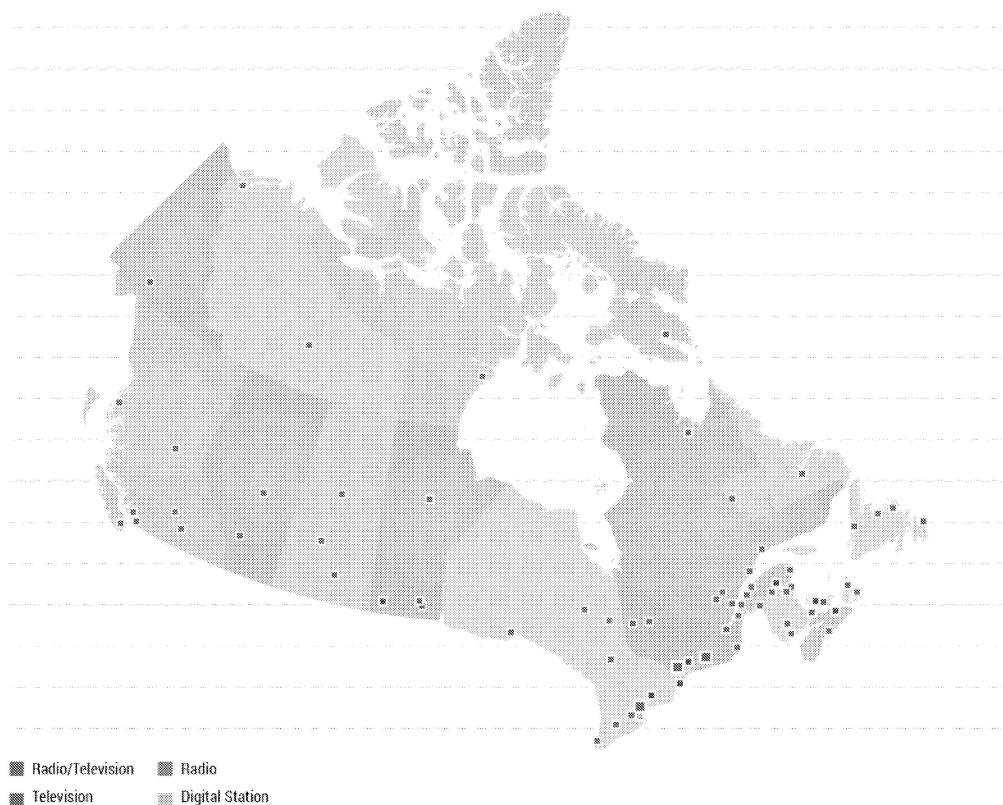
¹⁷ Source: Nordicity, "Analysis of Government Support for Public Broadcasting and Other Culture in Canada" (October 2013).

1.6 Operations

As of March 2014, we employed 6,985 permanent full-time equivalent employees (FTEs), 325 temporary FTEs and 840 contract FTEs.

Our head office is located in Ottawa, with main network operations in Toronto and Montreal. We originate local programming from 27 television stations, 88 radio stations and one digital station. We have two main television networks, one in English and one in French, five specialty television channels and four Canada-wide radio networks, two in each official language. We integrate content across multiple websites. Internationally, CBC/Radio-Canada has nine foreign bureaus.

CBC/Radio-Canada's Stations



2. Performance

2.1 Strategic Indicators

Measuring our success against Strategy 2015: Everyone, Every way

A central feature of *Strategy 2015* is the establishment of metrics to track and assess our performance. We have developed a report card that allows us to monitor how well our services fulfill the Corporation's mandate under the 1991 *Broadcasting Act*, and the degree to which our programming adheres to the guiding principles of our plan. This information is obtained from surveys conducted among representative samples of Canadians.

This year, the results from two new questions that were added to the perception survey have been included in the report card. The new questions ask Anglophones and Francophones to what extent the information programming aired by the CBC/Radio-Canada's radio, television and online services "reflects a diversity of opinions" and "covers major news events in a fair and balanced way". In a world of instant news and opinions from an almost infinite number of sources, covering news in a fair and balanced way is very important to the Corporation.

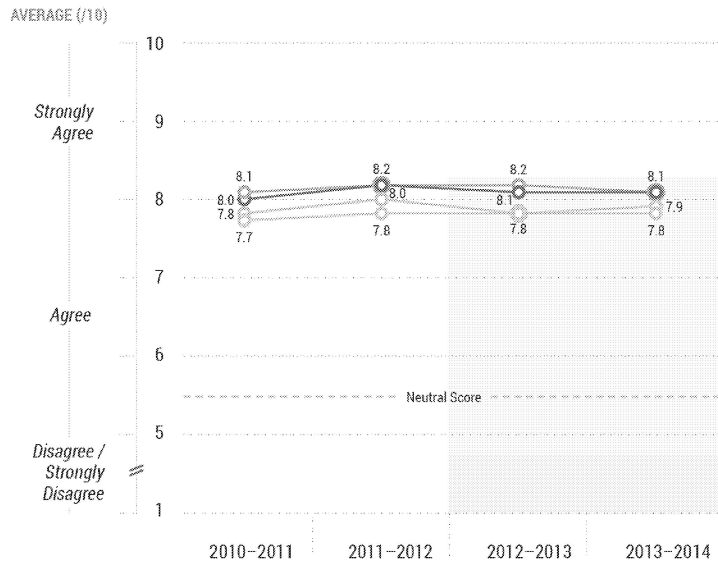
On the following pages is the report card for the 2013–2014 fiscal year – year three of our strategy. As we now have more than three years of data for most indicators, graphics are used to show trends¹⁸ over time. However, management's comments focus on significant variances between the two most recent results (i.e., scores recorded in 2013–2014 compared to the ones from 2012–2013). For comparison purposes, note that differences of 0.2 and above between 2013–2014 and 2012–2013 results are statistically significant.

¹⁸ A trend is a consistent movement of data results over time.

Report on French Services

How does French Services fulfill its mandate under the *Act*?





Radio-Canada's French-language radio and television programming is...



MANAGEMENT'S COMMENTS

The results of the 2013–2014 tracking surveys confirm that Francophones continue to believe that CBC/Radio-Canada's French Services is fulfilling its mandate under the 1991 *Broadcasting Act*.

French Services received high scores for each aspect of its mandate that was measured, ranging from 7.8 (entertaining) to 8.1 (informative and available on new platforms).

-  Available on new platforms
-  Informative
-  Enlightening
-  Entertaining

Metric Definition: Average score refers to the average of the scores given by all respondents on a 10-point scale.

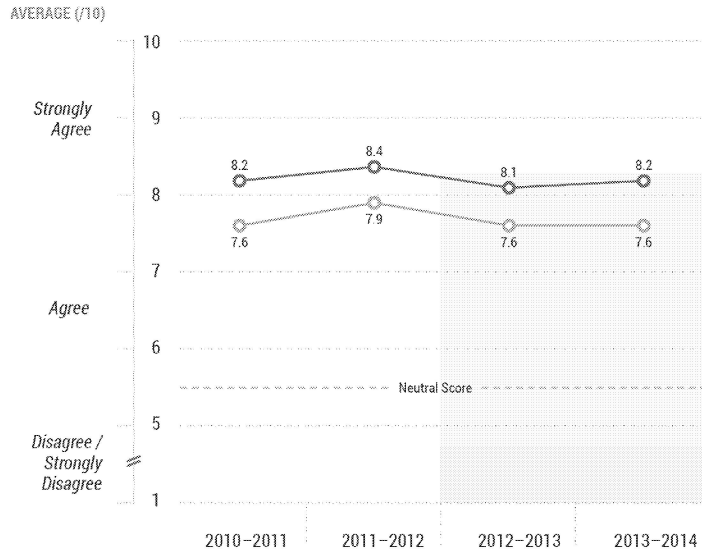
Difference between 2013–2014 and 2012–2013 results are statistically significant if equal to 0.2 or more.

Source: TNS Canadian Facts (1,200 Francophones per survey. Telephone surveys conducted in November and March of each year).

How does French Services' programming fare against the guiding principles of Strategy 2015?

Radio-Canada's programming¹ ...



Pillar 1: Original, innovative, quality Canadian content



MANAGEMENT'S COMMENTS

Francophones continue to respond positively to initiatives French Services has announced or introduced since the launch of *Strategy 2015*. Both indicators were stable compared to 2012-2013.

As in the past, French Services' programming and content received its highest score for being of "high quality" (8.2).

-  Is high quality
-  Is different from that offered on other channels

Metric Definition: Results presented on this page are weighted averages of the perception scores given by all respondents for each individual service on a 10-point scale.

Difference between 2013-2014 and 2012-2013 results are statistically significant if equal to 0.2 or more.

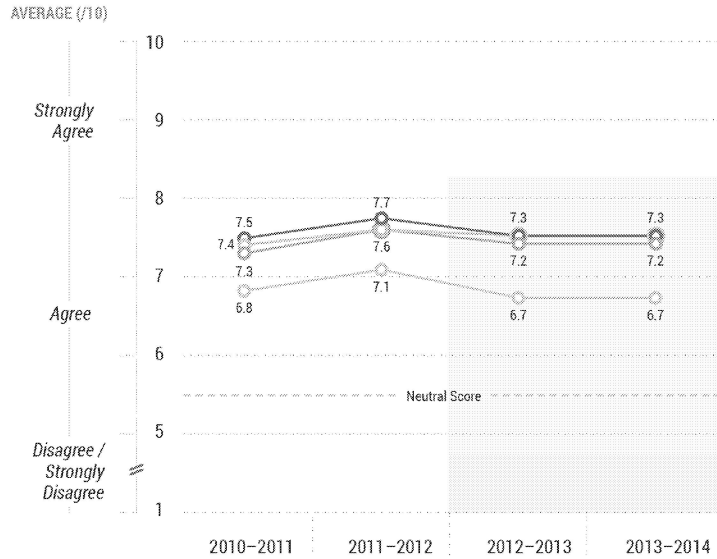
Source: TNS Canadian Facts (1,200 Francophones per survey, Telephone surveys conducted in November and March of each year).

¹ Programming and content offered on any of our services i.e., ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, ICI Musique, ICI Radio-Canada.ca and ICI Tou.tv.

Radio-Canada's programming¹ ...

Pillar 2: Reflects/draws Canadians together

MANAGEMENT'S COMMENTS



All four metrics measuring Francophones' perception that CBC/Radio-Canada's French-language programming "Reflects and draws Canadians together" maintained the results recorded last year.

The metrics "Reflects regions of Canada" and "Reflects my culture" continue to receive the highest scores (7.3).

-  Reflects regions of Canada
-  Reflects diversity
-  Reflects my culture
-  Reflects my region

Metric Definition: Results presented on this page are weighted averages of the perception scores given by all respondents for each individual service on a 10-point scale.

Difference between 2013-2014 and 2012-2013 results are statistically significant if equal to 0.2 or more.

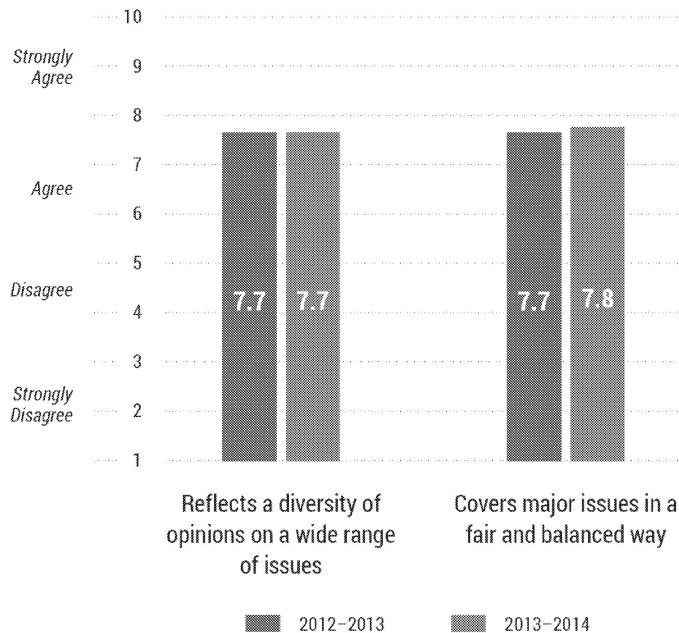
Source: TNS Canadian Facts (1,200 Francophones per survey, Telephone surveys conducted in November and March of each year).

¹ Programming and content offered on any of our services i.e., ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, ICI Musique, ICI Radio-Canada.ca and ICI Tou tv.

Does French Services' Information programming reflect a diversity of opinions and cover major issues in a fair and balanced way?

Radio-Canada's information programming¹...

AVERAGE (/10)



MANAGEMENT'S COMMENTS

Surveying of the "Diversity of Opinions" and "Fairness and Balance" metrics was introduced in 2012-2013.

The information programs produced by French Services maintained the scores obtained last year.

Metric Definition: Average score refers to the average of the scores given by all respondents on a 10-point scale.

Difference between 2013-2014 and 2012-2013 results are statistically significant if equal to 0.2 or more.

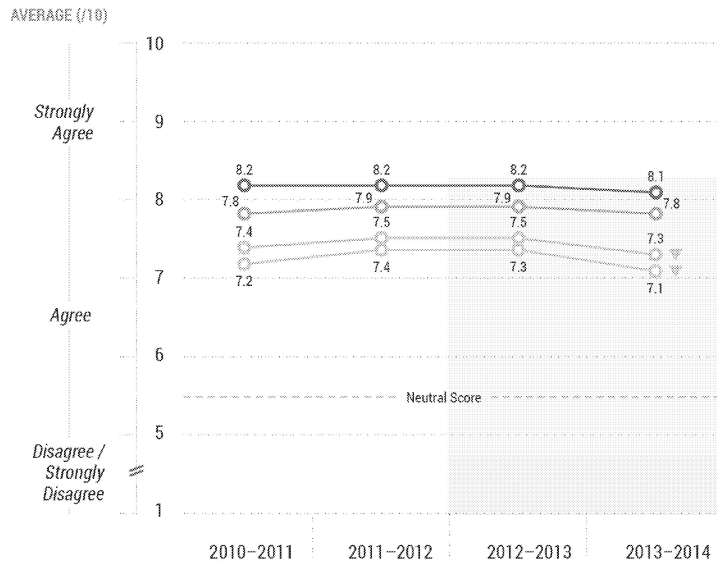
Source: TNS Canadian Facts (1,200 Francophones per survey. Telephone surveys conducted in November and March of each year).

