ANNUAL REPORT 2013–2014

GOING THE DISTANCE

SOCHI 2014

OLYMPIC WINTER GAMES

YOUR OLYMPIC NETWORK

FEBRUARY 6 TO 23, 2014

CBC Radio-Canada

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

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

HR COMPLIANCE

- Review on Implementation of Section 41 of the *Official Languages Act* to Canadian Heritage
- Annual Review on Parts IV, V and VI of the *Official Languages Act* to Treasury Board of Canada Secretariat
- Annual Report on Employment Equity to Employment and Social Development Canada (ESDC)
- Annual Report on Multiculturalism to Citizenship and Immigration Canada

CORPORATE REPORTS

- Corporate Plan and Corporate Plan Summary
- Annual Report
- CBC Pension Annual Report
- Public Accounts of Canada
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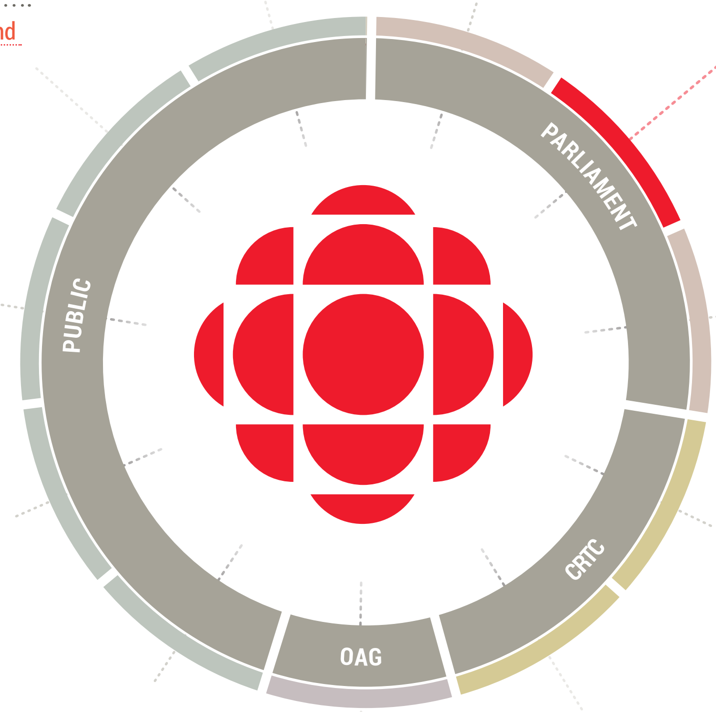
RESPONSES TO ACCESS TO INFORMATION AND PRIVACY (ATIP) REQUESTS

POLICIES AND PRACTICES

- Journalistic standards and practices
- Code of conduct



APPEARANCES BEFORE PARLIAMENTARY COMMITTEES

TRANSPARENCY & ACCOUNTABILITY BULLETIN

PROACTIVE DISCLOSURE

- Proactive Disclosure web pages (including posting of travel and hospitality expenses of the Chair and Executives, and Board meeting documents)

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- Board must respond to Ombudsmen Reports and table responses with CRTC

ANNUAL PUBLIC MEETING

OFFICE OF THE AUDITOR GENERAL (OAG)

- Annual OAG Attest Audit

REPORTING TO THE CRTC

- Periodic licence renewals
- Annual reporting to the CRTC covering:
  - Each of the Corporation's licenced radio, television and specialty services
  - Audit reports for all of the Corporation's television stations eligible for the Local Programming Improvement Fund (LPIF)
  - New media reporting requirements

Message from the Chair

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

Rémi Racine

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 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

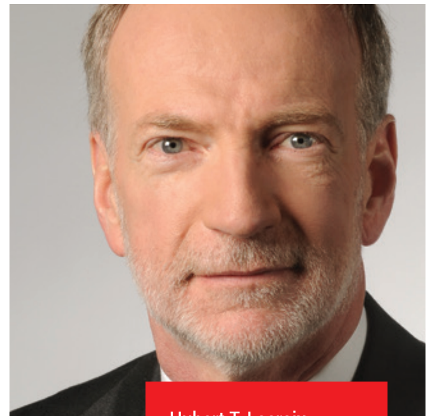
In 2013—2014, the Board welcomed two new directors, each for a five-year term. Marlie Oden was appointed on July 30, 2013 and Cecil Hawkins was appointed on March 6, 2014. We also said goodbye to directors Vivian Bercovici and Patricia McIver. I'd like to thank each of them for their important contribution 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.

Rémi Racine
Chair, Board of Directors

Message from the President and CEO

PROGRESS OF *STRATEGY 2015*


Hubert T. Lacroix

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 receiving lower amounts of government funding and producing more significant events. 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.

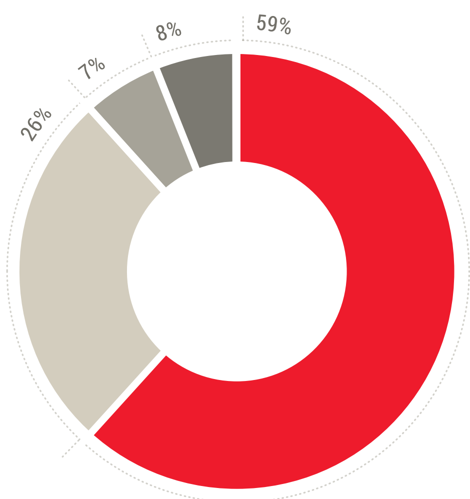
Hubert T. Lacroix
President and CEO

Year in Review

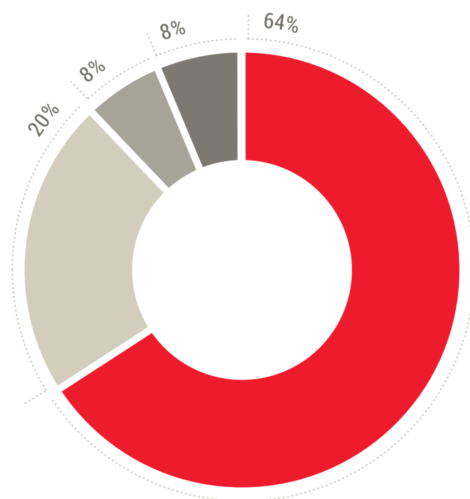
Financial Highlights

REVENUE AND SOURCES OF FUNDS FOR FISCAL YEAR

2013—2014



2012—2013



Government funding · Advertising revenue · Subscriber fees · Financing and other income

(in thousands of Canadian dollars) **For the year ended March 31**

	2014	2013 (revised[1])	% change
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 basis[2]	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.

LE TÉLÉJOURNAL

Céline Galipeau

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, *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 apps[1].

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 broadcast the 20th anniversary of the Scotiabank Giller Prize, which showcases excellence in Canadian literature, on CBC Television. The event was live-streamed on cbcbooks.ca 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 & Partners [1]

33.5M
Canadians reached

97%
of Canadian population reached

602M
page views

17.5M
video hours streamed

1. Sources: BBM Canada and Adobe SiteCatalyst.

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 weekend 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 weekend 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 from 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 SiriusXM 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, RCInet.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 multiplatform 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 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.

Q / CANADA READS

Jian Ghomeshi

UN AIR DE FAMILLE

Patrice L'Ecuyer, Bruno Pelletier, Johanne Blouin and Jean-François Breau

Programming Year in Review French Services

2013–2014 programs averaging more than 1 million viewers per episode[2]

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

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 2012–2013[2]. 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]).

ICI Radio-Canada Télé's new offerings included the comedy show *Les pêcheurs* (drawing over one million viewers in its first season[2]) 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 Musique[3] achieved record market shares throughout the year[4], 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]

11M
Canadians reached

30%
of Canadian population reached

73M
page views

2M
video hours streamed

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 apps[5]. Meanwhile, more than 95% of the Francophone population in Québec watched the Winter Olympics on ICI Radio-Canada Télé[6]. 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, 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, 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 Mundial 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).

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 slot[7]. 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 weekend *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.

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 broadcast by Radio-Canada and its partners was also watched by a significant number of Anglophones around the country.
7. Source: BBM Canada, Portable People Meter (PPM), Quebec Francophones ages 2+.

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 visits[8], as well as almost half a million responses to the Vote Compass online tool[9].

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 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 webseries (*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 and interactive in-depth features, as well as its *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—2014[10].

8. Source: Adobe Omniture SiteCatalyst.
9. Source: ICI Radio-Canada.ca
10. Source: comScore Media Metrix

BACKSTAGE WITH BEN HEPPNER / SATURDAY AFTERNOON AT THE OPERA

Ben Heppner

Programming Year in Review English Services

5 of top 10 Canadian entertainment programs in 2013[11]

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

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 multimedia 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 Hours Has 22 Minutes*, *Heartland* and *Marketplace* also attracted significant audiences during the regular season[11].

On CBC Radio, CBC Radio One and CBC Radio 2 achieved a combined all-time high fall share of 15.5%. On its own CBC Radio One achieved an all-time high fall share of 12.5%[12], and 25 of 26 CBC Radio One local morning shows ranked in the top three in their respective markets. CBC 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-Megantic 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 multiplatform 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), Anglophones ages 2+.
12. Source: Fall Diary 2013.

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 population[13], 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 content[14].

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 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.

Sochi 2014 Olympic Coverage for CBC & Partners [13, 14]

29.8M
Canadians reached

86%
of Canadian population reached

529M
page views

16M
video hours streamed

THE CURRENT

Anna Maria Tremonti

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, cbcbooks.ca 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 year[15]. *The Morning Edition* in Kitchener-Waterloo achieved the second-highest ranking in its market during its first year, with a 9.4% share[15].

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 and 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 Musique[16] 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.

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.

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

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.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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

ICI RADIO-CANADA TÉLÉ

ICI Radio-Canada Télé

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.

ICI RDI

ICI RDI

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.

ICI artv

ICI ARTV

ICI ARTV offers a broad range of high-quality cultural content. Our viewers include arts enthusiasts, as well as fans of popular television programs.

ICI explora

ICI EXPLORA

ICI EXPLORA, Radio-Canada's new specialized French-language station, brings together the best content on science, the environment, nature and health.

CBC

CBC Television

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.

CBC news network

CBC News Network

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.

documentary

documentary

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.

CBC Radio-Canada

CBC News Express / RDI Express

A bilingual news and information service that is available in five large Canadian airports, to serve over 62 million travellers annually.

TV5MONDE

TV5MONDE

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

Radio

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 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.

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

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.

CBC Radio One

Canada's English-language information service to which the country turns for local, national and international news, available on radio and SiriusXM Channel 169. Commercial-free and reflecting the true lives of Canadians.

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.

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 Channel 162.

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

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, Radio-Canada's music destination, delivers a diverse, dynamic range of musical and editorial content. On the web at ICIMusique.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

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

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 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 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

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

cbcbooks.ca 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 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

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.

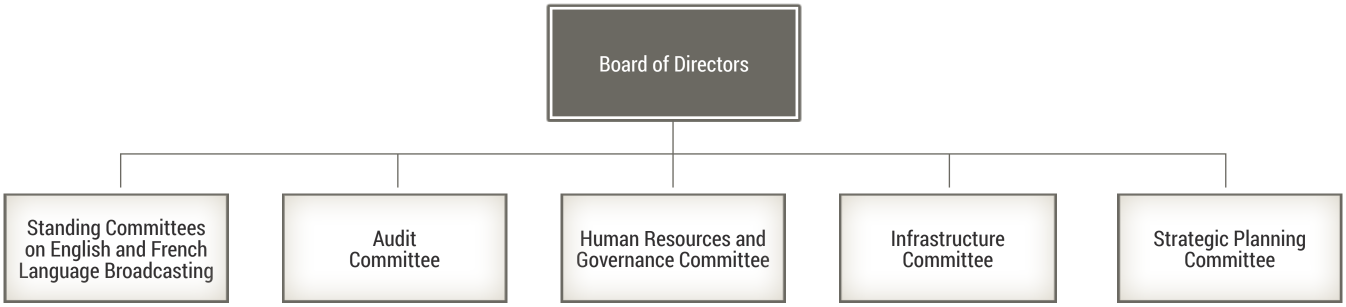
UNITÉ 9

Guylaine Tremblay

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.



Standing Committees on English and French Language Broadcasting: Monitors the fulfillment by the Corporation of its English and French language broadcasting responsibilities and its overall mandate.

Audit Committee: Monitors the integrity of the Corporation's financial information and reporting, the system of internal controls and risk management, and the audit process.

Human Resources and Governance Committee: Oversees matters relating to human resources, strategies, compensation, corporate governance, and the conduct of the Board's affairs.

Infrastructure Committee: Oversees the Corporation's infrastructure assets, including real estate, fleet and transmission holdings, and broadcasting, telecommunications and technology solutions.