¹ Radio, television or online programming.

Report on English Services

How does English Services fulfill its mandate under the Act?

CBC's English-language radio and television programming is...



Metric Definition: Average score refers to the average of the scores given by all respondents on a 10-point scale.

Difference between 2013-2014 and 2012-2013 results are statistically significant if equal to 0.2 or more.



Source: TNS Canadian Facts (1,200 Anglophones per survey. Telephone surveys conducted in November and March of each year).

MANAGEMENT'S COMMENTS

Anglophone Canadians continue to believe that CBC/Radio-Canada's English Services is meeting its mandate under the 1991 *Broadcasting Act*.

English Services received average scores of 7 or higher on a 10-point scale for all four indicators, with its highest scores for making its content "Available on new platforms" (8.1) and for offering programming that is "Informative" (7.8).

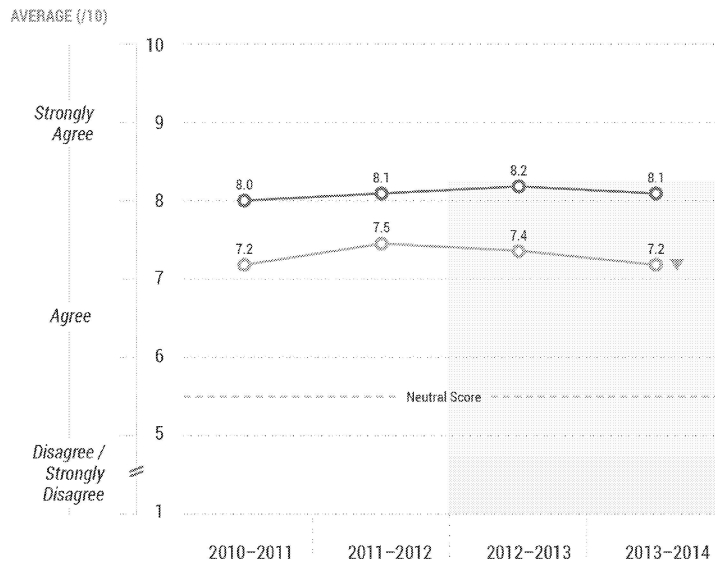
However, there has been a softening of Anglophones' perception towards "Enlightening" and "Entertaining". Budget cuts as a result of Federal Budget 2012, the reduction in LP1F funding and the shortfall in advertising revenue have all impacted our ability to complete our *Strategy 2015* plan.

-  Available on new platforms
-  Informative
-  Enlightening
-  Entertaining

How does English Services' programming fare against the guiding principles of Strategy 2015?

CBC's programming¹ ...



Pillar 1: Original, Innovative, Quality Canadian Content



MANAGEMENT'S COMMENTS

The implementation of *Strategy 2015* continues to be perceived positively by Anglophones, with average scores of over 7 out of 10 obtained for both indicators.

However, Anglophones' perception that CBC's programming is distinctive has softened this year. Differentiation is an important goal for CBC, and future business plans will address the continuing priority of providing unique and distinct Canadian content.

-  Is high quality
-  Is different from that offered on other channels

Metric Definition: Results presented on this page are weighted averages of the perception scores given by all respondents for each individual service on a 10-point scale.

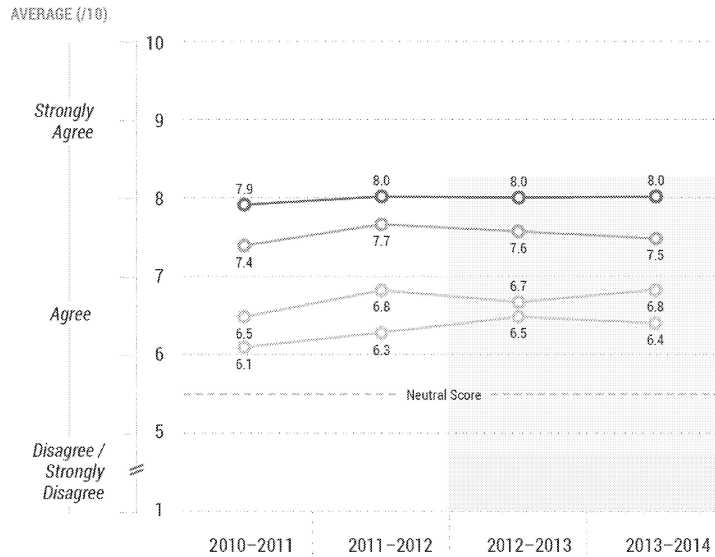
Difference between 2013-2014 and 2012-2013 results are statistically significant if equal to 0.2 or more.

Source: TNS Canadian Facts (1,200 Anglophones per survey. Telephone surveys conducted in November and March of each year).

¹ *Programming and content offered on any of our services i.e. CBC Television, CBC News Network, hold (Nov. 2010 and 2011 only), documentary, CBC Radio One, CBC Radio 2, and CBC.ca.*

CBC's programming¹ ...




Pillar 2: Reflects and Draws Canadians Together



MANAGEMENT'S COMMENTS

All four metrics measuring Anglophones' perception that CBC's programming and content "Reflects and draws Canadians together" maintained the results recorded last year.

The indicators "Reflects regions of Canada" (8.0) and "Reflects diversity" (7.5) continue to receive the highest scores.

-  Reflects regions of Canada
-  Reflects diversity
-  Reflects my culture
-  Reflects my region

Metric Definition: Results presented on this page are weighted averages of the perception scores given by all respondents for each individual service on a 10-point scale.

Difference between 2013-2014 and 2012-2013 results are statistically significant if equal to 0.2 or more.

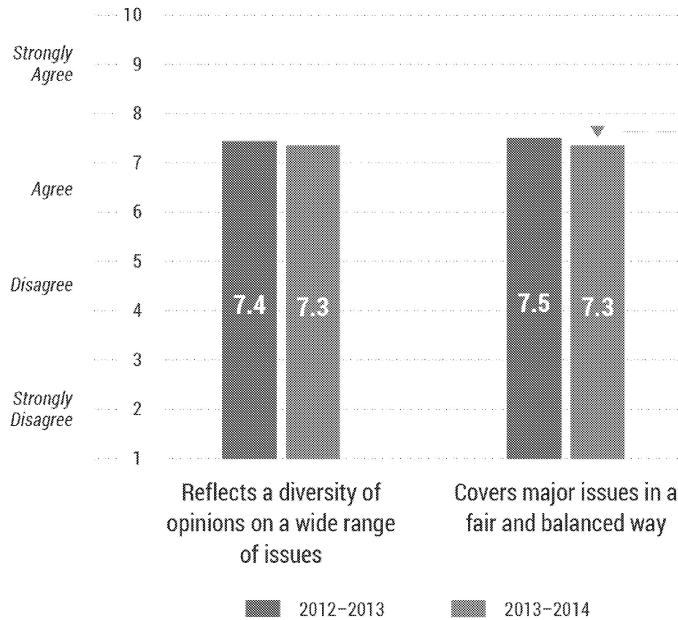
Source: TNS Canadian Facts (1,200 Anglophones per survey, Telephone surveys conducted in November and March of each year).

¹ Programming and content offered on any of our services i.e. CBC Television, CBC News Network, *bold* (Nov. 2010 and 2011 only), documentary, CBC Radio One, CBC Radio 2, and CBC.ca.

Does English Service's Information programming reflect a diversity of opinions and cover major issues in a fair and balanced way?

CBC's information programming¹

AVERAGE (/10)



MANAGEMENT'S COMMENTS

This is the second year that we have asked whether CBC's information programming "Reflects a diversity of opinions on a wide range of issues" and "Covers major issues in a fair and balanced way". Overall, results in 2013-2014 are positive with average scores of over 7 points out of 10 being obtained on both questions.

There was, however, a small but statistically significant decrease observed in Anglophones' average score for CBC's information programming's "Coverage of major issues in a fair and balanced way". Next year's results will confirm if this is the beginning of a trend.

Metric Definition: Average score refers to the average of the scores given by all respondents on a 10-point scale.

Difference between 2013-2014 and 2012-2013 results are statistically significant if equal to 0.2 or more.

Source: TNS Canadian Facts (1,200 Anglophones per survey. Telephone surveys conducted in November and March of each year).

¹ Radio, television or online information programming.

Measuring our Canadian Content

Regulatory requirements for Canadian content on television are specified by the CRTC, which sets expectations of service for ICI Radio-Canada Télé and CBC Television¹⁹. For the whole broadcast day, a minimum of 75% Canadian content is expected. For prime time, a minimum of 80% Canadian content is expected. Both measures are averages over the entire broadcast year from September 1 to August 31. As shown in the table below, in the 2012-2013 broadcast year and in the previous year, ICI Radio-Canada Télé and CBC Television exceeded the CRTC's Canadian content expectations, both over the whole day and in prime time. Increased Canadian programming is key to *Strategy 2015*.

Canadian Content		Yearly Regulatory Expectations	Results Sep. 1, 2012 to Aug. 31, 2013	Results Sep. 1, 2011 to Aug 31, 2012
ICI Radio-Canada Télé				
Broadcast day	(Mon-Sun, 6:00 a.m.-12:00 a.m.)	75%	84%	86%
Prime time	(Mon-Sun, 7:00 p.m.-11:00 p.m.)	80%	91%	93%
CBC Television				
Broadcast day	(Mon-Sun, 6:00 a.m.-12:00 a.m.)	75%	93%	85%
Prime time	(Mon-Sun, 7:00 p.m.-11:00 p.m.)	80%	86%	81%

¹⁹ Effective September 1, 2013, the CRTC's May 2013 decision renewing our TV licence, ICI Radio-Canada Télé and CBC Television has established conditions of licence regarding the airing of Canadian content. Previously these had been set out as expectations.

2.2 Operational Indicators

[placeholder: to be provided]

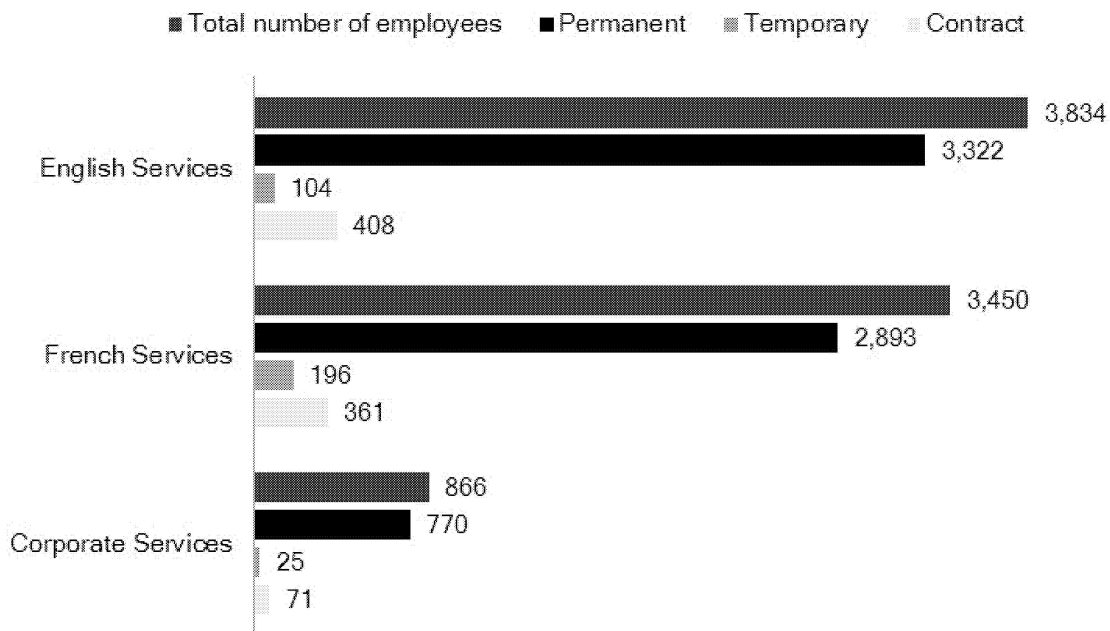
3. Capability to Deliver Results

3.1 People and Leadership

Our people are a key priority and in 2013–2014, we continued to implement our three-year strategic plan focused on enabling and accompanying our people to lead and support the ongoing changes within CBC/Radio-Canada.

Workforce Profile

As of March 2014, CBC/Radio-Canada employed a total of 8,150 full-time equivalent employees (FTEs) of whom 6,985 are permanent, 325 are temporary and 840 are contract.



Under the *Employment Equity Act*, CBC/Radio-Canada is committed to providing equal employment opportunities to the four designated groups: women, Aboriginal peoples, persons with disabilities and members of visible minority groups.

As of March 31, 2014, women made up 46.7% of permanent employees, Aboriginal peoples 1.6%, persons with disabilities 1.8% and visible minorities 8.2%.

Workforce Adjustment

The financial pressures faced by the Corporation in 2012–2013 continued to have an impact on our workforce in 2013–2014. In April 2012, as a result of Federal Budget 2012, we announced that up to 650 full-time equivalent positions would be eliminated over three years, with one-time spending required to cover severance packages.

To date, 570 positions have been eliminated, with the remaining 80 to occur in 2014–2015. Severance required for these will also be drawn from the one-time spending.

In April 2014, CBC/Radio-Canada announced its 2014–2015 budget. Due to financial challenges (as highlighted in the *Corporate Year in Review* section), to balance the budget we will need to cut \$130 million and the equivalent of 657 full-time positions from across the Corporation. These cuts will be implemented over the next two years.

Update on the Joint Committee Process as of March 31, 2014

The joint committee process involves unions and management from CBC/Radio-Canada working together to minimize the impact on people affected by workforce adjustments. The focus is to place qualified individuals into suitable positions according to the rights in their respective collective agreements and to keep the number of involuntary layoffs as low as possible. The joint committees' work is complete as it relates to Federal Budget 2012 reductions.