Strategic Planning Committee: Oversees the Corporation's overall strategic direction with respect to the fulfillment of the Corporation's statutory mandate.

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

Hubert T. Lacroix
President and CEO

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.

Louis Lalande
Executive Vice-President, French Services

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.

Heather Conway
Executive Vice-President, English Services

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, *documentary* and digital operations.

Suzanne Morris
Vice-President, Finance and Chief Financial Officer

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.

Steven Guiton
Vice-President, Technology and Chief Regulatory Officer

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 *Broadcasting Act*, and for corporate research and analysis.

William B. Chambers
Vice-President, Brand, Communications and Corporate Affairs

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.

Roula Zaarour
Vice-President, People and Culture

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, *Strategy 2015*, 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.

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

Responsible for CBC/Radio-Canada's real estate portfolio across Canada and abroad; 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.

1.4 Corporate Strategy

The Corporation's current strategic plan, *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

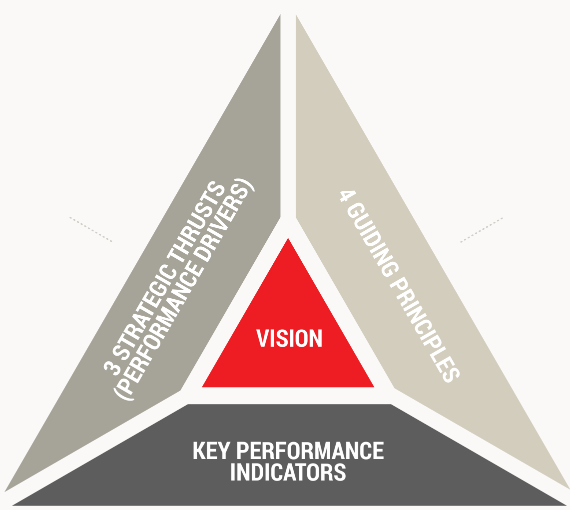
Its success will be measured against key strategic and operational indicators.

VISION:

The vision at the heart of the strategic plan is to be the recognized leader in expressing Canadian culture and to enrich the democratic life of all Canadians.

THREE STRATEGIC THRUSTS DRIVE OUR PERFORMANCE:

- More Distinctly Canadian: Network programming and national public spaces;
- More Regional: Regional presence and community spaces;
- More Digital: New platforms and digital spaces.



FOUR GUIDING PRINCIPLES SUPPORT OUR VISION:

- The creation and delivery of original, innovative, high-quality Canadian content;
- That reflects and draws together all Canadians;
- Actively engaging audiences;
- While being cost-effective and accountable.

KEY PERFORMANCE 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.

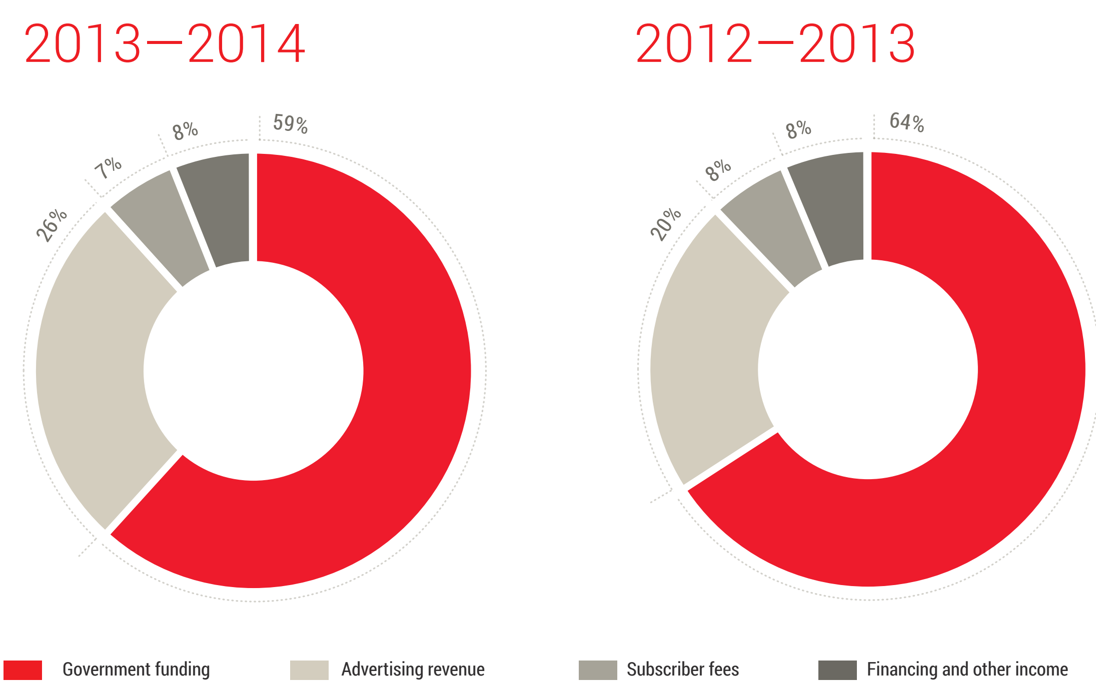
1.5 Business Model

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 funding[17].

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 demographic, 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.

BUSINESS MODEL



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.

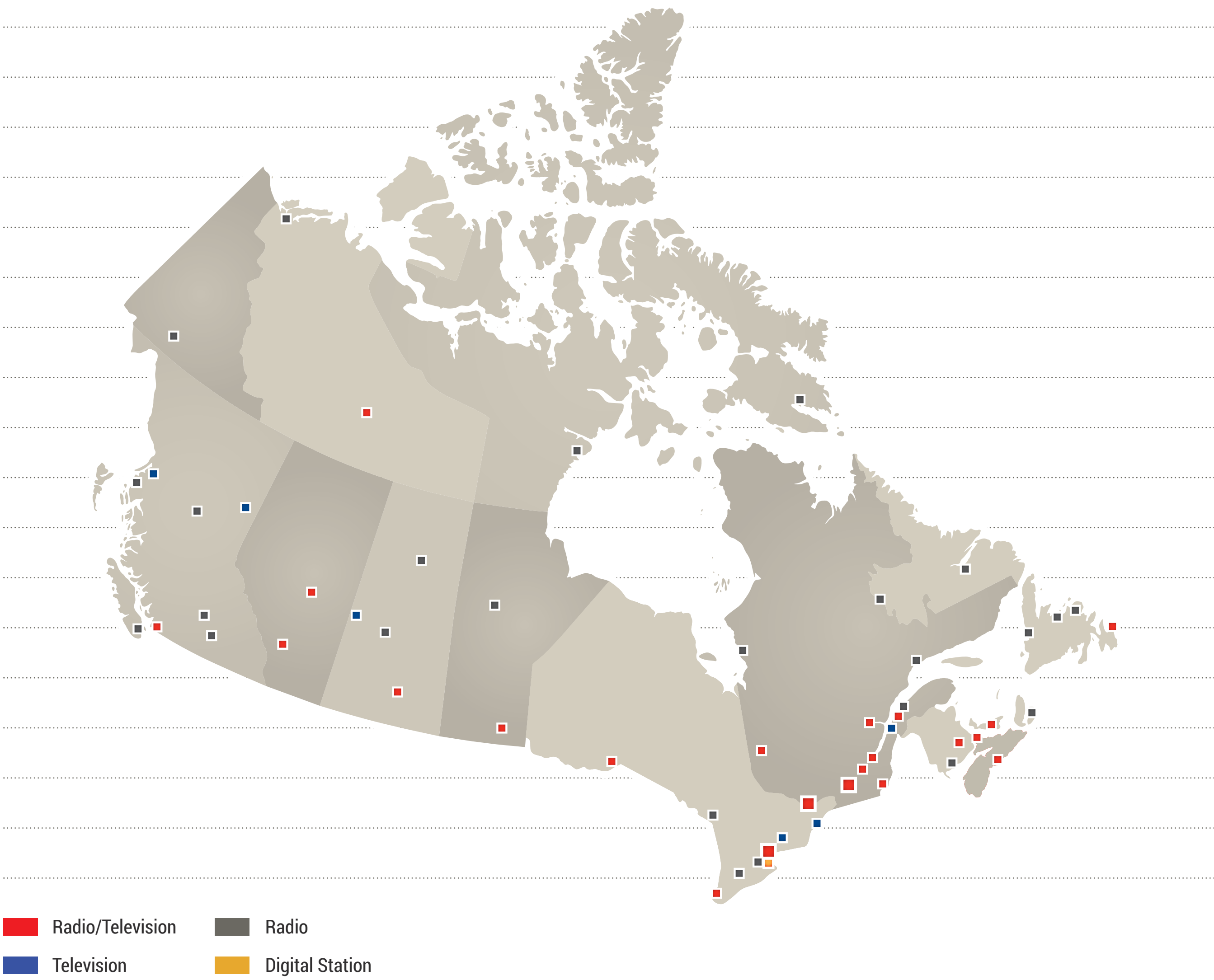
17. Source: Nordicity, "Analysis of Government Support for Public Broadcasting and Other Culture in Canada" (October 2013).

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 *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 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 trends[18] 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.

LE CHOC DES GÉNÉRATIONS

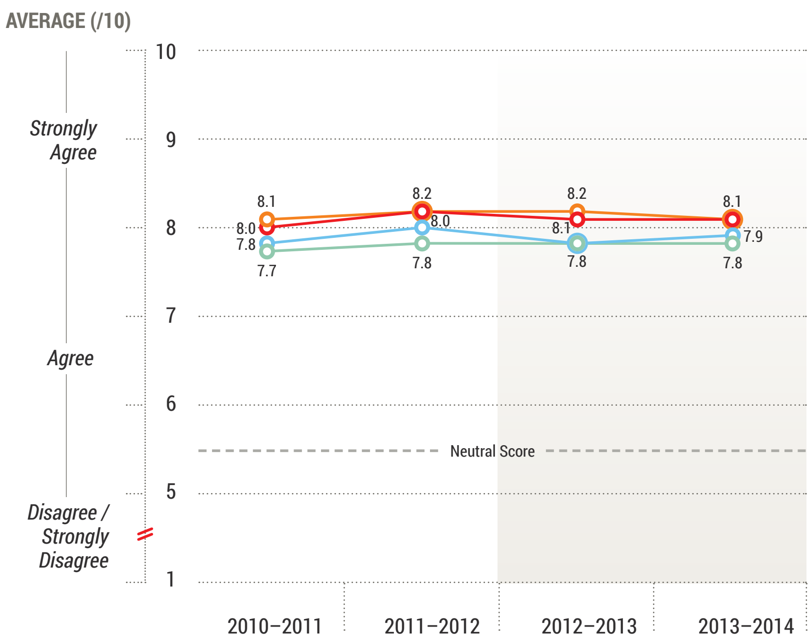
Gregory Charles

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.*

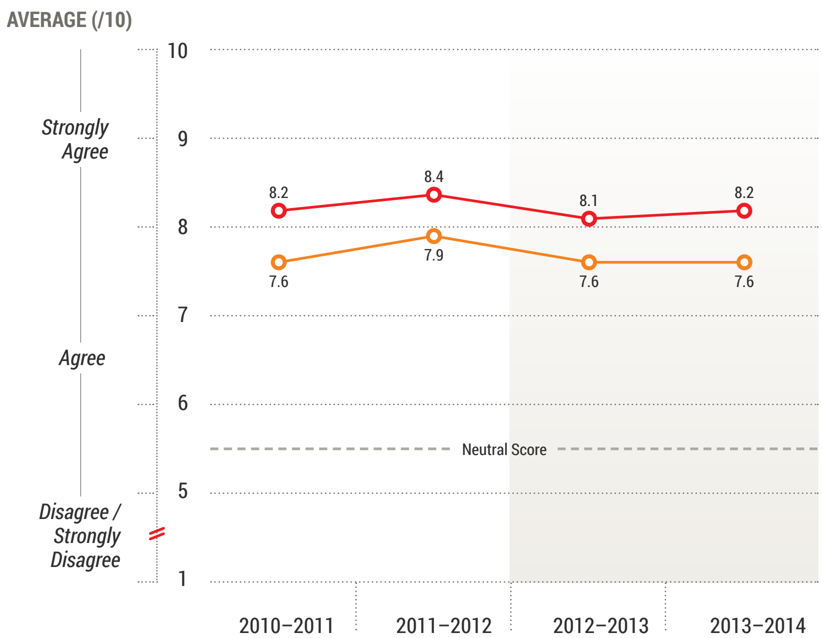
Difference between 2013–2014 and 2012–2013 results are statistically significant if equal to 0.2 or more.

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 programming[1] ...