Employee Support

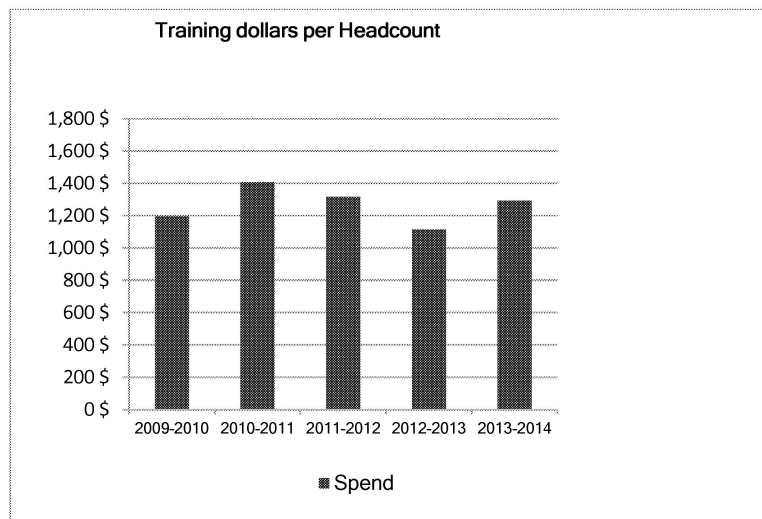
CBC/Radio-Canada employees continue to receive support through the Employee Assistance Program (EAP). EAP offers a variety of services including confidential counselling for staff, their families and eligible former staff. EAP also delivers wellness initiatives with the support of nearly 200 volunteers in CBC/Radio-Canada locations across the country. CBC/Radio-Canada's 2013–2014 year-end EAP utilization rate was 15.7% (1,417 cases, including employees, retirees and family members), demonstrating confidence in the program.

In 2013, *Respect in the Workplace* workshops were launched nationally as a joint union-management initiative through the Working Group on Employee Health Care. More than 830 employees participated in one of the 64 three-hour workshops held across the country. The *Respect* workshop initiative is intended to respond to feedback received in last year's *Dialogue* employee survey, which was a wide-ranging survey to gauge the perceptions of our staff about working at CBC/Radio-Canada, and to help employees work better together. It is an important part of our activities to positively influence the well-being of CBC/Radio-Canada and its people. It reinforces the respectful behaviours set out in our Code of Conduct and in our collective agreements.

Employee Development

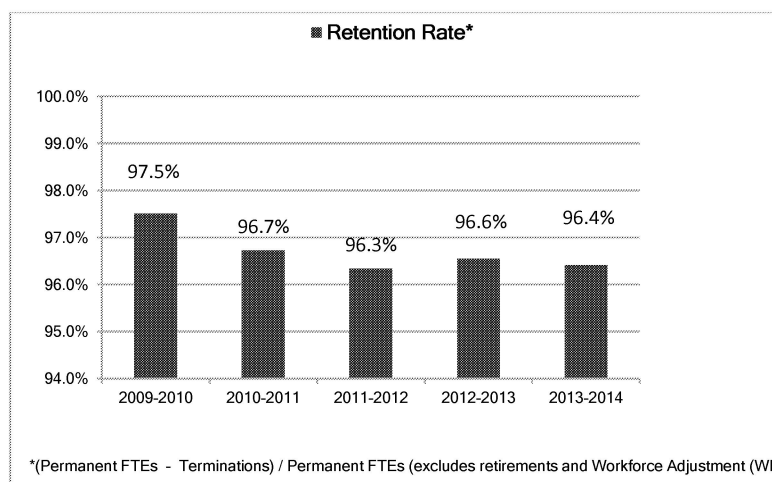
This fiscal year, the People & Culture team worked on a foundation of strategic learning and development support for major change initiatives in technology, journalism and multi-platform service delivery. They also worked to create a more unified approach to development and changes initiatives that will be relevant across the whole Corporation. Below is an indicator of the training dollars per employee for the past five years.

In the latter part of the year, the team focused on creating the Corporation's three-year talent development strategy. They also began preparatory groundwork for the kind of support that would be required by staff and management during the major structural changes, across all services, that would result from the budget announcements for 2014–2015.



Retention Rate

While the Corporation continued its downsizing exercise following the announcement of reductions in 2012, the overall retention rate of permanent employees remained high.



Inclusion and Diversity

Accountability

We continued with the implementation of our [Inclusion and Diversity Corporate Plan 2012–2015](#), launched in June 2012. This plan focuses on removing employment barriers and expanding our pool of candidates for the four designated employment equity groups (Aboriginal peoples, persons with disabilities, visible minorities and women).

Employment Equity Questionnaire

A national joint union-management communication campaign was launched to increase employee awareness of our employment equity self-identification through our Cultural Census questionnaire. As of March 9, 2014, our response rate was tracking at 79%. To improve this number, we plan additional targeted activities.

HELP Fund

Every year, we invite managers to apply to the \$175,000 Help Energize Local Projects (HELP) Fund. The fund helps managers reach their hiring targets of recruiting and retaining diverse candidates by allocating funding for internships, development opportunities and workplace accommodations.

Labour Relations and Talent Agreements

In 2013–2014, CBC/Radio-Canada renewed our collective agreements with the Association of Professionals and Supervisors (APS) from July 1, 2013 to June 30, 2016; the Writers Guild of Canada (WGC) from September 1, 2014 to August 31, 2016; and the Canadian Media Guild (CMG) from April 1, 2014 to March 31, 2019. We also extended our collective agreement with The Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) until June 30, 2014. We continue ongoing negotiations towards a new collective agreement with the Canadian Federation of Musicians.

CBC/Radio-Canada renewed our collective agreements with the Union des Artistes (UDA) from May 27, 2013 to November 14, 2015 and with the Association des réalisateurs (AR) from December 16, 2013 to December 15, 2014.

In May 2012, CBC/Radio-Canada filed an application with the Canada Industrial Relations Board (CIRB) to review the bargaining structure for employees working in the province of Quebec and in Moncton, New Brunswick. The subsequent hearings took place throughout the 2013–2014 fiscal year and are now complete. The CIRB has taken this matter under advisement and a decision is expected during 2014–2015.

Challenge Us! 2013

Challenge Us! is an event that enables employees from different levels and sectors from across the Corporation to delve into and make recommendations on issues that matter deeply to our future success. The 2013 edition of *Challenge Us!* was held between April 16-17, 2013, in Montreal. In the past, this event helped to pave the way for a culture of dialogue. This year, *Challenge Us!* was used to initiate and catalyze change and the results were incorporated into the preparation surrounding our next strategic plan for beyond 2015.

Employee Awards

In the fifth year of the President's Awards, staff were once again able to recognize excellence across the Corporation. These awards are based on the President & CEO's three priorities: people, programs and pushing forward. In 2012, we received 169 nominations for 16 awards - four more awards than last year. This brings us to almost 900 nominations in total since the awards were first introduced in 2009. In addition to local winners in Montreal, the President took the opportunity to congratulate the remaining winners and present their awards in person during business visits to Rimouski, Matane, Regina, Saskatoon, Toronto and Ottawa this year.

Changes to the Board of Directors

There were three appointments to the CBC/Radio-Canada Board of Directors in 2013–2014. Brian Mitchell was appointed to his second five-year term, while Marlie Oden and Cecil Hawkins were both appointed to five-year terms. The five-year term of Patricia McIver expired this year and Vivian Bercovici resigned her position.

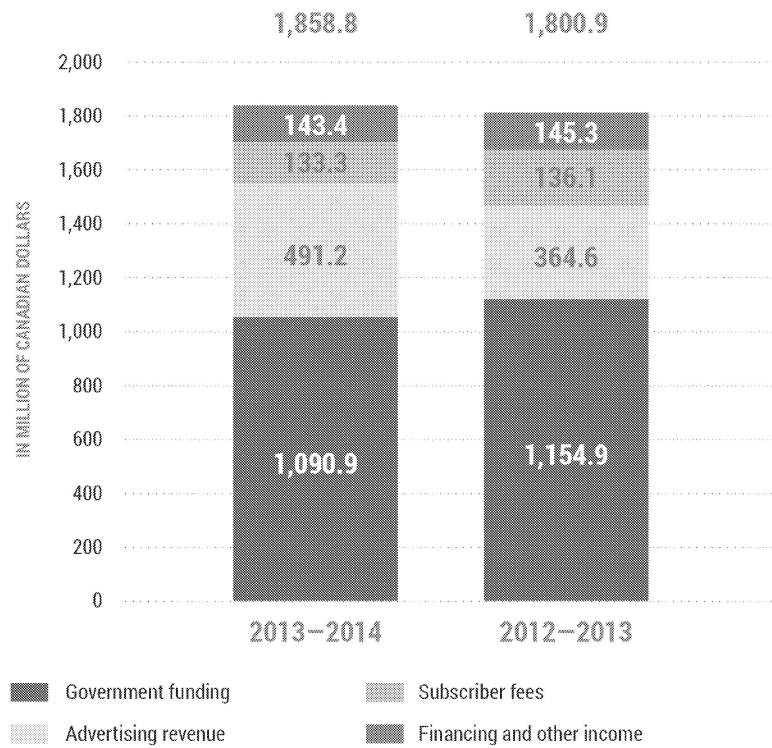
Changes in Executive Management

In September 2013, Heather Conway was announced as the new Executive Vice-President of English Services. Ms. Conway joined CBC/Radio-Canada with an extensive record of experience and results across the public and private sectors, and provides a fresh perspective during the Corporation's time of challenge and change.

3.2 Resource Capacity

We have four sources of direct funding: government appropriations for operating and capital expenditures, advertising revenue, subscriber fees, and financing and other income.

REVENUE AND SOURCES OF FUNDS



For detailed year-to-date variance analysis, see Section 4, *Results and Outlook*.

Government Funding

For the fiscal year ended March 31, 2014, government funding was approximately 59% of total revenue and sources of funds. This included \$111.3 million of amortization of deferred capital funding.

The federal government announced funding reductions in Federal Budget 2012. Our share of this reduction will be \$115.0 million annually by 2014–2015. This includes the elimination, over that same period, of the \$60.0 million in one-time funding received annually since 2001 which the Corporation used to invest in Canadian programming. For the current fiscal year, parliamentary appropriations received were \$23.9 million less than last year. This comprises a decrease of \$41.8 million, our share of the funding reductions announced by the federal government in Federal Budget 2012, partly offset by salary inflation funding for 2013–2014, received for the first time since 2009–2010.

A freeze of salary funding has also been confirmed by the government in its most recent Economic Update for fiscal years 2014–2015 and 2015–2016. This means that any salary increases for CBC/Radio-Canada employees will have to be managed through cost reductions in other areas, as management will have to fund approximately \$15.0 million per year to provide salary increases of 1.5%.

Advertising Revenue

We generate revenue by selling advertising on our conventional and specialty television broadcasts, on CBC Radio 2 and ICI Musique²⁰ and on other platforms. For the year ended March 31, 2014, advertising revenue accounted for approximately 26% of our total revenue and sources of funds. The proportion of our advertising revenue to our total revenue and sources of funds will decrease because of the end of CBC's contract with the NHL in June 2014 and a shifting advertising market.

Subscriber fees

Subscriber fees from our specialty services, CBC News Network, *documentary*, ICI Explora, ICI ARTV and ICI RDI, generated approximately 7% of total revenue and sources of funds for the year ended March 31, 2014.

Financing and Other Income

Financing and other income includes contributions from the Local Programming Improvement Fund (LPIF) and funds received from the Canadian Media Fund (CMF). It also includes income from activities such as program sales, rental of mobile broadcasting vehicles to external parties, rental of real estate assets, leasing of space at our transmission sites and merchandising. These sources of income collectively accounted for approximately 8% of total revenue and sources of funds in the current year. Included in these funds were \$25.7 million of contributions from the LPIF, which will be eliminated on August 31, 2014.

²⁰ Effective June 2, 2014, ICI Musique brings together our radio and digital offerings formerly known as Espace musique and Espace.mu, respectively.

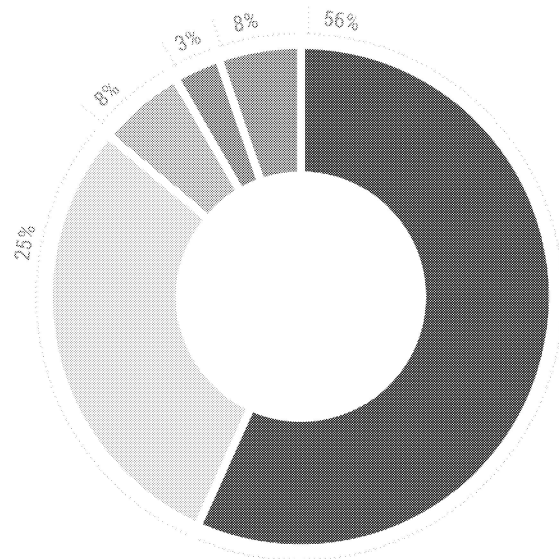
Capital Budget

CBC/Radio-Canada has a base capital appropriation from the Government of Canada of \$92.3 million per year. For 2013–2014, we augmented this amount with self-generated revenue and by transferring funds from our operating appropriation, for a total of \$112.7 million. As required by subsection 54(4) of the *Broadcasting Act*, we present our capital budget to the Minister of Canadian Heritage and Official Languages in our Corporate Plan and then submit it to the Treasury Board for approval.

We currently use \$2.2 billion of assets in our operations. We operate one of the world's largest broadcast transmission and distribution systems, with 549 transmission sites located throughout Canada. During 2012–2013, we shut down our analogue over-the-air television transmission network. In addition to these transmission and distribution-related structures, we are responsible for a real estate portfolio of more than 4.3 million square feet, including 24 buildings owned across Canada. We are also highly dependent on technology and technology-based assets in the production and delivery of our services.

Accordingly, we use the majority of our capital budget in any given year to maintain our assets, address obsolescence and fund strategic projects. In all instances, the capital spending plan supports the attainment of CBC/Radio-Canada's priorities and strategies and is in line with *Strategy 2015*.