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.*

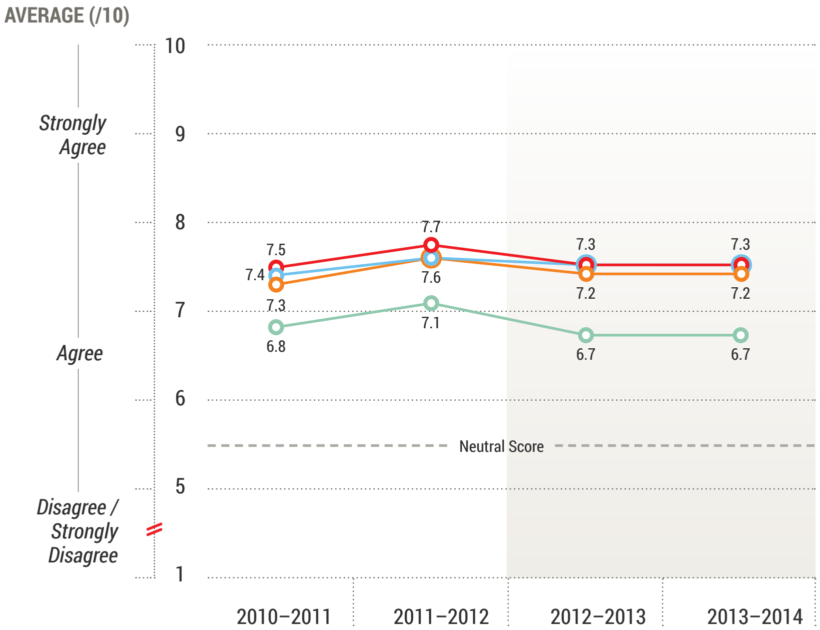
Difference between 2013–2014 and 2012–2013 results are statistically significant if equal to 0.2 or more.

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 programming[1] ...

Pillar 2: Reflects and 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.

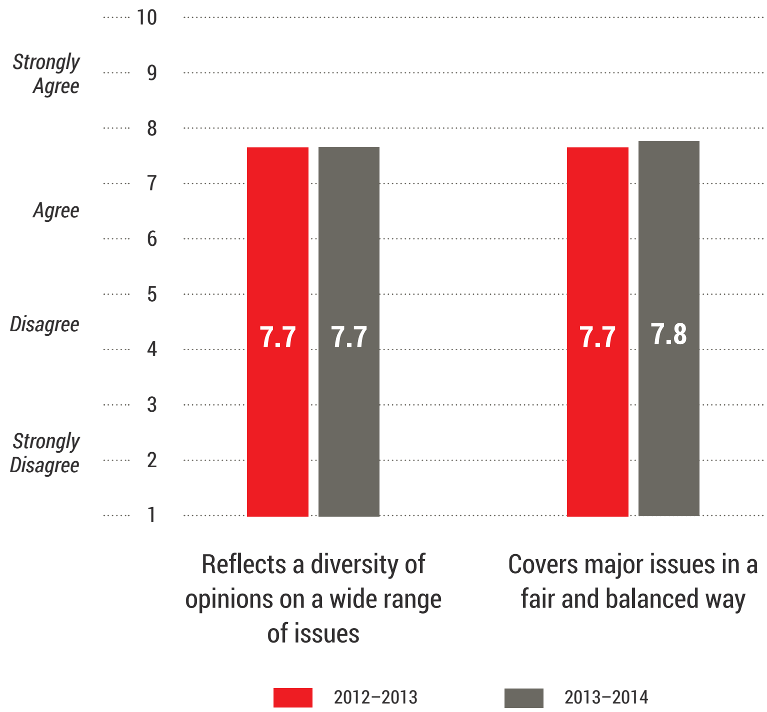
Source: TNS Canadian Facts (1,200 Francophones per survey. Telephone surveys conducted in November and March of each year).

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 programming[1]...

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.

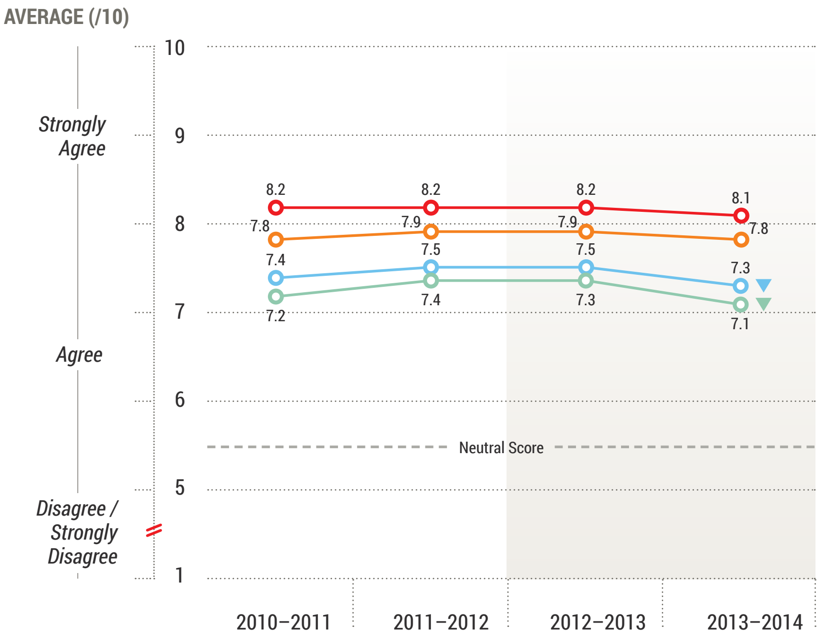
Source: TNS Canadian Facts (1,200 Francophones per survey. Telephone surveys conducted in November and March of each year).

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*.

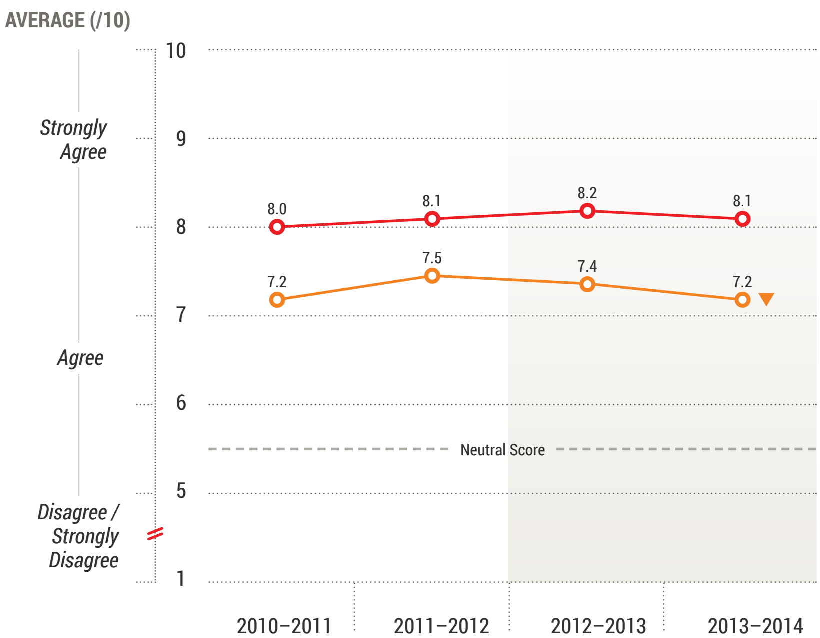
English Services received average scores of 7 or higher on a 10-point scale for all four indicators, with its highest scores for making its content "Available on new platforms" (8.1) and for offering programming that is "Informative" (7.8).

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 LPIF 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 programming[1] ...
Pillar 1: Original, Innovative, Quality Canadian Content



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.*

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.

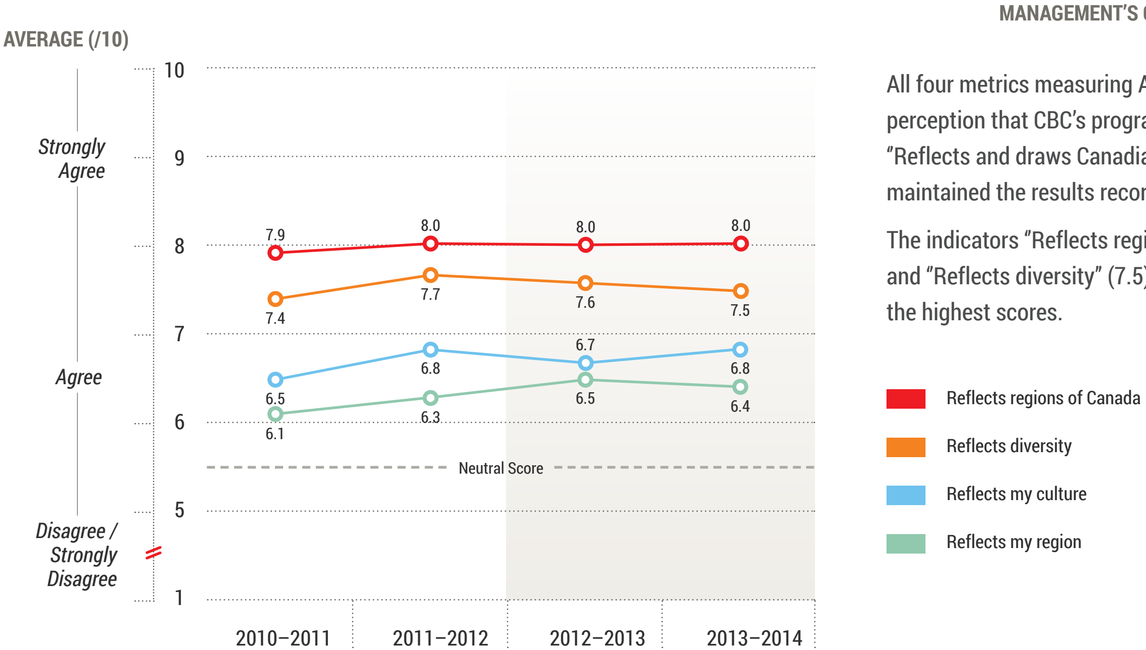
However, Anglophones' perception that CBC's programming is distinctive has softened this year. Differentiation is an important goal for CBC, and future business plans will address the continuing priority of providing unique and distinct Canadian content.

Is high quality

Is different from that offered on other channels

CBC's programming[1] ...

Pillar 2: Reflects and Draws Canadians Together



__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.

MANAGEMENT'S COMMENTS

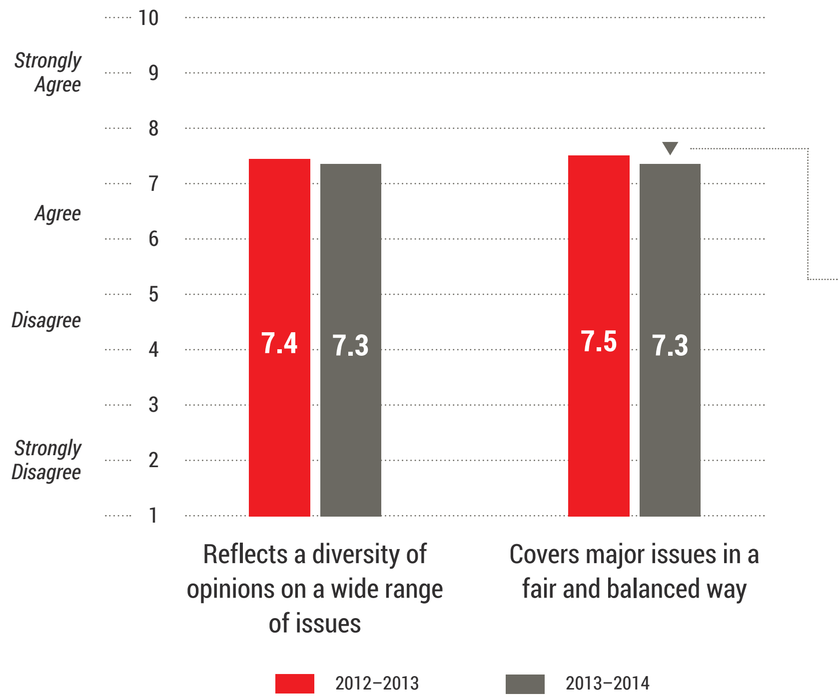
All four metrics measuring Anglophones' perception that CBC's programming and content "Reflects and draws Canadians together" maintained the results recorded last year.

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

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

CBC's information programming[1]...

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 Television[19]. 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%

CBCMUSIC.CA FESTIVAL

Credit: JJ Thompson

19. Effective September 1, 2013, the CRTC's May 2013 decision renewing our TV licences, 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

In addition to monitoring the overall performance of *Strategy 2015* (see section 2.1 above), we have developed key performance indicators (KPIs) for our services.

These indicators are critical to measuring our progress towards achieving our strategic business objectives and operational plans, and we formulate them every year as part of the media's business plans.