BREAKDOWN OF CBC/RADIO-CANADA'S
\$2.2 BILLION (COST) OF ASSETS



-  Technical equipment (\$1,209M, 56%)
-  Buildings (\$547M, 25%)
-  Land (\$175M, 8%)
-  Leasehold improvements and capital projects in progress (\$52.9M, 3%)
-  Other (\$170M, 8%)

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.

When the Corporation sold long-term accounts receivable in 2009 as part of its Financial Recovery Plan, which addressed the impact of the global economic slowdown and declining television advertising revenue, it provided a guarantee to the investors to obtain the best possible value for selling the receivables. This guarantee was deemed to be borrowing. The outstanding amounts against the borrowing authority are:

(in thousands of Canadian dollars)

Total borrowing authority available:	220,000
Authority used as at March 31, 2014:	
Guarantee on accounts receivable monetization	(152,960)
Remaining authority	67,040

However, 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.

4. Results and Outlook

4.1 Results

Summary - Net Results

<i>(in thousands of Canadian dollars)</i>	For the year ended March 31		% change
	2014	2013 (revised ¹)	
Revenue	767,830	646,065	18.8
Expenses	(1,873,717)	(1,870,963)	0.1
Government funding	1,090,898	1,154,850	(5.5)
Results before non-operating items	(14,989)	(70,048)	(78.6)
Non-operating items	(2,964)	19,076	(115.5)
Net results for the year	(17,953)	(50,972)	(64.8)
Results on a current operating basis²	46,429	216	N/M

N/M = not meaningful

¹ The amounts for 2013 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 3A, *New and Future Changes in Accounting Policies* of the consolidated financial statements for more details.

² 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.

IFRS Results

This year's revenue of \$767.8 million was an increase of \$121.8 million (18.8%) over last year. Higher revenue this year resulted largely from advertising associated with our coverage of the Sochi 2014 Olympic Winter Games. Current year revenue also included advertising associated with a full broadcast schedule of *Hockey Night in Canada (HNIC)* following the NHL lockout last season. This increase was partially offset by a weaker advertising market.

We have been successful in reducing operating expenses through cost management initiatives. These reductions largely offset costs incurred to broadcast both the full season of *HNIC* and the Sochi 2014 Winter Olympics. As a result, our expenses were relatively consistent with last year, increasing by \$2.8 million or 0.1% overall.

Government funding recognized for accounting purposes was \$64.0 million (5.5%) lower in the current year. This primarily reflects the lower levels of government appropriations received of \$23.0 million and lower capital funding recognized for accounting purposes of \$32.5 million this year following last year's shutdown of our analogue TV assets.

Net results reflected a loss of \$18.0 million for the year, compared with a loss of \$51.0 million in the prior year. In addition to revenue, expenses, and government funding, this year's results include non-operating losses of \$3.0 million, mainly from equipment disposals as we replace old technology. Included in net results for both years 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 by management to help monitor performance and balance the Corporation's budget consistent with government funding methodology. 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 the depreciation and amortization of capital assets and the amortization of deferred capital funding because these are non-cash items. Capital-related adjustments were lower in the current year than in 2012–2013 because last year included higher depreciation, decommissioning and capital funding due to the accelerated shutdown of analogue TV assets, the end of RCI shortwave broadcasting and other cost reduction initiatives. Other less significant items not funded or generating funds in the current year are adjusted for in the reconciliation to Results on a Current Operating Basis.

Under IFRS, CBC/Radio-Canada is required to present non-cash pension-related expenses under "Net results for the year" within expenses. These non-cash expenses are excluded from Results on a Current Operating Basis.

<i>(in thousands of Canadian dollars)</i>	For the year ended March 31		% change
	2014	2013 (revised ¹)	
Net results for the year	(17,953)	(50,972)	(64.8)
Items not generating or requiring funds from operations			
Pension and other employee future benefits	58,799	50,991	15.3
Depreciation and decommissioning expenses	127,732	173,843	(26.5)
Amortization of deferred capital funding	(111,280)	(151,366)	(26.5)
Other	(10,869)	(22,280)	(51.2)
Results on a current operating basis	46,429	216	N/M

N/M = not meaningful

¹ The amounts for 2013 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 3A, *New and Future Changes in Accounting Policies* of the consolidated financial statements for more details.

Total Comprehensive Income (Loss)

(in thousands of Canadian dollars)

	For the year ended March 31		% change
	2014	2013 (revised ¹)	
Net results for the year	(17,953)	(50,972)	(64.8)
Other comprehensive income	203,812	40,342	405.2
Total comprehensive income (loss) for the year	185,859	(10,630)	N/M

N/M = not meaningful

¹ The amounts for 2013 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 3A, *New and Future Changes in Accounting Policies* of the consolidated financial statements for more details.

In addition to pension costs included in net results, quarterly remeasurements of the Corporation's pension and other future employee benefit plans resulted in other comprehensive income of \$203.8 million this year. This income resulted from non-cash remeasurements due to changes in actuarial assumptions and returns on plan assets, as well as a non-cash adjustment arising from the adoption of new mortality assumptions.

Impact of Revised Pension Accounting Standard

As a result of the revised accounting standard applied on April 1, 2013 (IAS 19R - *Employee Benefits*), changes were required to the comparative period presented in this report which increased the calculation of pension expense presented as part of net results. However, the funding valuation and contribution requirements of the Corporation necessary to meet its pension obligations were unchanged.

Under the revised standard, net results for the year ended March 31, 2014 include pension expense of \$134.5 million. This compares to the year ended March 31, 2013 which included pension expense of \$126.1 million. The adoption of the revised standard resulted in net results previously presented for the year ended March 31, 2013 being reduced by \$92.9 million, with a corresponding increase in other comprehensive income of \$92.9 million. For further information, please refer to Note 3A - *New and future changes in accounting policies* in the audited consolidated financial statements for the year ended March 31, 2014.

Revenue

(in thousands of Canadian dollars)

	For the year ended March 31		
	2014	2013	% change
Advertising			
English Services	334,070	219,031	52.5
French Services	157,119	145,617	7.9
	491,189	364,648	34.7
Subscriber fees			
English Services	75,347	78,448	(4.0)
French Services	57,930	57,679	0.4
	133,277	136,127	(2.1)
Financing and other income			
English Services	62,157	59,997	3.6
French Services	40,371	46,087	(12.4)
Corporate Services	40,836	39,206	4.2
	143,364	145,290	(1.3)
TOTAL	767,830	646,065	18.8

The following paragraphs explain the revenue increase of \$121.8 million (18.8 %) in 2013–2014 compared to last year.

Advertising

Advertising revenue was higher by \$126.5 million (34.7%) in 2013–2014 compared to 2012–2013. This was mainly due to the coverage of the Sochi 2014 Olympic Winter Games in February 2014, which generated advertising revenue on multiple platforms for both English and French Services. The return of *HNIC* following the NHL lockout last year also contributed to the increase in English Services' advertising revenue. This year CBC broadcast 42 more preseason and regular season hockey games and three fewer playoff games than last year. However, these revenue increases were somewhat offset by the overall weakening advertising market.

Subscriber fees

Subscriber fees were lower by \$2.9 million (2.1%) compared to the previous fiscal year. This decrease is mainly attributable to English Services' sale of *bold* on March 25, 2013, partly offset by higher revenue in French Services from ICI Explora following its launch in March 2012.

Financing and other income

Financing and other income was lower by \$1.9 million (1.3%) compared to last year. This was mainly due to a \$11.8 million reduction in Local Programming Improvement Fund (LPIF) contributions to both English and French Services. The fund will be fully phased out by August 31, 2014.

For English Services, the LPIF reduction was more than offset by the recognition of non-advertising Olympic revenue. For French Services, non-advertising Olympic revenue only partly offset the LPIF reduction.

Corporate Services' revenue increased by \$1.6 million (4.2%) relative to last year. This was mainly due to higher space rental revenue in Toronto, consistent with our plan to reduce the Corporation's real estate footprint.

Operating Expenses

(in thousands of Canadian dollars)

	For the year ended March 31		% change
	2014	2013 (revised ¹)	
Television, radio and new media services costs			
English Services	1,038,297	972,562	6.8
French Services	723,926	740,003	(2.2)
	1,762,223	1,712,565	2.9
Transmission, distribution and collection	71,959	114,463	(37.1)
Corporate management	10,741	11,273	(4.7)
Payments to private stations	2,364	2,527	(6.5)
Finance costs	30,870	31,836	(3.0)
Share of profit in associate	(4,440)	(1,701)	161.0
TOTAL	1,873,717	1,870,963	0.1

¹ The amounts for 2013 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 3A, *New and Future Changes in Accounting Policies* of the consolidated financial statements for more details.

The following paragraphs describe key changes in our operating expenses.

Television, radio and new media services

English Services' expenses increased by \$65.7 million (6.8%) in 2013–2014 compared to last year. Most of this was attributable to the coverage of the Sochi 2014 Olympic Winter Games and to increased hockey rights and production costs as a result of the return of *HNIC* following last year's NHL lockout. These cost increases were partly offset by the impact of savings initiatives, the end of the *Jeopardy!* and *Wheel of Fortune* contract and the sale of *bold* at the end of 2012–2013.

In 2013–2014, French Services' expenditures were lower by \$16.1 million (2.2%) compared to the previous year. This was mainly due to the implementation of savings initiatives to programming and operating costs and lower LPIF contributions. These reductions were partly offset by an increase in expenses related to the coverage of the Sochi 2014 Olympic Winter Games.

Transmission, distribution and collection

Transmission, distribution and collection expenses decreased by \$42.5 million (37.1%) in 2013–2014 compared to last year. This was mainly the result of two cost management initiatives: the accelerated shutdown of our remaining analogue TV transmitters and the end of shortwave transmission of RCI programming - that resulted in additional depreciation and the recognition of decommissioning costs. Both initiatives also decreased ongoing operating costs.

Other operating expenses

Finance costs decreased by \$1.0 million (3.0%), reflecting the decreasing interest portion of financing leases, mostly for the Toronto Broadcasting Centre and satellite leases.

The current year's share of profit in associate is a result of our investment holding in Sirius XM.

Government Funding

<i>(in thousands of Canadian dollars)</i>	For the year ended March 31		% change
	2014	2013	
Parliamentary appropriations for operating expenditures	975,618	999,484	(2.4)
Parliamentary appropriations for working capital	4,000	4,000	-
Amortization of deferred capital funding	111,280	151,366	(26.5)
TOTAL	1,090,898	1,154,850	(5.5)

Parliamentary appropriations for operating expenditures decreased by \$23.9 million (2.4%) compared to 2012–2013. The 2013–2014 portion of an overall annual reduction of \$115 million, phased in over three years as part of Federal Budget 2012, was a year-over-year decrease of \$41.8 million. This was partly offset by salary inflation funding for fiscal year 2013–2014. Salary inflation funding was received for the first time this year since 2009–2010, but a freeze in funding has been reintroduced for fiscal years 2014–2015 and 2015–2016.

Capital funding received 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. The decrease of \$40.1 million (26.5%) was mainly due to accelerated depreciation triggered by the shutdown of analogue TV and shortwave assets recognized in 2012–2013.

Non-Operating Items

<i>(in thousands of Canadian dollars)</i>	For the year ended March 31		% change
	2014	2013	
(Loss) gain on disposal of property and equipment	(4,004)	11,891	(133.7)
Dilution gain	1,040	-	N/A
Gain on business divestitures	-	7,185	(100.0)
TOTAL	(2,964)	19,076	(115.5)

N/A = Not applicable

Non-operating losses of \$3.0 million for the year resulted mainly from equipment disposals as we replace old technology. These costs were partially offset by a non-cash dilution gain of \$1.0 million related to our investment in Sirius XM. Our prior year non-operating items also included similar losses from replacing old equipment; however, there was an overall gain because of \$18.5 million in net proceeds from the disposal of transmission sites in Calgary and Edmonton. These properties were previously used for transmitting English radio signals, which are now transmitted from lower-cost locations. Last year's results were also unusually high because of a gain of \$7.2 million for the sale of the **bold** specialty channel to Blue Ant Media.

Total Comprehensive Income (Loss)

(in thousands of Canadian dollars)

	For the year ended March 31		% change
	2014	2013 (revised ¹)	
Net results for the year	(17,953)	(50,972)	(64.8)
Other comprehensive income			
Remeasurements of defined benefit plans	203,812	40,342	405.2
Total comprehensive income (loss) for the year	185,859	(10,630)	N/M

N/M = not meaningful

¹The amounts for 2013 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 3A, *New and Future Changes in Accounting Policies* of the consolidated financial statements for more details.

Total comprehensive income recognized this year was \$185.9 million, compared to a loss of \$10.6 million in the prior year. These amounts 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. During the year, we also recognized a non-cash adjustment related to changes in mortality assumptions.

This year's \$203.8 million in other comprehensive income was driven by a higher return on plan assets than that used in our assumptions, combined with a 0.25 percentage point increase in the discount rate used to value plan obligations. These increases to our net pension position were partially offset by a non-cash adjustment of \$200.7 million recognized following the above-mentioned change in mortality assumptions.

Further information on our pension plan is provided in Note 17 to our consolidated financial statements.

4.2 Financial Condition, Cash Flow and Liquidity

Our main sources of liquidity are parliamentary appropriations for operating, capital and working capital requirements, and self-generated revenue such as selling advertising on our various platforms. As a result of Federal Budget 2012, our annual appropriations are being reduced by \$115.0 million by 2014–2015. Additionally, \$47.1 million in funding from the Local Programming Improvement Fund (LPIF) will be phased out by August 31, 2014 and a salary inflation funding freeze will be reintroduced for fiscal years 2014–2015 and 2015–2016.

In response to these reductions, new financial pressures on our self-generated revenue, and other funding pressures (as discussed under Section 1.5 *Business Model*), we are in the process of developing our next strategic plan as we plan fundamental changes based on a much different funding and revenue model.

Our cash flows from operating, investing and financing activities for the year are summarized below. Our cash balance at March 31, 2014 was \$62.0 million, compared to \$51.5 million on March 31, 2013.

Cash Position

<i>(in thousands of Canadian dollars)</i>	For the year ended March 31		% change
	2014	2013	
Cash - beginning of the year	51,459	64,277	(19.9)
Cash from operating activities	24,418	4,134	490.7
Cash used in financing activities	(58,906)	(58,389)	0.9
Cash from investing activities	45,003	41,437	8.6
Net change	10,515	(12,818)	(182.0)
Cash - end of the year	61,974	51,459	20.4

Cash from operating activities

Cash from operating activities was \$24.4 million this year, an increase of \$20.3 million compared to last year. This increase was consistent with the current year's positive results on a current operating basis, net of changes in working capital levels.

Cash used in financing activities

Cash outflows for financing activities were consistent with last year. Cash used of \$58.9 million this year and \$58.4 million last year was for interest payments, repayments of the Toronto Broadcasting Centre bonds, payments of notes payable, and payments made to meet obligations under finance leases.

Cash from investing activities

Investing activities generated cash of \$45.0 million this year, higher than last year by \$3.6 million. Spending on property, equipment, and intangible acquisitions was lower this year by \$28.0 million. Current year investing activities also included dividends received of \$7.1 million from our investment in Sirius XM, an increase of \$2.7 million compared to last year. On the other hand, last year's investing activities included \$17.3 million more in proceeds relative to the current year from property and equipment disposals, largely a result of land sales in Calgary and Edmonton, as well as proceeds from business divestitures of \$9.7 million for the sale of the **bold** specialty channel.

4.3 Seasonality and Quarterly Financial Information

The following table shows condensed financial data for the previous eight quarters. This quarterly information is unaudited but has been prepared on the same basis as the annual consolidated financial statements. We discuss the factors that caused our results to vary over the past eight quarters throughout this management discussion and analysis.

(in thousands of Canadian dollars)

	Ended March 31, 2014				Ended March 31, 2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	184,152	127,568	189,897	266,213	182,705	126,970	159,680	176,710
Expenses	(467,000)	(387,480)	(460,893)	(558,344)	(524,650)	(408,045)	(434,868)	(503,400)
Government funding	253,982	266,392	230,585	339,939	303,048	269,377	241,285	341,140
Net results before non-operating items	(28,866)	6,480	(40,411)	47,808	(38,897)	(11,698)	(33,903)	14,450
Non-operating items	(1,515)	(759)	(286)	(404)	(496)	(628)	19,354	846
Net results	(30,381)	5,721	(40,697)	47,404	(39,393)	(12,326)	(14,549)	15,296
Results on a current operating basis	(590)	9,443	(15,841)	53,417	(3,885)	(11,181)	(10,095)	25,377

Our operating results are subject to seasonal fluctuations that materially impact quarter-to-quarter operating results. Excluding government appropriations, approximately one third of the Corporation's total revenue and sources of funds come from advertising revenue that tends to follow a seasonal pattern, with the second quarter of each financial year typically being the lowest because the summer season attracts fewer viewers.

Advertising revenue also varies according to general market and economic conditions and the programming schedule, with the third and fourth quarters generating the highest revenue. Lower revenues for the third and fourth quarters of 2012–2013 when compared to 2013–2014 were primarily due to the impact on advertising revenue of the NHL lockout and other programming reductions as part of our cost-reduction initiatives. The proportion of our advertising revenue to our total revenue and sources of funds will decrease after the end of CBC's contract with the NHL in June 2014.

Expenses also tend to follow a seasonal pattern because they are influenced by the programming schedule. As the table above shows, expenses were relatively lower in the second quarters of 2013–2014 and 2012–2013. Operating expenses tend to be higher in the fourth quarter as the Corporation incurs costs preparing for the fall broadcasting season and completes project deliverables due by the end of the fiscal year. High expenses in the first quarter of 2012–2013 were mostly attributable to one-time restructuring initiatives associated with cost reductions following Federal Budget 2012 and with other financial pressures. Comparatively higher expenses in the third and fourth quarters of 2013–2014 are mainly due to higher programming costs for both the coverage of the Sochi 2014 Olympics Games and the return of *Hockey Night in Canada*.

Government funding is recognized in the Corporation's income based on budgeted net expenses for the quarter. Monthly and 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 on expenditures and self-generated revenue.

Other factors may impact net results from quarter to quarter. These may include foreign exchange gains or losses, changes to the fair value of derivative financial instruments, asset impairments and sales. When appropriate, these are recorded as non-operating items. As indicated in the table above, the Corporation recorded lower levels of non-operating gains and losses in 2013–2014 compared to 2012–2013.

4.4 Outlook

CBC/Radio-Canada faces significant financial challenges as it strives to achieve its strategic objectives and manage a 2014–2015 budget shortfall of \$130 million. 2014–2015 will also be a pivotal year for developing our next strategic plan, which will map out fundamental changes to position the public broadcaster for the future. We will have to make choices about what we can afford to do with a much different revenue base.

On April 10, 2014, CBC/Radio-Canada announced its 2014–2015 budget. We must cut \$130 million and the equivalent of 657 full-time positions from across the Corporation to balance the budget. These cuts will occur over the next two years, with 573 in 2014–2015. Our financial plan will be closely monitored and adjusted, as required. Our success depends on our achievement of targets for revenue generation and cost reductions, as well as the strength of the advertising market.

While difficult to make, the decisions presented in our 2014–2015 budget align with *Strategy 2015* and were made with an eye to the future. The following key principles were followed:

 <p>NATIONAL PRESENCE</p> <ul style="list-style-type: none"> • Prime time television must perform; • Talk programming must resonate; • National news must continue to be a service of record; and • National websites must continue to strive for impact and differentiation. 	 <p>REGIONAL PRESENCE</p> <ul style="list-style-type: none"> • Our focus and commitment to the regions must remain; however • There is an urgent need to modernize/rationalize how we deliver programs and services in light of budget realities. 	 <p>DIGITAL PRESENCE</p> <ul style="list-style-type: none"> • 5% of media line's budgets will continue to be allocated to digital; • We must protect strategically important projects; and • Resources can be focused on a smaller number of high-impact initiatives.
---	---	--

The 2014–2015 budget decisions are helping re-imagine tomorrow's CBC/Radio-Canada. The following examples shed some light on what kind of a public broadcaster we will become.

Sports:

CBC and Radio-Canada are out of the business of competing with private broadcasters for professional sports rights.

Advertising Sales:

We need to reduce our costs and to share our vision for a Canada-wide, multiplatform advertising offering with our business partners. CBC/Radio-Canada's newly integrated revenue group will provide a more streamlined service to advertisers.

Regions:

All reductions will be made with the criteria of maintaining our presence and quality of service and protecting news-gathering capabilities. But to do this:

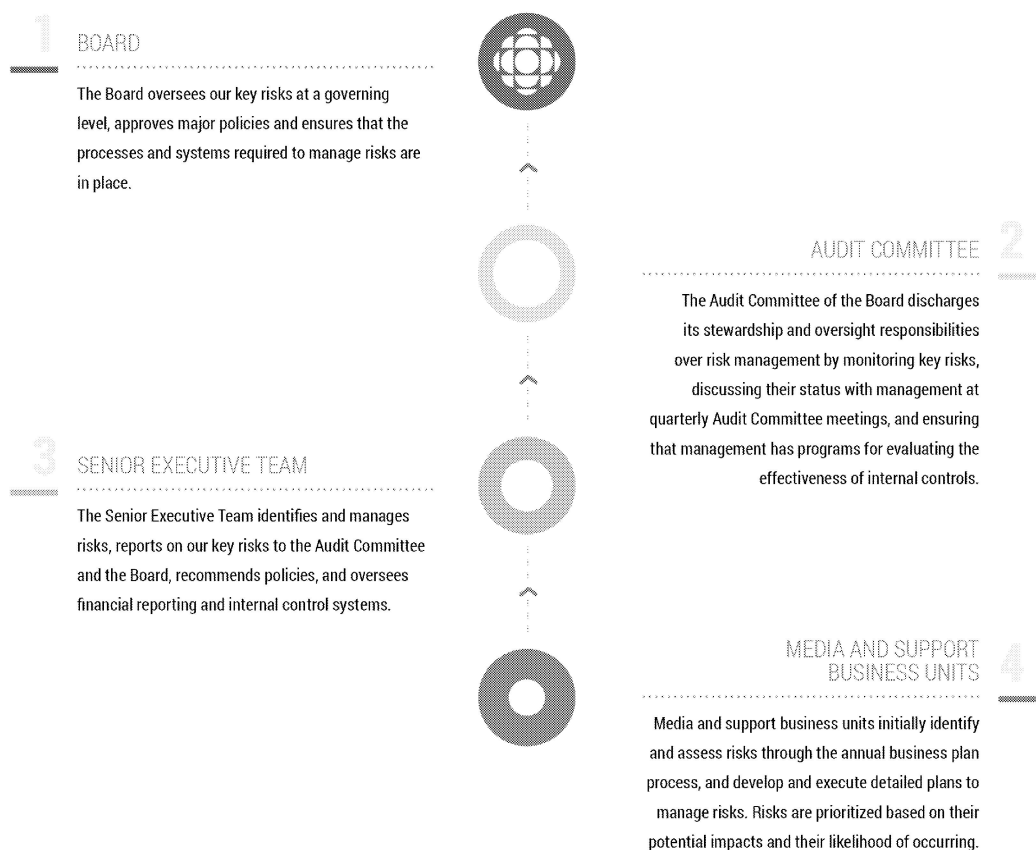
- Resources, and sometimes programming, will be consolidated;
- Local programming in some communities will be reduced, replaced with regional, network or syndicated programming; and

A planned expansion in London, Ontario has been cancelled; however, we remain focused and committed to our regional presence. Over the course of 2014–2015, the development of our next strategic plan will require further decisions affecting the breadth and depth of the shift as we re-imagine CBC/Radio-Canada. The vision for the future is that CBC/Radio-Canada will be a scalable and more engaged and focused media company. Our new strategy will ensure that we evolve as rapidly as the media consumption habits of the audiences we serve. It will also identify services we can no longer afford, and propose new services in which we must invest to fulfill our mandate in the future.

4.5 Risk Management and Key Risk Table

As Canada’s national public broadcaster, CBC/Radio-Canada occupies an important place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, we must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. As a public broadcaster with a statutory mandate to deliver a wide range of programming in order to serve all Canadians, we also face unique public expectations, financial challenges and risks.

Our Risk Management Program is part of an enterprise-wide approach integrated into business processes. Responsibility for risk management is shared among our Board of Directors, the Board’s Audit Committee, the Senior Executive Team and operational units.



Internal Audit plans its audits in accordance with the results of the risk assessment process and provides assurance that major risks are covered on a rotational basis by the annual audit plan.

The following table discusses the key risks faced by CBC/Radio-Canada during fiscal 2013–2014 and the ongoing impact into 2014–2015.

Key Risks	Risk Mitigation	Future Impact
1. Renewed Strategy - Beyond 2015		
<p>Developing a strategic roadmap beyond 2015 is important because the Corporation has limited financial flexibility in an environment characterized by a shift from traditional television to specialty television and other platforms, rapid technology evolution, loss of professional hockey rights and industry consolidation and fragmentation.</p>	<p>The development of a new strategic plan, already underway, has been accelerated. Our next strategic plan will take a more focused approach to appealing to audiences and becoming the public broadcaster of tomorrow. This will include making realistic assessments of what we're doing now, what we need to do in the future and how we will pay for it.</p>	<p>Continue with strategic planning development phase into 2014–2015.</p> <p>This new strategic framework, which we will announce in the coming months, will guide the Corporation's evolution towards a more nimble and more open public broadcaster. It will ensure that the services we provide, and the operating model that supports those services, evolve in tandem with the changing expectations of Canadians and the movements of our industry.</p>
2. Budget Concerns		
<p>CBC/Radio-Canada is faced with financial challenges ranging from an industry-wide softening of the advertising market, disappointing schedule performance for some individual prime time programs in key demographics on CBC Television, much lower-than-expected ad revenues from ICI Musique and CBC Radio 2, and the NHL's decision to move to a single, exclusive broadcaster. These reductions are in addition to significant pressures already managed by the Corporation since 2008–2009 following Federal Budget 2012 and the elimination of the Local Programming Improvement Fund (LPIF).</p>	<p>To balance the 2014–2015 budget, we had to make cuts of \$130 million and the equivalent of 657 positions over the next two years.</p> <p>Ongoing management and review of the initiatives implemented to ensure expected outcomes are achieved.</p>	<p>Underachievement of targets may also require further cost reductions and changes to <i>Strategy 2015</i> implementation plans.</p>
3. Hockey Contract Effect		
<p>CBC's broadcast and digital rights contract with the NHL ended in June of 2014. The NHL has opted to award the national broadcast and digital rights to Rogers Communications Inc under an exclusive 12-year deal (2014–2015 to 2026–2027) announced on November 26, 2013.</p> <p>On November 25, 2013, the Corporation reached an agreement with Rogers Communications Inc. (Rogers) for the continued airing of <i>Hockey Night in Canada (HNIC)</i> on Saturday night and during the playoffs, beginning with the 2014–2015 hockey season.</p> <p>This arrangement between CBC/Radio-Canada and Rogers includes the following elements:</p> <ul style="list-style-type: none"> • Canadians will continue to benefit from <i>HNIC</i> over at least the next four years on a basis that is cost effective to the Corporation. • The Corporation will continue to broadcast <i>HNIC</i> but will no longer pay rights costs or retain the associated advertising revenue. • The Corporation will provide the production resources for the hockey games aired on CBC. • The Corporation will continue to own the <i>Hockey Night in Canada</i> brand, which will be licensed to Rogers over the term of the agreement. 	<p>As part of the 2014–2015 budget announcements, extensive organizational changes have been announced for the Sports and Revenue Group areas to address the impact of the loss of the hockey contract.</p> <p>Ongoing management and review of the initiatives implemented to ensure expected outcomes are achieved.</p>	<p>Planning process underway to assess our options following the expiry of the four year deal.</p>

Key Risks	Risk Mitigation	Future Impact
4. Union Relations		
A. Section 18.1 Radio-Canada Union Consolidation		
A long-term strategy for more operational flexibility from our Radio-Canada unions in a different working environment.	Continue the process before the Canada Industrial Relations Board (CIRB) to review the existing structure of the French Services bargaining units with a view to consolidating the unions.	Hearings before the CIRB are continuing and a decision on the bargaining structure is expected in 2014.
B. Contract Expiries		
<p>A number of collective agreements must be re-negotiated in 2014–2015.</p> <p>The successful negotiation of settlements with unions has important economic, brand and labour relations impacts.</p>	<p>Continue to reinforce business needs in terms of flexibility and ensure that collective bargaining reflects these needs.</p> <p>Involve unions in discussions relating to economic challenges and encourage input into managing risks.</p> <p>Successfully negotiate with remaining unions or negotiate wage re-openers pending decision on bargaining structure of unions in French Services.</p> <p>Ensure communications activities are identified and implemented with union leaders before launching business strategies and initiatives.</p>	Identified strategies will continue into 2014–2015.
5. Infrastructure Replacements and Optimization		
Excess space and infrastructure affects operations and budgets.	<p>We are continuing our plan to reduce our overall real estate footprint.</p> <p>In the shorter term, we will pursue the sale of some CBC/Radio-Canada-owned buildings and shifting from owner to tenant and look to lease our vacant space in the remaining buildings.</p>	We have begun the next phase of our redevelopment initiative for our Montreal facility. Requests for Proposals for the Maison de Radio-Canada Project were issued to pre-qualified Proponents in June 2013 and responses are expected in 2014–2015.