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

2013—2014 Results – French Services

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

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

ICI Radio-Canada Télé also exceeded its share target, capturing a 20.6% primetime audience share. The network benefited from a robust program schedule, which featured returning favourites that steadily drew over one million viewers (*Dans l'œil du dragon, L'Auberge du chien noir, Les enfants de la télé, Les Parent, Mémoires vives, Tout le monde en parle, Trauma, Unité 9*, etc.), new shows rapidly and widely embraced by audiences (*Les pêcheurs*), and signature events that drew Canadians together, such as special New Year's Eve programming like *Bye Bye 2013,* which obtained an 88% share[20].

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

As for other news platforms, on one hand, our 2013—2014 results for ICI Radio-Canada Télé regional newscasts echoed the success we achieved in 2012—2013. Our weekly average minute audience numbers were slightly above target. On the other hand, our average number of unique visitors per month to all Radio-Canada sites and ICI Radio-Canada.ca regional web pages fell short of expectations. Fewer compelling news events than in 2012—2013 and a relatively stable number of Francophone Internet users across Canada contributed to these results[21]. Moreover, this underperformance was somewhat amplified by challenges in the measurement of ICI Radio-Canada.ca[22].

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

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

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

21. Source: comScore Mediametrix, Francophones in Canada, at home, ages 2+.

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

Performance Table
French Services

	Past Performance			Future
	Annual Targets 2013–2014	**Annual Results 2013–2014**	Annual Results 2012–2013	Annual Targets 2014–2015
Radio Networks ICI Radio-Canada Première and ICI Musique				
Full-day audience share[1]	19.3%	21.5%	18.5%	20.6%
Television ICI Radio-Canada Télé				
Prime-time audience share Fall/Winter season[2]	19.5%	20.6%	20.3%	20.0%
ICI RDI, ICI ARTV, ICI EXPLORA				
All-day audience share April-March[2]	5.2%	5.0%	5.4%	5.0%
Regional ICI Radio-Canada Première				
Morning shows audience share Mon-Fri 6-9 a.m.[1]	18.5%	20.9%	17.7%	19.5%
Téléjournal 18h				
Average viewer per minute Weekly average Mon-Fri 6-6:30 p.m. Fall/Winter season[2]	0.350 million	0.355 million	0.347 million	0.350 million
Regional web pages				
Monthly average unique visitors April-March[3]	0.710 million	0.660 million	0.646 million	0.592 million
New Platforms ICI Radio-Canada.ca, ICI Tou.tv, ICI Musique, RCInet.ca, ICI.ARTV.ca and ICI.Explora**tv**.ca				
Monthly average unique visitors April-March[3]	2.3 million	2.0 million	2.2 million	1.8 million
Specialty Television Channels[4] ICI RDI				
Subscribers	11.1 million	11.1 million	11.2 million	11.1 million
ICI ARTV				
Subscribers	2.0 million	2.0 million	2.0 million	2.0 million
ICI EXPLORA				
Subscribers	0.4 million	0.5 million	0.3 million	0.5 million
Revenue[5] Conventional, specialty, online	$243.8 million	$243.3 million	$252.8 million	$246.1 million

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

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

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

4. As at March 31, 2014.

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

Strategy 2015 Future Directions – French Services

TRANSFORMATION

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

MORE DISTINCTLY CANADIAN

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

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

MORE REGIONAL

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

Budget reductions were the main reason for the 2014—2015 regional targets being set below the results achieved in 2013—2014.

MORE DIGITAL

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

2013—2014 Results – English Services

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

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

CBC Television's prime-time audience share ended the regular season at 8.3%[23], higher than the target of 8.1%. This share was considerably higher than the prior year's 6.8%, which was adversely affected by the absence of NHL hockey for 15 weeks.

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

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

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

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

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

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

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

Performance Table
English Services

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

N/A = not available or not applicable

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

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

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

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

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

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

Strategy 2015 Future directions – English Services

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

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

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

MORE DISTINCTLY CANADIAN

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

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

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

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

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

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

MORE REGIONAL

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

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

MORE DIGITAL

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

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

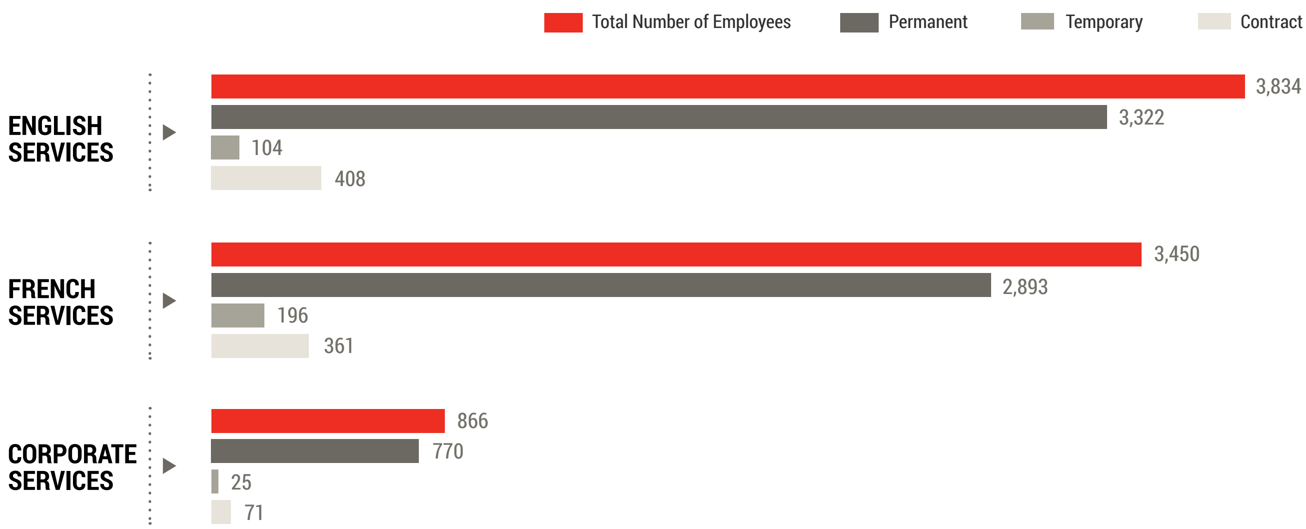
3. Capability to Deliver Results

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

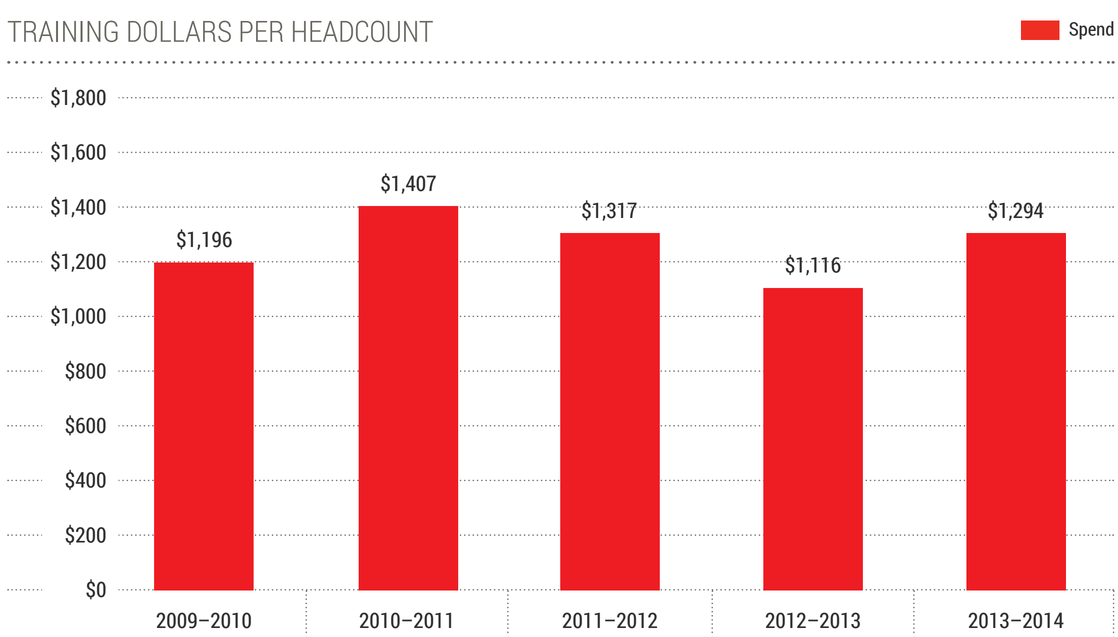
CBC/Radio-Canada employees continue to receive support through the Employee Assistance Program (EAP). EAP offers a variety of services including confidential counselling for staff, their families and eligible former staff. EAP also delivers wellness initiatives with the support of nearly 200 volunteers 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

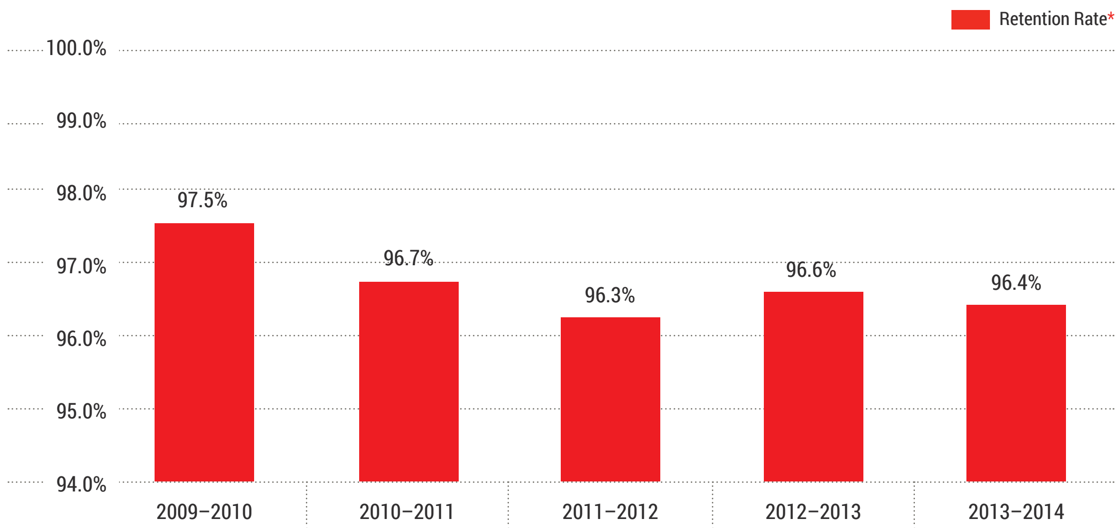
This fiscal year, the People & Culture team worked on a foundation of strategic learning and development support for major change initiatives in technology, journalism and multiplatform service delivery. They also worked to create a more unified approach to development and change initiatives that will 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.



(Permanent FTEs – Terminations) / Permanent FTEs (excludes retirements and Workforce Adjustment (WFA) cuts)

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 and 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

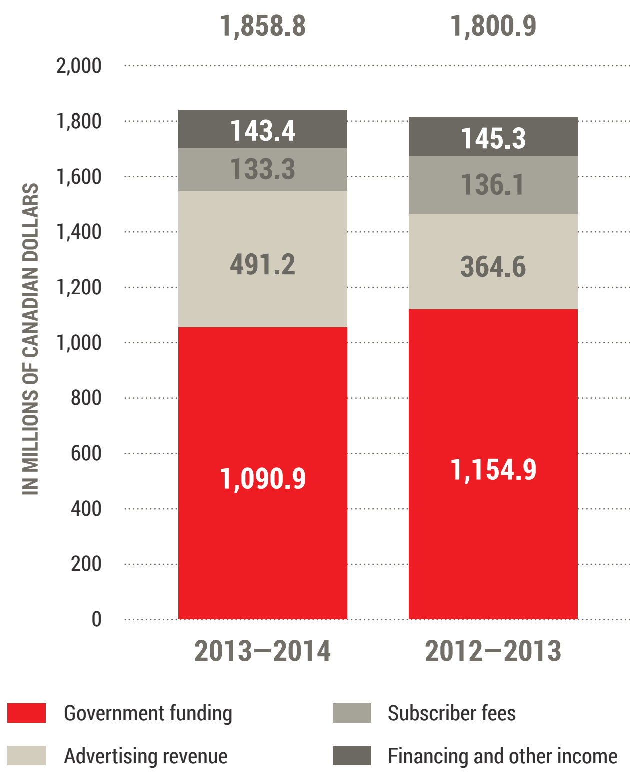
In September 2013, Heather Conway was announced as the new Executive Vice-President of English Services. Ms. Conway joined CBC/Radio-Canada with an extensive record of experience and results across the public and private sectors, and provides a fresh perspective during the Corporation's time of challenge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

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

REVENUE AND SOURCES OF FUNDS



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 Musique[24] 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 Canada 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.