Key Risks	Risk Mitigation	Future Impact
6. Regulatory Issues		
A. Channel Carriage		
<p>(i) CBC/Radio-Canada is the only major television broadcaster in Canada without corporate distribution affiliations. There is a concern that carriage terms offered by Broadcast Distribution Undertakings (BDUs) will favour their own affiliated specialty services at the expense of our specialty services. Risks to the Corporation include BDUs dropping our existing television services that are not mandatory carriage, delaying the launch of new specialty services or decreased revenue from BDUs for carrying our specialty television services.</p>	<p>Strategic discussions with BDUs focusing on overall value of the programming services offered, and negotiation of long-term agreements with terms that protect or enhance current carriage and revenues.</p>	<p>Continue with identified strategies into 2014–2015.</p>
<p>(ii) CRTC Television Policy</p> <p>On October 24, 2013 the CRTC launched a three-phase consultation with Canadians about the future of television in Canada (BNI CRTC 2013-563).</p> <p>On November 7, 2013, the government asked the CRTC to produce a report by April 30, 2014 on how Canadians can be provided with the greatest ability to obtain TV services on a pick-and-pay basis while meeting the objectives of the <i>Broadcasting Act</i> (PC 2013-1167).</p> <p>On April 25, 2014, the CRTC launched the third phase of its proceeding. The public hearings will be held in September 2014. Areas that will be explored include changes to packaging intended to foster choice and flexibility, changes to the system to promote Canadian content and changes to permit Canadians to make informed choices and provide recourse in the case of disputes with their service providers.</p>	<p>Monitor developments as more information on the CRTC's proposed changes is made available during phase three of its consultation.</p> <p>Assess the potential ramifications to CBC/Radio-Canada subscriber fee revenues and operations and develop a corporate position.</p> <p>Participate in the CRTC's Television Policy proceeding.</p>	<p>CBC/Radio-Canada will monitor developments and address as required.</p>
<p>(iii) CRTC Targeted Commercial Radio Review (BNC CRTC 2013-572)</p> <p>On October 30, 2013 the CRTC launched a two-phase consultation on a number of specific elements of the current regulatory framework for the commercial radio sector.</p>	<p>Assess the potential ramifications to CBC/Radio-Canada's music radio services ICI Musique and Radio 2 which are subject to a tailored approach to advertising that is distinct from commercial radio broadcasters and develop a strategy for HD Radio technology.</p>	<p>The Corporation expects that any changes the CRTC may make with respect to the advertising regime for commercial radio broadcasters may be taken into consideration by the CRTC when it conducts its 2016 review of the conditions of licence permitting Radio 2 and ICI Musique to broadcast advertising.</p> <p>CBC/Radio-Canada will monitor developments and address as required.</p>

Key Risks	Risk Mitigation	Future Impact
B. Music Rights, Royalties and Tariffs		
<p>Renewal of key music rights deals with copyright holders may impact revenues and our service strategy.</p> <p>Copyright collectives are seeking new or increased tariffs on music performing and music reproduction rights. Royalty payment methods must take into account that the business model is shifting toward the multiplatform delivery of works.</p>	<p>Continue proactive relationship building with all music rights holders to renew on mutually acceptable terms.</p> <p>Continue to negotiate with collectives.</p> <p>Appeal to the Supreme Court of Canada on the decision concerning the Société du Droit de Reproduction des Auteurs, Compositeurs et Éditeurs au Canada (SODRAC).</p>	<p>Continue with identified strategies into 2014–2015.</p>
C. Terms of Trade with Independent Television Producers		
<p>Negotiations on terms of trade (rights, contribution, other business terms) for independently-produced programming continue. CBC/Radio-Canada is required by Condition of Licence (COL) to enter into Terms of Trade agreements with the Canadian Media Production Association (CMPA) and Association québécoise de la production médiatique (AQPM) by May 28, 2014.</p> <p>The terms of trade will affect the cost of independent programs.</p>	<p>Continue discussions to narrow issues of disagreement.</p> <p>Assess potential for independent third-party mediation, as needed.</p> <p>Assess possibility of applying to amend the COL, as needed.</p>	<p>Neither terms of trade agreement will meet the May 28, 2014 COL timeframe. CBC and CMPA have agreed to private mediation to commence in Fall 2014. We are still exploring options on how to move forward with AQPM.</p>
D. Canada Media Fund (CMF)		
<p>CMF rule changes or changes to how the CMF allocates funds to broadcaster performance envelopes could result in narrower program rights and/or higher contributions required from CBC/Radio-Canada.</p>	<p>Proactively advance our position with the CMF, including participation in the CMF National Focus Group.</p>	<p>CMF released the 2014–2015 Performance Envelope results to broadcasters on April 2, 2014. CBC and Radio Canada's Performance Envelopes decreased by \$7.4 million, or \$5.2 million and \$2.2 million respectively.</p> <p>Continue with identified strategies into 2014–2015.</p> <p>Develop and implement contingency plans to offset financial impact.</p>

5. Financial Reporting Disclosure

5.1 Future Accounting Standards

Refer to Note 3 of the consolidated financial statements for information pertaining to accounting changes effective during 2013–2014, and for information on issued accounting pronouncements that will be effective in future years.

5.2 Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS. Our significant accounting policies and accounting estimates are contained in the consolidated financial statements (see Note 2 for our description of significant accounting policies and Note 4 for more information about our critical accounting estimates).

Some of these policies involve critical accounting estimates because they require us to make subjective or complex judgments about matters that are uncertain by nature and because changes to these judgments could have a material impact on our financial statements. The following are our main critical accounting estimates: the principles of consolidation, the criteria used to determine whether an arrangement qualifies as an operating lease or a finance lease, the assumptions required, such as mortality rates, to estimate our pension and other post-employment benefits and the determination of components of our property and equipment.

We have discussed the development, selection and application of our key accounting policies and the critical accounting estimates and the assumptions they require with our senior management and the Audit Committee.

5.3 Transactions with Related Parties

Investments in associate and subsidiaries

At March 31, 2014, the Corporation held an 10.41% voting interest in Sirius XM through its investment in 17,856,787 Class A subordinate voting shares.

Transactions with key management personnel

Our key management personnel have authority and responsibility for overseeing, planning, directing and controlling our activities and consist of our Board of Directors and Senior Executive Team. See Note 28 of the consolidated financial statements for additional details.

Transactions with defined benefit pension plans

We made employer contributions to defined benefit plans as discussed in Note 17. We also provided management and administrative services to our defined benefit pension plans.

Financial Review

Internal Controls

The Corporation has an internal control program based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, which requires periodic reviews of key controls over financial reporting. This program continues to evolve towards industry best practices, with an aim to maintain and strengthen policies and procedures that ensure the reliability of financial information and the safeguarding of assets.

A dedicated internal control team reviews and evaluates internal controls on an ongoing basis. This program is supported by the Corporation's internal auditors, who conduct audits and reviews (some of which relate to financial reporting and operations) identified using a risk-based approach and agreed upon through discussions with the Corporation and its Audit Committee.

In 2013–2014, the Corporation assessed the effectiveness of certain key internal controls over financial reporting. The assessment did not identify any material weaknesses in the operating effectiveness of the internal controls but identified some opportunities for improvements, some of which have already been made. The Corporation will continue to address opportunities for improvement in the coming year.

Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements and all other information presented in this Annual Report are the responsibility of management and have been reviewed and approved by the Board of Directors of the Corporation. These consolidated financial statements, which include amounts based on management's best estimates as determined through experience and judgment, have been properly prepared within reasonable limits of materiality and are in accordance with International Financial Reporting Standards.

Management of the Corporation maintains books of account, records, financial and management controls, and information systems, which are designed to provide reliable and accurate financial information on a timely basis. The controls provide reasonable assurance that assets are safeguarded, that resources are managed economically and efficiently in the attainment of corporate objectives, that the operations of the Corporation are carried out effectively, and that transactions are in accordance with the applicable provisions of Part X of the *Financial Administration Act* and regulations, Part III of the *Broadcasting Act* and the by-laws of the Corporation.

The Corporation's Internal Auditor has the responsibility for assessing the Corporation's systems, procedures and practices. The Auditor General of Canada conducts an independent audit of the annual consolidated financial statements and reports on his audit to the Minister of Canadian Heritage and Official Languages.

The Board of Directors' Audit Committee, which consists of five members, none of whom is an officer of the Corporation, reviews and advises the Board on the consolidated financial statements and the Auditor General's report thereto. The Audit Committee oversees the activities of Internal Audit and meets with management, the internal auditor and the Auditor General on a regular basis to discuss the financial reporting process, as well as auditing, accounting and reporting issues.

Signature

Hubert T. Lacroix,
President and Chief Executive Officer

Signature

Suzanne Morris,
Vice-President and Chief Financial Officer

Ottawa, Canada

June 18, 2014

Governance Matters

Access to Information and Proactive Disclosure

During the past year we responded to: 154 formal *Access to Information Act* (ATI) requests; 21 informal requests for records previously released under the Act by the Corporation; 17 consultations from other institutions subject to the Act (regarding information about CBC/Radio-Canada that appeared in records they were reviewing); and 9 requests submitted under the Privacy Act.

All but one of these requests were answered on time or early. This includes all 30 of the ATI requests carried forward from 2012–2013, and 124 of the 159 ATI requests received during 2013–2014. None of the active 35 ATI requests carried into 2014–2015 were late.

During 2013–2014 we released approximately 32,000 pages of information, including almost 5,000 pages pertaining to meetings of CBC/Radio-Canada's Board of Directors posted proactively on our *Transparency and Accountability* website, although they had not been requested formally under the Act. CBC/Radio-Canada also continues to proactively post records released in answer to ATI requests that are of general interest to Canadians.

We received 59 complaints regarding our processing of ATI requests in 2013–2014: an increase of 12 from the previous year, but significantly lower than the 525 complaints received in 2007–2008. At the same time, we worked diligently with the Office of the Information Commissioner during the year and reduced the backlog of pre-2013 ATI complaints against CBC/Radio-Canada by more than 30%.

The downward trend in our “deemed refusal rate” continued during 2013–2014. This rate, which refers to requests not responded to within statutory limits, has dropped steadily from a high of 80.5% in 2007–2008 to 0.5% by the end of March 2014.

Annual Public Meeting

CBC/Radio-Canada's Annual Public Meeting (APM) took place on October 23, 2013 live from the Glenn Gould Studio at the Canadian Broadcasting Centre in Toronto. Reflecting Canadians' keen interest in their public broadcaster, over 300 people attended the event, not including those who tuned in via Twitter and webcast to hear Chair of the Board of Directors Rémi Racine, President and CEO Hubert T. Lacroix, and Vice-President and Chief Financial Officer Suzanne Morris provide highlights of 2012–2013 and an overview of the Corporation's direction for the current fiscal year and beyond.

This year, radio took centre stage. Following the presentation of [highlights from 2012–2013](#), panellists from CBC Radio One, ICI Radio-Canada première and ICI Musique²¹ talked about how the medium is changing, and the resulting opportunities for discussion and interaction with our audiences.

Archived material from the APM can be viewed [here](#).

²¹ Effective June 2, 2014, ICI Musique brings together our radio and digital offerings formerly known as Espace musique and Espace.mu, respectively.

Corporate Reporting Awards

On December 4, 2013, CBC/Radio-Canada won the 2013 Award of Excellence for Corporate Reporting in the large Crown Corporations category in recognition of its [2011-2012 Annual Report](#). This prestigious award presented annually by the Chartered Professional Accountants of Canada promotes excellence in business reporting. We are very pleased that this award recognizes our commitment to best in class reporting and transparency. Refer [here](#) for further details.

Changes to the Policy Governing Political Activity of Staff

This year CBC/Radio-Canada updated its political activity policy (2.2.17) to clarify to staff our expectations about their public engagement in the political process and to maintain the Corporation's rigorous standard of impartiality. You can view CBC/Radio-Canada's policy on political activity [here](#).

Journalistic Standards and Practices

CBC/Radio-Canada has an extensive code of Journalistic Standards and Practices and editorial control mechanisms to guide employees and to ensure that our programming remains balanced and accurate, particularly in today's social media environment.

The most recent version, updated in November 2013, clarifies expectations for staff who wish to engage in political activity, an update which works in tandem with the changes made to the Corporation's policy on political activity (2.2.17). You can view CBC/Radio-Canada's Journalistic Standards and Practices [here](#).

Public complaints about news and current affairs programming that are not resolved at the program level to the satisfaction of the complainants are dealt with by the Corporation's two Ombudsmen. The Ombudsmen are completely independent of CBC/Radio-Canada programming staff and programming management and report directly to the President and, through the President, to the Board of Directors. The role of the Ombudsmen is pivotal in strengthening the national public broadcaster's accountability and transparency to Canadians.

Ombudsmen

In 2013–2014, the Offices of the Ombudsmen handled a total of 4,162 complaints, expressions of concern and other communications. Of these, 2,896 concerned English Services and 1,266 concerned French Services. For English Services, 1,671 fell within the mandate of the Ombudsman (news and current affairs programming), compared to 912 for French Services. Communications not directly related to our news and current affairs programming were forwarded to the programming departments concerned.

In 2013–2014, the Ombudsmen terms of reference were updated; Ombudsmen are now a condition of licence for CBC/Radio-Canada. They are required to present two reports (annual and mid-year). The Board of Directors is required to respond to the annual report and its response is tabled with the CRTC.

The Ombudsmen can be reached at: The Ombudsman for English Services, CBC/Radio-Canada, P.O. Box 500, Station A, Toronto ON M5W 1E6, (ombudsman@cbc.ca); and Bureau de l'ombudsman pour les Services français, CBC/Radio-Canada, C.P. 6000, Montréal QC H3C 3A8 (ombudsman@radio-canada.ca).

Code of Conduct

CBC/Radio-Canada employees at all levels are expected to adhere to the Code of Conduct and policies governing their behaviour in such areas as respect for democracy, respect for people, integrity, stewardship and excellence. Our code of conduct and human resources policies can be viewed online [here](#).

Corporate Social Responsibility

In pursuit of our mission to express Canadian culture and enrich the democratic life of the nation, we strive to be a socially minded organization in everything we do – from our programming and community activities that provide public value; to our social, environmental and business practices that benefit our Canadian communities; to our employee-related activities that enable our people to do their best to serve Canadians.

To illustrate the impact that we have on the communities we serve, we've created a dedicated website, called Social Responsibility and Public Value at CBC/Radio-Canada – *Citizenship: Inside and Out*, to present a sampling of our public value stories. In keeping with our environmental efforts, this publication is electronic only.

Board of Directors

Rémi Racine

Chair, Board of Directors

Montreal

Rémi Racine was appointed Chair of the Board of Directors of CBC/Radio-Canada on June 21, 2012, for a five-year term. He was first appointed to the CBC/Radio-Canada Board of Directors on October 12, 2007, for a four-year term, which was renewed for a further four years on December 1, 2011.

Rémi Racine is President and Executive Producer of Behaviour (formerly A2M), a company employing more than 300 talented people and which he founded in 1992. Over the past 19 years, he has contributed to position Behaviour as a world leader in the video game industry. Under his leadership, the company has ranked simultaneously among the Deloitte Technology Fast 50™ and Canada's 50 Best Managed Companies™ from 2006 to 2008.

Rémi has a Bachelor's Degree in Finance from Université du Québec à Montréal.

Hubert T. Lacroix

President and CEO

Montreal

Hubert T. Lacroix was appointed President and CEO of CBC/Radio-Canada on October 31, 2007, for a five-year term. He began his mandate on January 1, 2008. On October 4, 2012, he was reappointed for a second five-year term.

As President and CEO, Mr. Lacroix is responsible for overseeing the management of CBC/Radio-Canada in order to ensure that Canada's national public broadcaster can deliver on the various aspects of its mandate and continue to offer Canadians a broad spectrum of high quality programming that informs, enlightens and entertains, and that is created by, for and about Canadians.

Just prior thereto, Mr. Lacroix held the position of Senior Advisor with the Montreal office of Stikeman Elliott, a law firm recognized nationally and internationally for its business law practice. From 2000 to 2005, he acted as Executive Chairman of Telemedia Corporation and of the other boards of directors of the various companies in the Telemedia corporate structure. Before joining Telemedia Corporation, Mr. Lacroix was a Senior Partner at McCarthy Tétrault, another major Canadian law firm, for 20 years.

Mr. Lacroix received his Bachelor of Civil Law (1976) and his Master's degree in Business Administration (1981) from McGill University. He has been a member of the Quebec Bar since 1977.

In addition, he has also been a Trustee of the Lucie and André Chagnon Foundation and is a Director of their private holding company.

Vivian Bercovici

Toronto

Vivian Bercovici was appointed to the Board of Directors of CBC/Radio-Canada on March 7, 2013, for a five-year term.

Vivian is a partner at Dickinson Wright LLP, a leading U.S. law firm with a strong Canadian presence. She practices in the areas of insurance regulatory matters, risk management, corporate governance, libel and slander, privacy, Aboriginal First Nations law, public policy and legislative advice. Previously, she was a partner with Heenan Blaikie LLP. She was also the Vice President, General Counsel and Corporate Secretary at The Dominion of Canada General Insurance Company (1998-2006). From 1995-1997, she was a senior policy advisor to the Minister of Finance, Ontario. Prior to that, she practiced law at Paterson MacDougall (1990-1995), focusing on media defence work. During that period, she also served as a member of the Executive of the Canadian Bar Association (Ontario) Media and Communications Law section.

Vivian holds a Bachelor of Arts (Honours) degree in English and Political Science (1984) from York University. She attended the Hebrew University of Jerusalem (1981-1982) and received a postgraduate degree in International Relations (1985) from the London School of Economics and Political Science. She graduated from the University of Toronto Law School with a Bachelor of Laws degree (1988). Vivian is a member of the Law Society of Upper Canada and the Canadian Bar Association.

Edward W. Boyd

Toronto

Edward W. Boyd was appointed to the Board of Directors of CBC/Radio-Canada on June 1, 2010, for a five-year term.

Mr. Boyd is Chief Executive Officer of One Advertising Inc., a full service communications company providing marketing solutions to leading corporations. Prior to this Mr. Boyd was Chief Executive Officer of 58Ninety Inc., a digital marketing agency, where he created interactive marketing strategies and solutions for major corporate clients. Previously, Mr. Boyd was President and CEO of Iceberg Media.com, a pioneering Canadian Internet radio broadcaster, which was later acquired by Standard Radio. Before joining Iceberg, he held the position of President at e-commerce book retailing company, Indigo Online. Mr. Boyd has served as Senior Vice-President of New Media & New Business for Young and Rubicam Canada, as well.

Mr. Boyd holds a Bachelor of Arts in Political Science degree from the University of Toronto (1986), and a Masters in Business Administration degree from The Rotman School of Management at the University of Toronto (1997). He also received an ICD.D certification from the Institute of Corporate Directors (2011).

Peter D. Charbonneau

Ottawa

Peter D. Charbonneau was appointed to the Board of Directors of CBC/Radio-Canada on December 19, 2008, for a five-year term.

Mr. Charbonneau is a general partner at Skypoint Capital Corporation, an early-stage technology venture capital firm. He also sits on the boards of Mitel Networks Corporation (TSX:MNW, NASD:MITL) and Teradici Corporation. Prior to taking on his current position at Skypoint Capital Corporation, Mr. Charbonneau was an Executive Vice President of March Networks Corporation. Previously, he had spent 13 years at Newbridge Networks Corporation acting in numerous capacities, including Chief Financial Officer, Executive Vice President, President and Chief Operating Officer, and Vice Chairman. Mr. Charbonneau served as a member of Newbridge's Board of Directors, as well. He began his career at Deloitte & Touche as an accountant.

Mr. Charbonneau completed a Bachelor of Science degree from the University of Ottawa (1975) and an MBA from the University of Western Ontario (1977). He has been a member of the Chartered Professional Accountants of Ontario since 1979. Mr. Charbonneau also holds the ICD.D certification, having completed the Directors' Education Program of the Institute of Corporate Directors of Canada. In June 2003, Mr. Charbonneau was elected by the Council as a Fellow of the Chartered Professional Accountants of Ontario.

George T.H. Cooper

Halifax

George T.H. Cooper was appointed to the Board of Directors of CBC/Radio-Canada on May 16, 2008, for a four-year term. On October 4, 2012, he was re-appointed for a two-year term.

Mr. Cooper is President of the University of King's College in Halifax, Nova Scotia, having been appointed to that position in July, 2012. He is on leave from the Atlantic Canada law firm of McInnes Cooper, where he remains Counsel; formerly he practiced corporate and commercial law in the firm's Halifax office. He was Chair of the firm's board of directors from 2006-2012. He is former Member of Parliament and Parliamentary Secretary to the Minister of Justice of Canada. Mr. Cooper is also Managing Trustee of the Killam Trusts, comprising some \$400 million in educational and scholarship endowments at several Canadian universities and the Canada Council for the Arts.

A Rhodes Scholar, Mr. Cooper received his B.Sc. and LL.B. degrees from Dalhousie University and his B.C.L. degree from Oxford University. He holds Honorary Doctor of Laws degrees from Dalhousie University, the University of Alberta and the University of King's College.

Pierre Gingras

Blainville

Pierre Gingras was appointed to the Board of Directors of CBC/Radio-Canada on February 3, 2011, for a five-year term.

Mr. Gingras was previously a member of the Quebec National Assembly for the electoral district of Blainville. In this capacity, he chaired the official opposition caucus and was opposition critic for transportation. Prior to being elected MNA, Mr. Gingras was a Blainville city councillor for four years before going on to serve a 12-year term as mayor. He founded and led the *Parti de l'action civique de Blainville*. At the time he entered municipal politics, he was commissioner of the Sainte-Thérèse school board and, before that, worked in the printing industry.

Over the course of his career, Mr. Gingras has also acted as chair of the Laurentides Regional Development Council, as a board member of the MRC Thérèse-De Blainville, and as board member and treasurer of the Union of Quebec Municipalities (UMQ). Mr. Gingras currently sits on the board of the *Amicale des anciens parlementaires du Québec*. Active in the community, he has been a member and vice-president of youth services with the Blainville Optimist Club, chair of the *Carrefour action municipale et famille*, and has held a number of positions with the World Family Organization.

Cecil Hawkins

Toronto

Cecil Hawkins was appointed to the Board of Directors of CBC/Radio-Canada on March 6, 2014, for a five-year term.

Mr. Hawkins is the President and owner of Canerector Inc., a family-owned multi-divisional company, specializing in the fabrication, construction and distribution of metal products. Under his leadership, the company has gone from one plant in Montreal with 75 employees to more than 60 plants across North America with more than 3,500 employees. He also chaired the Minister's Advisory Committee for the Canadian Space Agency in 2008.

Mr. Hawkins received a Master's of Arts degree and a Bachelor of Arts degree in History and Law from Cambridge University, Christ's College, in the United Kingdom (1977). He then attended Dalhousie University in Halifax, Nova Scotia, where he completed a Bachelor of Laws degree (1980).

Marni Larkin

Winnipeg

Marni Larkin was appointed to the Board of Directors of CBC/Radio-Canada on June 21, 2012, for a five-year term.

Ms. Larkin is the current CEO of Boom Done Next, a management consulting firm based in Winnipeg. Before launching her own company in 2005, Ms. Larkin was the President of Sales Oxygen in Winnipeg where she was responsible for client acquisition and development. Prior to that, she worked as the Procedural Assistant to the Government House leader for the Province of Manitoba. She was responsible for legislation and regulation development and the session of the House. She also worked for the Province of Manitoba as the Manager of Sustainable Development Innovations Fund.

Ms. Larkin received her diploma in Hotel Management from the Red River Community College in Winnipeg in 2001.

Terrence Anthony Leier

Regina

Terrence Anthony Leier was appointed to the Board of Directors of CBC/Radio-Canada on May 31, 2012, for a five-year term.

Mr. Leier currently practices law in Regina, Saskatchewan, where he specializes in a range of business and government relations activities.

Before opening his own private practice in 1991, Mr. Leier had been the Senior Vice-President and General Counsel at the Crown Management Board of Saskatchewan since 1982. Prior to that, he was with the City of Regina Solicitor's Office, overseeing many of the city's significant growth and development initiatives for more than a decade. He began his career as Naval Lieutenant for the Royal Canadian Navy Reserve.

Mr. Leier received his Bachelor of Arts (1962) and his Bachelor of Law (1966) degrees from the University of Saskatchewan. He was admitted to the Law Society of Saskatchewan in 1966. In 1990, Mr. Leier completed Executive Development studies at the Stanford Graduate School of Business, Stanford University.

Maureen McCaw

Edmonton

Maureen McCaw was appointed to the Board of Directors of CBC/Radio-Canada on December 13, 2012, for a five-year term.

Ms. McCaw was the Executive Vice-President of Leger Marketing Research, Alberta where she also held the positions of Vice-President and President for Alberta. Founder and President of Criterion Research, a full-service market research company, employing 16 full-time staff and 150 project staff, she joined Leger Marketing when it purchased Criterion Research in 2005. Currently, Ms. McCaw is a member of the Alberta Securities Commission. She sits on a number of industry and community boards, including Suncor Energy, Edmonton International Airports, Nature Conservancy of Canada, and on the advisory board of Leger Marketing. She also acted as Chair and Director for the Edmonton Chamber of Commerce.

Ms. McCaw holds a Bachelor of Arts degree in Economics from the University of Alberta and earned an ICD.D designation from the Institute of Corporate Directors at the Rotman School of Management.

Patricia A. McIver

Vancouver

Patricia McIver was appointed to the Board of Directors of CBC/Radio-Canada on June 18, 2008, for a five-year term.

Ms. McIver currently works at Richardson Partners Financial Limited, a prominent independent wealth management firm. In the course of her career in the financial industry, she has also been employed by two well-known accounting firms, PriceWaterhouseCoopers and Manning Elliott. Prior to joining Richardson Partners Financial Limited, she held an advisory position at Standard Life, an important international financial services group.

Ms. McIver holds a Bachelor of Arts degree, Honours in Business Administration, from the Richard Ivey Business School at the University of Western Ontario (1985). In 1988, she earned a Chartered Accountant Designation from the Canadian Institute of Chartered Accountants and the Institute of Chartered Accountants of British Columbia. After that, Ms. McIver completed two of CICA's In-Depth Tax Specialized Programs, one in Corporate Reorganizations (1994) and the other in Wealth Preservation (2000). She holds both the CFP (Certified Financial Planner) and TEP (Trust and Estate Practitioner) designations.

Brian R. Mitchell

Montreal

Brian R. Mitchell was appointed to the Board of Directors of CBC/Radio-Canada for a five-year term, effective April 21, 2008. On March 7, 2013, he was reappointed for a second five-year term effective April 21, 2013. In addition, he serves as a trustee on the CBC Pension Board of Trustees.