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

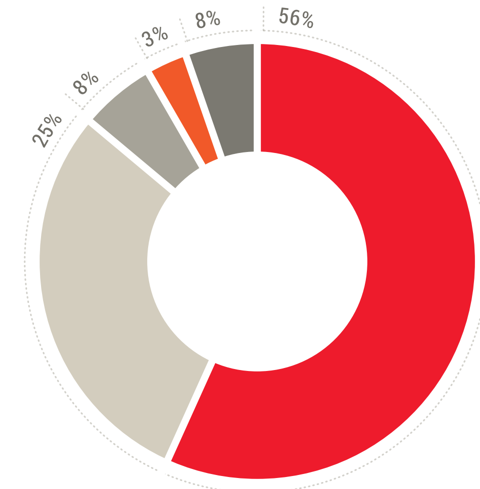
Capital Budget

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

(in thousands of Canadian dollars)	For the year ended March 31		
	2014	2013 (revised[1])	% change
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 basis[2]	**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.

(in thousands of Canadian dollars)	**For the year ended March 31**		
	2014	2013 (revised[1])	% change
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		
	2014	2013 (revised[1])	% change
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 pre-season 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		
	2014	2013 (revised[1])	% change
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 is 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, which 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 SiriusXM.

Government Funding

(in thousands of Canadian dollars)	For the year ended March 31		
	2014	2013	% change
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

(in thousands of Canadian dollars)	For the year ended March 31		
	2014	2013	% change
(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 SiriusXM. 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 related mostly to 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		
	2014	2013 (revised[1])	% change
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

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 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 $209.3 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.

DANS L'OEIL DU DRAGON

Gaétan Frigon, Alexandre Taillefer, Danièle Henkel, Serge Beauchemin and François Lambert

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

(in thousands of Canadian dollars)	**For the year ended March 31**		
	2014	2013	% change
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 SiriusXM, 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)	For the year ended March 31, 2014				For the year 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 comes 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:

NATIONAL PRESENCE

- 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.

REGIONAL PRESENCE

- 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.

DIGITAL PRESENCE

- 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.

1 BOARD

The Board oversees our key risks at a governing level, approves major policies and ensures that the processes and systems required to manage risks are in place.

2 AUDIT COMMITTEE

The Audit Committee of the Board discharges its stewardship and oversight responsibilities over risk management by monitoring key risks, discussing their status with management at quarterly Audit Committee meetings, and ensuring that management has programs for evaluating the effectiveness of internal controls.

3 SENIOR EXECUTIVE TEAM

The Senior Executive Team identifies and manages risks, reports on our key risks to the Audit Committee and the Board, recommends policies, and oversees financial reporting and internal control systems.

4 MEDIA AND SUPPORT BUSINESS UNITS

Media and support business units initially identify and assess risks through the annual business plan process, and develop and execute detailed plans to manage risks. Risks are prioritized based on their potential impacts and their likelihood of occurring.

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		
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.	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.	Continue with strategic planning development phase into 2014–2015. 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.
2. Budget Concerns		
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).	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. Ongoing management and review of the initiatives implemented to ensure expected outcomes are achieved.	Underachievement of targets may also require further cost reductions and changes to *Strategy 2015* implementation plans.
3. Hockey Contract Effect		
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.	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.	Planning process underway to assess our options following the expiry of the four-year deal.
On November 25, 2013, the Corporation reached an agreement with Rogers Communications Inc. (Rogers) for the continued airing of *Hockey Night in Canada (HNIC)* on Saturday night and during the playoffs, beginning with the 2014–2015 hockey season. This arrangement between CBC/Radio-Canada and Rogers includes the following elements: • Canadians will continue to benefit from *HNIC* over at least the next four years on a basis that is cost-effective to the Corporation. • The Corporation will continue to broadcast *HNIC* 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 *Hockey Night in Canada* brand, which will be licenced to Rogers over the term of the agreement.	Ongoing management and review of the initiatives implemented to ensure expected outcomes are achieved.	

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		
A number of collective agreements must be re-negotiated in 2014–2015.	Continue to reinforce business needs in terms of flexibility and ensure that collective bargaining reflects these needs.	Identified strategies will continue into 2014–2015.
The successful negotiation of settlements with unions has important economic, brand and labour relations impacts.	Involve unions in discussions relating to economic challenges and encourage input into managing risks. Successfully negotiate with remaining unions or negotiate wage re-openers pending decision on bargaining structure of unions in French Services. Ensure communications activities are identified and implemented with union leaders before launching business strategies and initiatives.	
5. Infrastructure Replacements and Optimization		
Excess space and infrastructure affects operations and budgets.	We are continuing our plan to reduce our overall real estate footprint. 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.	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		
(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.	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.	Continue with identified strategies into 2014—2015.
(ii) CRTC Television Policy On October 24, 2013, the CRTC launched a three-phase consultation with Canadians about the future of television in Canada (BNI CRTC 2013-563). 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 *Broadcasting Act* (PC 2013-1167). 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.	Monitor developments as more information on the CRTC's proposed changes is made available during phase three of its consultation. Assess the potential ramifications to CBC/Radio-Canada subscriber fee revenues and operations and develop a corporate position. Participate in the CRTC's Television Policy proceeding.	CBC/Radio-Canada will monitor developments and address as required.
(iii) CRTC Targeted Commercial Radio Review (BNC CRTC 2013-572) 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.	Assess the potential ramifications to CBC/Radio-Canada's music radio services, ICI Musique and CBC 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.	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 CBC Radio 2 and ICI Musique to broadcast advertising. CBC/Radio-Canada will monitor developments and address as required.

Key Risks	Risk Mitigation	Future Impact
B. Music Rights, Royalties and Tariffs		
Renewal of key music rights deals with copyright holders may impact revenues and our service strategy.	Continue proactive relationship building with all music rights holders to renew on mutually acceptable terms.	Continue with identified strategies into 2014–2015.
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.	Continue to negotiate with collectives. Appeal to the Supreme Court of Canada on the decision concerning the Society for Reproduction Rights of Authors, Composers and Publishers in Canada (SODRAC).	
C. Terms of Trade with Independent Television Producers		
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.	Continue discussions to narrow issues of disagreement. Assess potential for independent third-party mediation, as needed.	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.
The terms of trade will affect the cost of independent programs.	Assess possibility of applying to amend the COL, as needed.	
D. Canada Media Fund (CMF)		
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.	Proactively advance our position with the CMF, including participation in the CMF National Focus Group	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. Continue with identified strategies into 2014–2015. Develop and implement contingency plans to offset financial impact.

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 SiriusXM 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.

Hubert T. Lacroix,
President and Chief Executive Officer

Suzanne Morris,
Vice-President and Chief Financial Officer

Ottawa, Canada

June 18, 2014

Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage and Official Languages

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Canadian Broadcasting Corporation, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of income (loss), consolidated statement of comprehensive income (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Canadian Broadcasting Corporation as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied, after giving retrospective effect to the change in the method of accounting for employee benefits as explained in Note 3A to the consolidated financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Broadcasting Corporation that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been 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 Canadian Broadcasting Corporation.

Maurice Laplante

Maurice Laplante, CPA, CA
Assistant Auditor General
for the Auditor General of Canada

18 June 2014
Ottawa, Canada

Consolidated Statement of Financial Position

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013 (revised - NOTE 3A)
ASSETS		
Current		
Cash (NOTE 5)	61,974	51,459
Trade and other receivables (NOTE 6)	277,020	184,470
Programming (NOTE 7)	135,389	145,379
Merchandising inventory	257	755
Prepaid expenses (NOTE 8)	97,473	137,563
Promissory notes receivable (NOTE 9)	2,308	2,154
Investment in finance lease (NOTE 10)	2,568	2,387
Derivative financial instruments	681	629
Assets classified as held for sale (NOTE 11)	6,890	1,801
	584,560	**526,597**
Long-term		
Property and equipment (NOTE 11)	946,537	997,710
Intangible assets (NOTE 12)	23,396	17,563
Assets under finance lease (NOTE 13)	34,083	41,374
Promissory notes receivable (NOTE 9)	45,961	48,250
Investment in finance lease (NOTE 10)	50,138	52,706
Deferred charges	22,018	9,526
Investment in associate (NOTE 14)	1,855	3,473
	1,123,988	**1,170,602**
TOTAL ASSETS	**1,708,548**	**1,697,199**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (NOTE 15)	106,297	96,213
Provisions (NOTE 16)	32,623	51,296
Pension plans and employee-related liabilities (NOTE 17)	140,525	135,593
Bonds payable (NOTE 18)	21,101	20,578
Obligations under finance leases (NOTE 19)	11,743	10,906
Notes payable (NOTE 20)	8,124	7,960
Deferred revenues	9,423	8,982
Option liability (NOTE 14)	1,875	1,875
	331,711	**333,403**
Long-term		
Deferred revenues	18,205	9,039
Pension plans and employee-related liabilities (NOTE 17)	198,570	343,605
Bonds payable (NOTE 18)	264,599	277,008
Obligations under finance leases (NOTE 19)	33,676	44,447
Notes payable (NOTE 20)	106,930	113,049
Deferred capital funding (NOTE 23)	518,272	525,696
	1,140,252	**1,312,844**
Equity		
Retained earnings	236,117	50,392
Total equity attributable to the Corporation	**236,117**	**50,392**
Non-controlling interests (NOTE 14)	**468**	**560**
TOTAL EQUITY	**236,585**	**50,952**
TOTAL LIABILITIES AND EQUITY	**1,708,548**	**1,697,199**

Contingencies (NOTE 16) and Commitments (NOTE 29)

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

APPROVED BY THE BOARD OF DIRECTORS:

DIRECTOR
Peter Charbonneau

DIRECTOR
Rémi Racine

Consolidated Statement of Income (Loss)

(in thousands of Canadian dollars)	For the year ended March 31 **2014**	 2013 (revised - NOTE 3A)
REVENUE (NOTE 21)		
Advertising	491,189	364,648
Subscriber fees	133,277	136,127
Other income	134,605	134,951
Financing income	8,759	10,339
	767,830	**646,065**
EXPENSES		
Television, radio and new media services costs	1,762,223	1,712,565
Transmission, distribution and collection	71,959	114,463
Corporate management	10,741	11,273
Payments to private stations	2,364	2,527
Finance costs (NOTE 22)	30,870	31,836
Share of profit in associate	(4,440)	(1,701)
	1,873,717	**1,870,963**
Operating loss before Government funding and non-operating items	**(1,105,887)**	**(1,224,898)**
GOVERNMENT FUNDING (NOTE 23)		
Parliamentary appropriation for operating expenditures	975,618	999,484
Parliamentary appropriation for working capital	4,000	4,000
Amortization of deferred capital funding	111,280	151,366
	1,090,898	**1,154,850**
Results before non-operating items	**(14,989)**	**(70,048)**
NON-OPERATING ITEMS		
(Loss) gain on disposal of property and equipment	(4,004)	11,891
Dilution gain	1,040	-
Gain on business divestitures (NOTE 24)	-	7,185
	(2,964)	**19,076**
Net results for the year	**(17,953)**	**(50,972)**
Net results attributable to:		
The Corporation	(18,087)	(51,176)
Non-controlling interests (NOTE 14)	134	204
	(17,953)	(50,972)

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

Consolidated Statement of Comprehensive Income (Loss)

(in thousands of Canadian dollars)	For the year ended March 31 **2014**	2013 (revised - NOTE 3A)
COMPREHENSIVE INCOME (LOSS)		
Net results for the year	(17,953)	(50,972)
Other comprehensive income - not subsequently reclassified to net results		
Remeasurements of defined benefit plans (NOTE 17)	203,812	40,342
Total comprehensive income (loss) for the year	**185,859**	**(10,630)**
Total comprehensive income (loss) attributable to:		
The Corporation	185,725	(10,834)
Non-controlling interests (NOTE 14)	134	204
	185,859	(10,630)

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

Consolidated Statement of Changes in Equity

(in thousands of Canadian dollars)	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2013 (revised - NOTE 3A)	50,392	560	50,952
Changes in year			
Net results for the year	(18,087)	134	(17,953)
Remeasurements of defined benefit plans (NOTE 17)	203,812	-	203,812
Total comprehensive income for the year	185,725	134	185,859
Distributions to non-controlling interests	-	(226)	(226)
Balance as at March 31, 2014	**236,117**	**468**	**236,585**

	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2012 (revised - NOTE 3A)	61,226	356	61,582
Changes in year			
Net results for the year (revised - NOTE 3A)	(51,176)	204	(50,972)
Remeasurements of defined benefit plans (revised - NOTE 3A)	40,342	-	40,342
Total comprehensive (loss) income for the year	(10,834)	204	(10,630)
Balance as at March 31, 2013	**50,392**	**560**	**50,952**