Mr. Mitchell is a corporate commercial lawyer and serves as the managing partner of Mitchell Gattuso, a boutique Montreal law firm with an extensive corporate practice. He previously worked as a junior associate for the Montreal law firm, Ahern Lalonde Nuss Drymer.

Mr. Mitchell graduated from St. Andrews College, Aurora. He holds a Bachelor of Arts (cum laude) degree in History and Literature from Harvard University. He subsequently attended the Faculty of Law at McGill University, where he was awarded the 125th Anniversary Entrance Scholarship, and in 1985 graduated from the National Program with a Bachelor of Common Law and a Bachelor of Civil Law degree. He is a member of the Barreau du Québec since 1987.

Marlie Oden

Vancouver

Marlie Oden was appointed to the Board of Directors of CBC/Radio-Canada on July 30, 2013, for a five-year term.

Ms. Oden founded Bridge Communications in 1995. They offer a wide range of services, including strategic planning, public relations, public consultation, community relations, facilitation, advertising and event management. Prior to that, Ms. Oden worked at McKim Advertising based in Vancouver, where she managed the Tourism British Columbia account before becoming the Vice-President and Account Director. Ms. Oden has sat on the board of directors of Telefilm Canada, the Arts Club Theatre, BC Bortstal Association, the Stanley Theatre, and is currently the President of the board of the Vancouver Theatre Sports League.

Ms. Oden attended the Faculty of Arts at the University of Alberta. She is a graduate of the Canadian Board Diversity Council Program.

Board Committee Members

Standing Committees on English and French Language Broadcasting

Standing Committees on English and French Language Broadcasting comprise Rémi Racine as Chair, Hubert T. Lacroix, Ted Boyd, Peter Charbonneau, George Cooper, Pierre Gingras, Cecil Hawkins, Marni Larkin, Terrence Leier, Maureen McCaw, Brian Mitchell, and Marlie Oden.

Audit Committee

The Audit Committee comprises Peter Charbonneau as Chair, Pierre Gingras, Terrence Leier, Maureen McCaw, Brian Mitchell, and Marlie Oden.

Human Resources and Governance Committee

The Human Resources and Governance Committee comprises Ted Boyd as Chair, George Cooper, Marni Larkin, and Rémi Racine.

Infrastructure Committee

The Infrastructure Committee comprises Rémi Racine as Chair, Ted Boyd and Marni Larkin.

Strategic Planning Committee

The Strategic Planning Committee comprises Ted Boyd as Chair, Peter Charbonneau, Maureen McCaw, Marlie Oden, and Rémi Racine.

Director Compensation

The compensation of members of the Board of Directors is as follows:

The Chair of the Board and the President and CEO are compensated in accordance with the terms of the Order-in-Council appointing them. The President and CEO receives an annual salary while the Chair of the Board receives an annual retainer (from \$14,500 to \$17,100) and per diem fee (from \$565 to \$665) for meetings, travel time, and special executive, analytical or representational responsibilities.

The remuneration scheme for directors (other than the CEO and the Chairperson), established by a bylaw approved by the Minister of Canadian Heritage, can be summarized as follows:

Meetings		Board of Directors	Audit Committee	Other Committees
Regular Meetings	Attendance	For the first 6 regular meeting days: \$2,000/day	For the first 6 regular meeting days: \$1,300/day for members \$1,550 for the Chair	For the first 4 regular meeting days: \$1,000/day for members \$1,250 for the Chair
		Thereafter: \$625/day	Thereafter: \$625/day	Thereafter: \$625/day
	Participation by telephone	\$625/day or \$312.50/half-day	\$250/day	\$250/day
Conference Call Meetings		\$250/day	\$250/day	\$250/day

Directors are entitled to receive only one meeting fee for each day (24 hours), even if they attend more than one meeting during that period.

Compensation data for CBC/Radio-Canada's Directors is summarized in Note 28 to the annual consolidated audited financial statements.

Board of Directors Attendance

2013–2014 Board Meetings

 In Person  Video Conference  Conference call

BOARD MEMBERS	BOARD			AUDIT COMMITTEE		BROADCASTING COMMITTEES		INFRASTRUCTURE COMMITTEE			STRATEGIC PLANNING COMMITTEE			HR & GOVERNANCE	
	# of meetings														
Rémi Racine	6/6	0/1	3/3			2/2		4/4	1/1	2/2	4/4	2/2	1/1	6/6	
Hubert T. Lacroix	6/6	1/1	3/3			1/2									
Vivian Bercovici ¹	4/4		3/3			1/1								4/4	
Edward Boyd	6/6	1/1	3/3			2/2		4/4	1/1	2/2	4/4	2/2	1/1	6/6	
Peter Charbonneau	6/6	1/1	3/3	5/5		2/2					4/4	2/2	1/1		
George Cooper	3/6	1/1	1/3			0/2								3/6	
Pierre Gingras	6/6	1/1	3/3	1/1		2/2		3/3	1/1	2/2					
Cecil Hawkins ²	1/1														
Marni Larkin	5/6	1/1	3/3			1/2		3/4	1/1	2/2				5/6	
Terrence Leier	6/6	1/1	3/3	5/5		2/2									
Maureen McCaw	6/6	1/1	2/3	5/5		2/2					4/4	1/2	1/1		
Patricia McIver ³	2/2		1/1	1/1				1/1							
Brian Mitchell	6/6	1/1	3/3	5/5		2/2		1/1							
Marlie Oden ⁴	3/3	1/1	1/1	2/2		2/2					1/1	1/2	1/1		

¹ V. Bercovici resigned effective January 2, 2014

² C. Hawkins was appointed effective March 6, 2014

³ P. McIver was replaced effective July 29, 2013

⁴ M. Oden was appointed effective July 30, 2013

Senior Executive Team

Hubert T. Lacroix

President and CEO

Refer to the previous Board of Directors section.

Maryse Bertrand

Vice-President, Real Estate Services, Legal Services and General Counsel

Maryse Bertrand was appointed Vice-President, Real Estate, Legal Services and General Counsel for CBC/Radio-Canada on July 16, 2009, and began her duties on September 8, 2009. Ms. Bertrand is responsible for the real estate portfolio of CBC/Radio-Canada across Canada and abroad and for the General Counsel's offices in Montreal, Toronto and Ottawa, the Corporate Secretariat and the administration of the access to information and privacy laws.

Before coming to CBC/Radio-Canada, Ms. Bertrand was a partner specializing in securities law and mergers and acquisitions at Davies Ward Phillips & Vineberg (1981-2009).

Ms. Bertrand earned a bachelor's degree with high distinction in civil law from McGill University in 1980 (University Scholar 1978-1980). Ms. Bertrand is a member of the Quebec Bar, which awarded her the distinction of *Advocatus Emeritus* (Ad. E.) in 2007, and a member of the Canadian Bar Association and American Bar Association.

Ms. Bertrand is Chair of the Board of ARTV.

William B. Chambers

Vice-President, Brand, Communications and Corporate Affairs

William B. Chambers was appointed CBC/Radio-Canada's Vice-President, Brand, Communications and Corporate Affairs, on September 15, 2008. Previously, he had been appointed Vice-President, Communications, on January 15, 2003.

Mr. Chambers is responsible for developing and implementing a single coherent corporate branding strategy for CBC/Radio-Canada, for leading internal and external communications across the Corporation, and for formulating the overall strategic direction for the promotion and marketing of programs. He also oversees the Government Relations group, which puts forward the Corporation's interests to Members of Parliament, and advises the President and CEO and his colleagues on these issues.

Prior to joining CBC/Radio-Canada, Mr. Chambers was based in London, England, where he was Managing Director, Europe, for Goldfarb Consultants.

Heather Conway

Executive Vice-President, English Services

Heather Conway was appointed Executive Vice-President of CBC/Radio-Canada's English Services on September 26, 2013²².

Since December 2013, Ms. Conway has been responsible for all aspects of CBC/Radio-Canada's English-language services, which include CBC Radio One, CBC Radio 2, CBC Television, CBC News Network, CBC.ca, documentary and digital operations.

Before becoming a member of CBC/Radio-Canada's Senior Executive Team, Ms. Conway was Chief Business Officer at the Art Gallery of Ontario, where she was in charge of human resources, digital services, marketing, and corporate and public affairs, among other things. Under her tenure, the Gallery saw its attendance increase by 20% and achieved its highest membership levels.

Previously, Ms. Conway had spent six years as Executive Vice-President at Alliance Atlantis Communications. There, she oversaw strategic marketing, publicity and on-air creative for 13 Canadian cable specialty channels, transformed the business model for digital channel distribution and increased subscription revenue. She later became Chief Executive Officer of Edelman Public Relations Canada. Earlier in her career, Ms. Conway held other senior management and consulting positions with TD Bank Financial Group, Hill and Knowlton and The Neville Group.

Ms. Conway has a Bachelor of Arts in Economics from Queen's University and a Master of Arts in Industrial Relations from the University of Warwick, England.

In 2001, Ms. Conway received a Canada's Top 40 Under 40 Award.

Steven Guiton

Vice-President Technology and Chief Regulatory Officer

Steven Guiton, Vice-President Technology and Chief Regulatory Officer, was appointed to CBC/Radio-Canada's Senior Executive Team in June 2009.

Mr. Guiton is responsible for CBC/Radio-Canada's technology direction and for ensuring that technology decisions and activities support the company's overall strategic and operating objectives.

Mr. Guiton is also responsible for developing and implementing the Corporation's regulatory strategies for its television and radio services pursuant to the Corporation's regulated status under the *Broadcasting Act*, and to its regulatory oversight by the Canadian Radio-television and Telecommunications Commission (CRTC). In addition, Mr. Guiton is responsible for Research and Analysis, which produces measures of the Corporation's performance in respect of its mandate and its regulatory requirements, and creates analytical tools in respect of media industry trends.

Before becoming Vice-President Technology and Chief Regulatory Officer, Mr. Guiton was Vice-President and Chief Regulatory Officer, Media Technology Services, responsible for moving content across the Corporation's national, regional, and local networks. Prior to that, Mr. Guiton was CBC/Radio-Canada's Executive Director, Strategy and Government Relations. In his other previous positions, he had been Vice-President, Regulatory Affairs, at the Canadian Cable Television Association, and Regulatory Vice-President at Unitel Communications Inc. (formerly AT&T Canada and now Allstream).

Mr. Guiton holds an M.A. in Economics from Simon Fraser University and a B.A. in Economics and Commerce from the University of Toronto; he also attended the University of British Columbia for doctoral studies in Economics.

²² Between April and September 2013, Neil McEneaney, General Manager, Finance & Strategy, served as interim Executive Vice-President, CBC English services during the recruitment process for a new individual to fill that position on a permanent basis.

Louis Lalande

Executive Vice-President, French Services

Louis Lalande was appointed Executive Vice-President of CBC/Radio-Canada French Services on January 16, 2012, after holding the position on an interim basis since September 26, 2011.

Mr. Lalande oversees all aspects of CBC/Radio-Canada's French-language programming services, which include, among other things, ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, RCI, ICI Radio-Canada.ca, ICI Musique²³ and ICI Tou.Tv.

Mr. Lalande has been in the news business for 25 years, mainly at Radio-Canada. Before joining CBC/Radio-Canada's Senior Executive Team, he was Executive Director of Regional Services, which comprises television, radio and web services. Prior to that, he helped establish the Centre de l'information de Radio-Canada in Montreal where he was the News and Current Affairs Director for ICI Radio-Canada Télé and ICI RDI for more than two years, after having been Executive Director of Technical Production. Mr. Lalande stopped working for the national public broadcaster for a few years, during which he notably created LCN, TVA's all-news television channel.

Suzanne Morris

Vice-President and Chief Financial Officer

Suzanne Morris was appointed CBC/Radio-Canada's Vice-President and Chief Financial Officer (CFO) effective April 2009.

In addition to being responsible for all aspects of financial management for Canada's national public broadcaster, Ms. Morris plays an instrumental role in helping to achieve a sustainable economic model for the future of the Corporation.

Before becoming a member of CBC/Radio-Canada's Senior Executive Team, Ms. Morris was Secretary/Treasurer to the CBC Pension Board of Trustees, where she was responsible for the CFO, IT, risk management, benefit administration and secretariat functions at the Pension Fund and managed operations through a period of financial market turmoil and credit crisis.

Ms. Morris earned her Bachelor of Commerce degree with honours from the University of Ottawa in 1986 and holds a Chartered Accountant designation. She is an Institute of Chartered Accountants of Ontario prize-winner and served as a marker for the Institute's professional examinations. She has also lectured on accounting topics at the University of Ottawa. In 2011, Ms. Morris was appointed a member of the Board of Governors of the University of Ottawa.

²³ Effective June 2, 2014, ICI Musique brings together our radio and digital offerings formerly known as Espace musique and Espace.mu, respectively.

Roula Zaarour

Vice-President, People and Culture

Roula Zaarour was appointed CBC/Radio-Canada's Vice-President, People and Culture, on December 1, 2011.

Ms. Zaarour is responsible for delivering the Corporation's human resources services and ensuring a positive relationship between management and employees. She helps lead the "people" component of the Corporation's five-year strategic plan Everyone, Every way, ensuring that CBC/Radio-Canada is a rewarding, progressive and diverse workplace that builds professional teams of innovative and highly skilled people dedicated to accomplishing the plan.

Before coming to CBC/Radio-Canada, Ms. Zaarour was Vice-President of Business Transformation at the Argentinean airline Aerolineas Argentinas, a company of around 10,000 employees. There, she led the implementation of their transformation plan based on their five-year business strategy following a full re-nationalization of the airline. Prior to that, Ms. Zaarour was Senior Consultant at MatlinPatterson Global Advisors LLC, a private equity firm specialized in distressed investments. In this role, she developed and led the execution of the restructuring plans for investments in the aviation sector in the U.S. and South America. She was heavily involved in the industrial relations with various governmental and unionized stakeholders. Ms. Zaarour had also occupied senior management positions at the International Air Transport Association (IATA) and Air Canada.

Ms. Zaarour earned her Bachelor of Science in Computer Science from the Lebanese American University in Beirut. She then moved to Boston where she pursued her M.Sc. in Engineering Management at Northeastern University, and then to Montreal where she completed an MBA at Concordia University.