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

Consolidated Statement of Cash Flows

(in thousands of Canadian dollars)	For the year ended March 31 **2014**	2013 (revised - NOTE 3A)
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net results for the year	(17,953)	(50,972)
Adjustments for:		
Loss (gain) on disposal of property and equipment	4,004	(11,891)
Financing income	(8,759)	(10,339)
Finance costs	30,870	31,836
Change in fair value of financial instruments designated as at fair value through profit and loss	(52)	(496)
Depreciation of property and equipment	114,443	144,456
Amortization of intangible assets	8,560	17,010
Depreciation of assets under finance lease	8,384	8,103
Gain on business divestitures	-	(7,185)
Share of profit in associate	(4,440)	(1,701)
Dilution gain	(1,040)	-
Change in deferred charges	(12,492)	(1,703)
Amortization of deferred capital funding (NOTE 23)	(111,280)	(151,366)
Change in deferred revenues [long-term]	822	6,381
Change in pension plans and employee-related liabilities [current]	2,542	788
Change in pension plans and employee-related liabilities [long-term]	58,777	50,971
Accretion of promissory notes receivable	(19)	(18)
Movements in working capital (NOTE 26)	(47,949)	(19,740)
	24,418	**4,134**
FINANCING ACTIVITIES		
Repayment of obligations under finance leases	(11,024)	(10,033)
Repayment of bonds	(11,525)	(10,704)
Repayment of notes	(5,928)	(5,660)
Distributions to non-controlling interests	(226)	-
Interest paid	(30,203)	(31,992)
	(58,906)	**(58,389)**
INVESTING ACTIVITIES		
Parliamentary appropriations for capital funding (NOTE 23)	103,856	103,035
Acquisition of property and equipment	(70,206)	(104,783)
Acquisition of intangible assets	(12,536)	(5,969)
Proceeds from disposal of property and equipment	3,439	20,761
Collection of promissory notes receivable	2,126	1,981
Collection of finance lease receivables	2,253	2,101
Proceeds from business divestitures	-	10,588
Dividends received	7,098	4,419
Interest received	8,973	9,304
	45,003	**41,437**
Change in cash	**10,515**	**(12,818)**
Cash, beginning of the year	**51,459**	**64,277**
Cash, end of the year	**61,974**	**51,459**

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

Notes to the Consolidated Financial Statements for the Year Ended March 31, 2014

(In thousands of Canadian dollars, unless otherwise noted)

1. General Information

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

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

These consolidated financial statements have been authorized for issuance by the Board of Directors on June 18, 2014.

2. Significant Accounting Policies

A. Statement of Compliance

The Corporation has prepared these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the Accounting Standards Board (AcSB).

B. Basis of Preparation

i Subsidiaries and Structured Entities

The consolidated financial statements include the accounts of the Corporation, its subsidiaries, ARTV and Documentary Channel (*documentary*), and two structured entities, the Broadcast Centre Trust and the CBC Monetization Trust. These entities are deemed to be controlled by the Corporation.

Control over an entity exists when the following three elements are present: an investor has power over an investee (i.e. the right to direct the relevant activities of the investee); an investor is exposed to or has right to variable returns of the investee; and the investor has the ability to exercise its power over the investee to affect the returns of the investee.

The financial statements of subsidiaries and structured entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries and structured entities are consistent with those of the Corporation.

Non-controlling interests in the equity of the Corporation's subsidiaries are included in Equity. Non-controlling interests in subsidiaries are identified separately from the Corporation's equity therein. The interest of non-controlling shareholders that represent current ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All components of non-controlling interests have been measured at their acquisition-date fair values, unless another measurement basis is required by IFRS. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity less any distributions made to the non-controlling interest holders. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

2. Significant Accounting Policies (Continued)

Changes in the Corporation's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Corporation's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owner of the Corporation.

ii Associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not result in control or joint control over those policies.

The financial results, assets and liabilities of the Corporation's associate, Sirius XM Canada Holdings Inc. (SiriusXM), are incorporated in these consolidated financial statements using the equity method of accounting. Interests in investments accounted for using the equity method are initially recognized at cost. The carrying value of the Corporation's interest in an associate is adjusted for the Corporation's share of income, other comprehensive income and distributions of the associate. The accounting policies of the associate are consistent with those of the Corporation.

When the Corporation's share of losses exceeds its interest in an associate, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the associate.

When the Corporation transacts with an associate of the Corporation, profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

Investments in associates are assessed for indicators of impairment at the end of each reporting period. Any impairment loss is recognized when the net carrying amount is not recoverable and exceeds its fair value.

C. Government Funding

The Corporation receives a substantial portion of its funding from the Government of Canada. Parliamentary appropriations for operating expenditures and Parliamentary appropriations for working capital are recognized as revenues in the Consolidated Statement of Income in the fiscal year for which the appropriations were approved.

Parliamentary appropriations for property and equipment and intangible assets that are subject to depreciation are recorded as deferred capital funding on the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income on the same basis and over the same periods as the assets acquired using the appropriations.

Parliamentary appropriations for the purchase of land are recorded in the Consolidated Statement of Income.

D. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable arising from the rendering of services and sale of goods in the ordinary course of the Corporation's activities. Revenue is net of discounts. Revenue includes advertising, subscriber fees, other income and financing income, and is recognized when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Corporation, and specific criteria have been met for each of the Corporation's activities described below.

2. Significant Accounting Policies (Continued)

i Advertising revenues

Revenues from the sale of advertising airtime are recognized when the advertisement has been broadcast, the Corporation has no remaining obligations and collectability is reasonably assured.

ii Subscriber fees

Subscriber fees include revenue related to specialty television channels and other subscription-based sales of programming. Revenue is recognized when the delivery has occurred, or when services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured.

iii Other income

Other income includes revenues from the leasing of space, facilities and services; commercial production sales; program sponsorship; retransmission rights; host broadcaster's activities; goods sales; and contributions from the Local Programming Improvement Fund (LPIF). These are recognized when the delivery has occurred or when services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured.

Rental income from the leasing of space or contracting of facilities and related services is recognized in the Consolidated Statement of Income as other income on a straight-line basis over the term of the lease.

Lease incentives granted are recognized as a part of the rental income over the term of the lease.

Revenue from the sale of other services is recognized when the service has been delivered and the receipt of the income is probable. Where the delivery is over a period of time and an indeterminate number of acts, the revenue is recognized on a straight line basis. Examples of services sold include commercial production sales, program sponsorship and other services revenues.

Retransmission rights and LPIF contributions are recognized on an accrual basis in accordance with the substance of the relevant agreements.

Revenue from the sale of goods is recognized when the risks and rewards of ownership of the goods have been passed to the customer and the Corporation has released all managerial involvement surrounding the goods.

iv Financing Income

Financing income includes interest revenue from bank accounts, notes receivable and on the investment in finance lease. Interest revenue from notes receivable and the investment in finance lease is recognized using the effective interest method, whereas bank interest is recognized as it is earned.

E. Television, Radio and New Media Services Costs

Television, radio and new media services costs include all costs related to the production of programs, including direct out-of-pocket expenditures, departmental and administration expenses, the cost of activities related to technical labour and facilities. A portion of the expenses that are attributable to the cost of generating programming, such as services provided by Human Resources, Finance and Administration, Building Management and other shared services, as well as a portion of depreciation and amortization are also included in the related expenses. Television, radio and new media services costs also include programming-related activities, such as Marketing and Sales, Merchandising and Communications.

2. Significant Accounting Policies (Continued)

F. Transmission, Distribution and Collection Costs

Transmission, distribution and collection costs include all costs related to the broadcasting of the Corporation's programs, including direct out-of-pocket expenditures, departmental and administration expenses, and the cost of activities related to technical labour. A portion of the expenses that are attributable to the cost of transmission and distribution, such as services provided by Human Resources, Finance and Administration, Building Management and other shared services, as well as a portion of depreciation and amortization are included in the related expenses.

G. Finance costs

Finance costs comprise the interest attributable to bonds payable, obligations under finance leases, notes payable and the accretion of liabilities. Finance costs are recognized in the Consolidated Statement of Income in the period in which they are incurred using the effective interest method.

H. Programming

Programming consists of internally produced television programs, externally produced television programs that require the Corporation's involvement during the production, and acquired licence agreements for programming material.

Programming completed and in the process of production (excluding acquired licence agreements) is recorded at cost less accumulated amortization and accumulated write offs, on an individual basis. Costs include materials and services, labour and other direct expenses applicable to programming.

Programming costs are recognized in television, radio and new media services costs on the Consolidated Statement of Income, according to the expense recognition schedule described in this section, or when deemed unusable, or when sold.

Payments made under the terms of each acquired licence agreement are either recorded as prepaid expenses, deferred charges or as programming, depending on whether the programming recognition criteria indicated below have been met. If not initially met, licence agreements are recorded as prepaid expenses, if they are expected to be used in the next twelve months following the reporting date, or as deferred charges if they are expected to be used in a period that exceeds twelve months from the reporting date. They are transferred to programming when the following criteria are met: cost is determined, material is accepted and the program is available for broadcast. Costs are charged to operations according to the expense recognition schedule described in this section, or when deemed unusable or when sold.

Costs of programs that are not considered to be recoverable are written off and recorded in the Consolidated Statement of Income as television, radio and new media services costs.

2. Significant Accounting Policies (Continued)

The amortization of programming costs is subject to the following expense recognition schedule, which is based on past broadcast experiences, audience results and future telecast plans. For programs with multiple telecasts, management uses the following recognition basis:

Category	Description	Expense recognition schedule by telecast
Movies	All movie genres	50% / 30% / 20%
Series	Includes: Dramatic series, comedy series, animated programs, mini-series (excluding strips[1])	Drama: CBC: 70% / 20% / 10% RC: 85% / 15% All other series: 70% / 30%
Factual	Factual, informal education and game shows (excluding strips[1])	70% / 30%
Documentaries	Includes all type of documentaries (excluding strips[1])	CBC: 70% / 30% RC: 100%
Programs telecast as strips	Includes: Drama series, comedy series, animated programs, documentaries and factual programs	Drama & Comedy: 50% / 30% / 20% All other programs: Evenly over each telecast up to a maximum of 5 telecasts
Arts, Music and Variety	Includes: Arts, music and variety programs and sketch comedy programs (excluding strips[1])	70% / 30%
	Sketch comedy programs telecast as strips[1]	50% / 30% / 20%
Youth	Family series	50% / 30% / 20%
	Youth and children drama programs	70% / 30%
	Other youth programs	34% / 33% / 33%
	Children - animated and pre-school programs	Evenly over each telecast up to a maximum of 5 telecasts

1. Method of broadcasting consecutive episodes.

2. Significant Accounting Policies (Continued)

I. Property and Equipment and Assets Under Finance Lease

Property and equipment and assets under finance lease are recorded at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the items. The cost of assets constructed by the Corporation includes material, direct labour and related overhead. Amounts included in uncompleted capital projects are transferred to the appropriate property and equipment classification upon completion.

Depreciation of property and equipment is calculated on the straight-line method using rates based on the estimated useful life of the property and equipment, and begins when an asset becomes available for its intended use. Where major parts of an asset have useful lives different from the asset as a whole, they have been componentized and depreciated according to the major components to which they pertain. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Assets under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the related lease unless it is reasonably certain the Corporation will obtain ownership by the end of the lease term. Assets under finance lease are treated in the same manner as owned assets.

Leasehold improvements are capitalized and then depreciated over the shorter of the lease term or the asset's useful life.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The useful lives used in the calculation of depreciation are as follows:

Buildings	15 to 65 years
Technical equipment	
Transmitters and towers	20 years
Electrical equipment	16 years
Other	8 years
Furnishings and office equipment	10 years
Computers (hardware)	
Servers	5 years
Microcomputers	3 years
Automotive	
Specialized vehicles	20 years
Television and radio news trucks, 5-ton and 10-ton heavy trucks	12 years
Snowmobiles, all-terrain vehicles	10 years
Utility vehicles, vans	8 years
Automobiles and minivans	5 years

2. Significant Accounting Policies (Continued)

The Corporation derecognizes an item of property and equipment on disposal, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognized as a non-operating item in the Consolidated Statement of Income.

J. Intangible Assets

The Corporation's intangible assets comprise software acquired separately and internally developed software for internal use.

Software acquired separately is recorded at cost at the acquisition date.

Expenditures relating to internally developed computer software applications are capitalized to the extent that the project is technically feasible, the Corporation intends to and has sufficient resources to complete development and to use or sell the asset, development costs can be measured reliably, and it is probable that the asset will generate future economic benefits. The amount initially recognized for internally developed software is the sum of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Capitalization ceases when the developed asset is ready for use.

Subsequent expenditures on an intangible asset after its purchase or completion are recognized as expenses when incurred, unless it is probable that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance, and the expenditure can be measured and attributed to the asset reliably. Where no internally developed software can be recognized, development expenditures are recognized in the Consolidated Statement of Income in the period in which they are incurred.

Subsequent to initial recognition, software acquired separately and internally developed software are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives (three to five years) and the amortization expense is allocated between the various functions on the Consolidated Statement of Income, for presentation purposes. The estimated useful life and amortization method are reviewed at the end of each fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

The Corporation derecognizes an intangible asset on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal or retirement of an intangible asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized as a non-operating item in the Consolidated Statement of Income.

K. Asset Impairment

The carrying amounts of the Corporation's property and equipment, intangible assets, assets under finance lease and programming assets are reviewed at each reporting date at the cash-generating unit ("CGU") level to determine whether there is any indication of impairment. For the purpose of impairment testing, a CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Assets are tested at the CGU level when they cannot be tested individually.

Assets that are not yet available for use are tested for impairment at every reporting period regardless of whether an impairment indicator exists.

Under the Corporation's business model, no assets are considered to generate cash flows that are largely independent of the cash flows of other assets and liabilities. Instead, all assets interact to create the "broadcast network production operation" which includes real estate, equipment and intangible assets. These operations are funded by overall parliamentary appropriations, national and local advertising and other commercial revenues. Overall levels of cash flow reflect public policy requirements and decisions. They reflect budgetary funding provided to the Corporation in its entirety.

If there are indicators of impairment present, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

2. Significant Accounting Policies (Continued)

L. Financial Instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

i Classification of Financial Instruments

The Corporation's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash	Fair value through profit or loss	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Promissory notes receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Bonds payable	Other liabilities	Amortized cost
Notes payable	Other liabilities	Amortized cost
Derivatives	Held for trading	Fair value

ii Effective Interest Method

The effective interest method is a method of calculating the amortized cost of an asset or debt instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the asset or debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income and expense is recognized on an effective interest basis only for financial instruments measured at amortized cost, except for short-term receivables when the recognition of interest would be immaterial.

2. Significant Accounting Policies (Continued)

iii Financial Assets

Financial assets are classified into the following specified categories: financial assets at FVTPL (including held for trading) and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives.

Financial assets at FVTPL are stated at fair value, with any changes in fair value arising on remeasurement recognized in "Other income" in the Consolidated Statement of Income. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

The Corporation does not hold any held-to-maturity or available-for-sale investments.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment could include:

- breach of contract, such as a default or delinquency in interest or principal payments;
- significant financial difficulty of the issuer or counterparty;
- it becomes probable that the counterparty will enter bankruptcy;
- there are noted recent changes in the credit rating of the counterparty;
- there are known anomalies or negative economic trends in industries in which a significant portion of outstanding debtors operate.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a group of receivables could include the Corporation's past experience of collecting payments, an increase in the number of delayed payments past the average credit terms as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

2. Significant Accounting Policies (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of Financial Assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

iv Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or "other financial liabilities".

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in "Other income" or "Finance costs," respectively, in the Consolidated Statement of Income. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2. Significant Accounting Policies (Continued)

v Derivative Financial Instruments

The Corporation enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Corporation does not apply hedge accounting to its derivatives.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting unrealized gain or loss is recognized in Consolidated Statement of Income immediately.

The fair values of derivative financial instruments are presented in the Consolidated Statement of Financial Position; the positive fair values are reported as derivative financial assets and the negative fair values are reported as derivative financial liabilities.

vi Embedded Derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the host contracts are not measured at FVTPL.

M. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.

N. Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation recognizes any impairment loss on the assets associated with that contract.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

O. Contingencies

Contingent liabilities are not recognized in the Consolidated Statement of Financial Position. They may arise from uncertainty as to the existence of a liability, or represent an existing liability in respect of which settlement is not probable or, in rare cases, the amount cannot be reliably measured. A liability is recognized when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

2. Significant Accounting Policies (Continued)

P. Post-Employment Benefits

The Corporation provides pension and long-term service retirement benefits based on the length of service and final average earnings of its employees, and other defined benefit post-employment benefit plans to its employees such as post-employment life insurance.

The cost of the defined benefit retirement plans are determined on an actuarial basis using the projected unit credit method and management's best assumptions (such as the rate of compensation, inflation, retirement ages of employees and mortality of members), with actuarial valuations being carried out at the end of each annual reporting period.

The components of defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income;
- remeasurements.

Service cost and net interest expense or income are recognized as part of net results for the period. Past service costs, generally resulting from changes in the benefits payable for past services under an existing plan, are recognized in the Consolidated Statement of Income in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. These components, in aggregate, are allocated between the various functions on the Consolidated Statement of Income.

Remeasurements, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), are reflected immediately in the Consolidated Statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are never subsequently reclassified to net results. The Corporation transfers all remeasurements directly from other comprehensive income to retained earnings as a policy choice.

The liability recognized in the Consolidated Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate determined by reference to market yields at the end of the reporting period on high quality Canadian corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation.

When the actuarial calculation results in a benefit asset to the Corporation, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan of the Corporation. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Q. Employee Benefits Other than Post-Employment

i Short-term benefits including short-term compensated absences

The Corporation recognizes the expense relating to short-term benefits as follows:

- for salaries, social security contribution, bonuses and vacations in the period the employees render the services;
- for employee health, dental and life insurance plans in the period the expenses are incurred; and
- for short-term non-accumulating compensated absences such as sick leave, parental leave, short-term disability and workers' compensation in the period the absence occurs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The liability associated with these benefits is not discounted due to its short term nature.

2. Significant Accounting Policies (Continued)

ii Other long-term employee benefits

Other long-term employee benefits liabilities are recognized as follows:

- for long-term disability and workers' compensation when the event that obligates the Corporation occurs;
- for continuation of benefit coverage for employees on long-term disability and the non-contributory long-term benefit plan, the provision is determined on an actuarial basis using discount rates and assumptions consistent with those used for post-employment benefits and the related expense is recognized over the period the employees render the services. Actuarial gains (losses) and past service costs are recognized immediately in the Consolidated Statement of Income in the period they occur.

iii Termination benefits

The Corporation recognizes a liability and expense for termination benefits arising from involuntary departures when it is demonstrably committed to a plan to terminate the employment of an employee or group of employees before the normal retirement date. The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the Corporation recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

Termination benefits for voluntary departures are recognized as an expense if the Corporation has made an offer of voluntary departure, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

R. Assets Classified as Held for Sale

An asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. An asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

S. Leasing

Leases in which the Corporation assumes substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which the Corporation does not assume substantially all the risks and rewards of ownership are classified as operating leases.

i The Corporation as a lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

ii The Corporation as a lessee

An asset acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses.

Payments made under finance leases are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

2. Significant Accounting Policies (Continued)

T. Deferred Revenues

Deferred revenues primarily relate to rent-free periods granted on leases where the Corporation is a lessee, as well as payments received for services not yet rendered. Deferred revenues relating to leases are recognized in the Consolidated Statement of Income on a straight-line basis over the lease period.

U. Deferred Charges

Deferred charges are primarily composed of services paid in advance that will be received in a period that exceeds twelve months from the date of the Consolidated Statement of Financial Position, as well as acquired licence agreements that do not meet the criteria to be classified as programming and are not expected to be used in the next twelve months (see note 2H).

V. Foreign Currencies

The consolidated statements are presented in Canadian dollars ($), which is the Corporation's functional and presentation currency.

Transactions in a currency other than the Corporation's functional currency are translated into the functional currency at the foreign exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate at the Consolidated Statement of Financial Position date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates prevailing at the date of the transaction.

W. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i Current tax

The tax currently payable is based on taxable net results for the year. Taxable net results differs from net results as reported in the Consolidated Statement of Income because of items of income or expense that are taxable or deductible in other years or because of items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii Deferred tax

As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, the Corporation operates within a specific operating structure to match cash expenses with available resources, and to break even over the long term. The Corporation uses appropriations only to the extent required to fund its operating expenses, and may not borrow to fund working capital shortfalls. Therefore, the Corporation does not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, the expected deferred tax asset or liability is not recognized in the consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.

X. Merchandising Inventory

Merchandising inventory is stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. Cost is determined on an average cost basis and includes other costs incurred in bringing the inventory to its present location and condition.

2. Significant Accounting Policies (Continued)

Y. Related Parties

The related parties of the Corporation consist mainly of government departments, agencies, Crown Corporations, subsidiaries, key management personnel of the Corporation or close family members of these individuals, private companies over which the Corporation has significant influence, and the Corporate Pension Plan. The list of public entities in the national sphere of government was provided by the Government of Canada on their website.

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

Z. Regulatory Licences

The Corporation holds licences, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all its conventional television, radio and specialty services. The Corporation is required to meet specific regulatory obligations in return for the privilege of holding a broadcasting licence. The Corporation has elected to record this non-monetary grant at its nominal value of nil.

3. New and Future Changes in Accounting Policies

A. Adoption of New and Revised International Financial Reporting Standards

The following new pronouncements issued by the IASB or the IFRS Interpretations Committee were adopted by the Corporation effective April 1, 2013. These new standards and amendments affected amounts reported, the presentation of balances or related disclosure in the consolidated financial statements as at and for the year ended March 31, 2014 as follows.

Amendments to IAS 19 *Employee Benefits* (IAS 19 R)

During the year, the Corporation applied IAS 19 *Employee Benefits* (as revised in June 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in June 2011) amended the requirements for the accounting of defined benefit plans and termination benefits. The most significant changes related to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the option to defer the recognition of gains and losses as permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. Under the amended standard, all past service costs and actuarial gains and losses are recognized immediately, and the concepts of "interest cost" and "expected return on plan assets" used under the previous version of IAS 19 are replaced with a "net interest" amount. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, IAS 19 (as revised in June 2011) enhanced disclosure requirements.

The impact of adopting these amendments primarily resulted from changes to the computation of net interest income on pension plan assets, which is now based on the same discount rate used to measure the pension obligation as opposed to the expected return on plan assets historically used under the previous standard. Also contributing to the impact on the Corporation's net results, albeit to a lesser extent is the new requirement to record all administrative fees, other than those incurred for managing plan assets, immediately in the statement of income (loss). These changes have had an impact on the amounts recognized in net results, other comprehensive income and net defined benefit liability in prior years (see tables below for details).

Specific transitional provisions are applicable to first-time application of IAS 19 (as revised in June 2011). The Corporation has applied the relevant transitional provisions and revised the comparative amounts on a retrospective basis (see tables below for details).

3. New and Future Changes in Accounting Policies (Continued)

Consolidated statement of income (loss)

(in thousands of Canadian dollars)

	For the year ended March 31, 2013		
	Unrevised[1]	IAS 19 R effects	Revised
REVENUE	646,065	-	646,065
EXPENSES			
Television, radio and new media service costs	1,623,413	89,152	1,712,565
Transmission, distribution and collection	111,679	2,784	114,463
Corporate management	10,345	928	11,273
Payments to private stations	2,527	-	2,527
Finance costs	31,836	-	31,836
Share of profit in associate	(1,701)	-	(1,701)
	1,778,099	92,864	1,870,963
GOVERNMENT FUNDING	1,154,850	-	1,154,850
NON-OPERATING ITEMS	19,076	-	19,076
NET RESULTS FOR THE YEAR	**41,892**	**(92,864)**	**(50,972)**

1. Unrevised includes results as previously reported with adjustments described in note 3B.

Consolidated statement of comprehensive income (loss)

(in thousands of Canadian dollars)

	For the year ended March 31, 2013		
	Unrevised[1]	IAS 19 R effects	Revised
COMPREHENSIVE INCOME (LOSS)			
Net results for the year	41,892	(92,864)	(50,972)
Other comprehensive loss - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	(52,522)	92,864	40,342
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(10,630)**	**-**	**(10,630)**

1. Unrevised includes results as previously reported with adjustments described in note 3B.

3. New and Future Changes in Accounting Policies (Continued)

Consolidated statement of financial position – impacted line items

(in thousands of Canadian dollars)			**As at March 31, 2013**
	As previously reported	IAS 19 R effects	Revised
LIABILITIES			
Current			
Pension plans and employee-related liabilities	135,593	-	135,593
Long-term			
Pension plans and employee-related liabilities	343,835	(230)	343,605
EQUITY			
Retained earnings	50,162	230	50,392
TOTAL LIABILITIES AND EQUITY	**1,697,199**	**-**	**1,697,199**

IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. It aims at enabling users of financial statements to evaluate the nature of, and risk associated with, the Corporation's interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 12 is effective for annual periods beginning on or after January 1, 2013; accordingly the Corporation has applied the standard on April 1, 2013. For more details about the enhanced disclosure requirements, see Note 14.

IFRS 13 *Fair Value Measurement*

IFRS 13 defines fair value, sets out a single framework for measuring fair value and requires disclosures about fair value measurements. It applies to IFRS that require or permit fair value measurements or disclosures about fair value measurement. The standard requires increased disclosure, specifically related to the disclosure of the hierarchy levels for financial assets and liabilities not measured at fair value and the related disclosures about how those fair values are calculated.

The Corporation has applied this standard on a prospective basis, effective April 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in IFRS 13 in comparative information provided for periods before the initial application of this standard. In accordance with these transitional provisions, the Corporation has not made new disclosures required by IFRS 13 for the 2012 comparative period (please see Note 27 for the current period disclosures). Other than the additional disclosures, the application of IFRS 13 has not resulted in any impact on the Corporation's consolidated financial statements.

Amendments to IAS 1 *Presentation of financial statements*

The Corporation applied the amendments to IAS 1 *Presentation of Items of Other Comprehensive Income* for the first time as of April 1, 2013. IAS 1 was amended in June 2011 to revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be "recycled" through profit and loss, and those elements that will not. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either single statement or in two separate but consecutive statements. The Corporation has added the required disclosures related to other comprehensive income and retained the two statement approach.

3. New and Future Changes in Accounting Policies (Continued)

IFRS 10 *Consolidated Financial Statements*

IFRS 10 replaced IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation-Special Purpose Entities*. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This Standard establishes a single basis of control to determine whether an entity should be included in the consolidated financial statements. The Corporation concluded that the adoption of IFRS 10 did not result in changes to the entities it consolidates or in the consolidation of any additional entities.

IFRS 11 *Joint Arrangements*

IFRS 11, issued in May 2011, superseded IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*. IFRS 11 focuses on the rights and obligations of a joint arrangement, rather than its legal form as was the case under IAS 31. The standard addresses inconsistencies in the reporting of joint arrangements by requiring the equity method to account for interests in jointly controlled entities. The Corporation performed an analysis of its contractual arrangements and concluded that it does not have any interests in jointly controlled entities. As such, the adoption of IFRS 11 did not have an impact on the Corporation's consolidated financial statements.

Other Standards, Amendments and Annual Improvements Adopted

The following were also adopted effective April 1, 2013. Their adoption did not have a significant impact on the consolidated financial statements:

- IAS 28 *Investments in Associates and Joint Ventures*;
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Transition Guidance*;
- Annual Improvements to IFRSs 2009—2011 Cycle Issued in May 2012.

B. Change Other Than Due to the Adoption of a New and/or Revised International Financial Reporting Standards

On May 28, 2013, the Canadian Radio-television Telecommunications Commission (CRTC) rendered its decision on the Corporation's licence renewal application. As part of this decision, the requirement to account for CBC News Network and ICI RDI (collectively, the Specialties) on an incremental cost basis was lifted for the broadcast year beginning September 1, 2013.

As such, the Corporation no longer presents the expenses attributable to the Specialties on a separate line in its Consolidated Statement of Income (Loss). Instead, the costs incurred by the Specialties are presented by function, which is consistent with the Corporation's other operations. This resulted in a change in presentation for the year ended March 31, 2013, where the $130.2 million formerly presented as Specialty services expenses is now presented in Television, radio and new media services costs ($123.2 million) and Transmission, distribution and collection ($7.0 million) in the Consolidated Statement of Income (Loss). Similarly, the revenue generated by the Specialties for the year ended March 31, 2013, ($171.0 million) is now presented in the Consolidated Statement of Income (Loss) as either Advertising ($34.2 million), Subscriber fees ($136.0 million) or Other income ($0.8 million), depending on their nature.

C. Future Accounting Changes

The Corporation has reviewed new and revised accounting pronouncements as well as the ongoing annual improvements 2010—2012 and 2011—2013 that have been issued. Conclusions made regarding the expected impact of future changes in accounting policies could change until the standards are fully adopted.

3. New and Future Changes in Accounting Policies (Continued)

The Corporation has completed its assessment of the following amendments and annual improvements and has concluded that their adoption will not have an impact on its consolidated financial statements:

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

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

Amendments to IAS 36 *Impairment of Assets*

IAS 36 was amended in May 2013 to provide additional disclosure on the measurement of the recoverable amount of impaired assets, particularly if that amount is based on the fair value less costs of disposal. These amendments are effective for annual reporting periods beginning on or after January 1, 2014, on a retrospective basis.

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*

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

Annual Improvements to IFRSs: 2010—2012 Cycle and 2011—2013 Cycle (both issued in December 2013)

The Annual Improvements to IFRSs 2010—2012 Cycle and the Annual Improvements to IFRS 2011—2013 Cycle included a number of amendments to various IFRSs.

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

IFRS 9 *Financial Instruments*

IFRS 9, issued in November 2009 and amended in October 2010, is part of a multi-phase project to replace current IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has adopted an approach based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets and liabilities. Some of these phases are currently complete and are available for early adoption. In November 2013, the IASB removed the mandatory effective date for IFRS 9 until the project is closer to completion.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and supersedes IAS 18 *Revenue* and IAS 11 *Construction Contracts* and a number of revenue-related interpretations. The objective of IFRS 15 is to establish the principles that an entity must apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. This Standard will become effective for annual periods beginning on or after January 1, 2017, on a retrospective basis.

IFRIC 21 *Levies*

IFRIC 21 was issued in May 2013 to provide guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. This interpretation is effective for annual periods beginning on or after January 1, 2014.

4. Key Sources of Estimation Uncertainty and Critical Judgements

A. Key Sources of Estimation Uncertainty

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

The critical estimates and assumptions utilized in preparing the Corporation's consolidated financial statements affect the assessment of pension plans and employee-related liabilities, estimated useful lives of property and equipment, intangible assets and programming, allowance for doubtful accounts, and provisions associated with legal claims and other contingencies.

In making estimates and using assumptions, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and assumptions have been applied in a manner consistent with prior periods and there are no known commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making these estimates in these consolidated financial statements.

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

As mentioned above, accounting for defined benefit pension plans requires that assumptions be made to help value benefit obligations. The primary assumptions and estimates include the discount rate and mortality rates. The discount rate is used to determine the net interest that is used to calculate the net defined benefit liability or asset. The mortality assumption is used in projecting the future stream of benefit payments, which is then discounted to arrive at the net present value of liabilities.

Changes to these primary assumptions and estimates would impact amounts recognized in net results and amounts recognized in Other Comprehensive Income, as applicable. A sensitivity analysis of these changes in primary assumptions is disclosed in Note 17.

The following are the changes to key estimates made since the Corporation's last audited annual consolidated financial statements at March 31, 2013:

- The Corporation has revised the mortality assumptions used in the measurement of its benefit pension plan obligation following a mortality survey that it conducted on its own pension plan experience. The effect of the revised assumptions, as further discussed in Note 17, was to increase the amount of the obligation due to a higher assumed life expectancy of plan members;
- The Corporation is no longer required to estimate the expected return on pension plan assets due to the adoption of the amendments to IAS 19 *Employee Benefits*, as discussed in Note 3A;
- The Corporation has revised the amortization of its programming costs for dramatic series due to changes in its intended use.

4. Key Sources of Estimation Uncertainty and Critical Judgements (Continued)

B. Critical Judgements

The critical judgements that the Corporation's management has made in the process of applying the Corporation's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Corporation's consolidated financial statements are as follows:

- The Corporation consolidates the CBC Monetization Trust and the Broadcast Centre Trust, as it judges that it controls these investees, as defined in IFRS 10 *Consolidated Financial Statements*. While the judgments and disclosures regarding these investees have changed from March 31, 2013, as a result of adopting IFRS 10, there was no impact on the Corporation's consolidated financial statements, as disclosed in Note 3A, as these entities were also consolidated under the previous standards;
- The determination that an arrangement for satellite transponders constitutes a lease under IFRIC 4 and the determination that this lease and the ones related to a mobile production vehicle and office equipment meet the criteria of a finance lease;
- The determination that, as of the reporting date, deferred taxes should not be recognized because the Corporation does not expect to generate material taxable income or losses in the periods temporary differences are scheduled to reverse due to its specific operating structure;
- The determination that an arrangement to lease a portion of a building owned by the Corporation meets the criteria of an operating lease and that the leased portion of the building does not qualify as investment property under IAS 40 *Investment Property*;
- The Corporation exercised significant influence over SiriusXM at March 31, 2014, while holding less than 20% voting control; and
- The determination of the components related to the Corporation's property and equipment.

Determinations of critical judgements are reassessed at each reporting date.

5. Cash

Interest revenue generated from bank balances and included in Financing income totalled $1.7 million for the year (2013 – $1.8 million).

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Cash in hand	828	748
Bank balances	61,146	50,711
	61,974	**51,459**

6. Trade and Other Receivables

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Trade receivables	263,554	171,542
Allowance for doubtful accounts	(3,719)	(3,627)
Other	17,185	16,555
	277,020	**184,470**

Credit terms average 30 days. The Corporation recognizes an allowance for doubtful accounts for receivables where there is objective evidence of impairment. Objective evidence is determined in accordance with Note 2L iii.

6. Trade and Other Receivables (Continued)

Before accepting new customers, the Corporation reviews the credit application submitted by the customer. An external credit scoring agency may be used to assess the potential customer's credit quality and define credit limits by customer. Limits and scoring attributed to customers are reviewed at least once a year to determine whether adjustments are required. In addition, the Corporation monitors its customers throughout the year for any indications of deterioration in credit quality.

Trade receivables disclosed above include amounts (see Note 6A) that are past due at the end of the reporting period for which the Corporation has not recognized an allowance for doubtful accounts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Consistent with others in the industry, the Corporation makes most of its conventional advertising sales through agencies. These agencies typically remit their payment over a period exceeding the Corporation's average credit term of 30 days. As such, a significant portion of the Corporation's trade receivables are past due but not impaired.

The fact that a significant portion of sales are made to advertising agencies results in some concentration of credit risk. The Corporation considers this type of credit risk to be limited based on past experience. In addition, the Corporation mitigates the credit risk of advertising receivables by performing initial and ongoing credit evaluations of advertising customers. There is no individual customer with an account receivable balance at March 31, 2014, that represented more than 5% of total advertising income.

The Corporation does not hold any collateral or other credit enhancements over these balances.

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

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
31 - 60 days	129,016	37,359
61 - 90 days	21,195	17,392
Over 90 days	16,858	22,594
Total	**167,069**	**77,345**

B. Movement in Allowance for Doubtful Accounts

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Opening balance	(3,627)	(1,979)
Amounts written off during the year as uncollectible	831	536
Impairment losses reversed	523	384
Net increase in allowance for new impairments	(1,446)	(2,568)
Balance, end of year	**(3,719)**	**(3,627)**

7. Programming

A. Programming by Category

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Programs completed - externally produced	66,171	71,522
Programs completed - internally produced	3,978	8,493
Externally programs in process of production	34,779	32,782
Internally programs in process of production	7,889	6,196
Broadcast rights available for broadcast	22,572	26,386
	135,389	**145,379**

B. Movement in Programming

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Opening balance	145,379	166,104
Additions	1,126,099	1,041,480
Programs broadcast	(1,136,089)	(1,062,205)
Balance, end of year	**135,389**	**145,379**

Programming includes amounts for television programs including specialty services.

The programming write-offs for the year ended March 31, 2014, amount to $5.6 million (2013 – $9.2 million). Programming write-offs are mainly due to terminated projects, programs not telecasted in the past two years, programming not suitable for telecast or pilots not progressing into a series.

8. Prepaid expenses

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Programming rights	76,340	105,605
Service agreements	21,133	31,958
	97,473	**137,563**

9. Promissory Notes Receivable

Through the CBC Monetization Trust, a structured entity, the Corporation has two promissory notes receivable relating to the sale of parcels of land. These notes, which mature in May 2027, bear a fixed annual interest rate of 7.15%, with payments made in arrears in equal blended monthly instalments. The notes have a carrying value of $47.9 million (March 31, 2013 – $50.1 million) and are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable.

The Corporation provided an absolute and unconditional guarantee of the full payment and timely payments of receivables by the ultimate debtors until 2027.

The Corporation also holds a promissory note receivable from SiriusXM that is non-interest bearing and is expected to be repaid within the next five years. The carrying amount at March 31, 2014, is $0.3 million (March 31, 2013 – $0.3 million).

Future minimum payments receivable under the term of the notes are as follows:

(in thousands of Canadian dollars)	**March 31, 2014**		**March 31, 2013**	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
Less than one year	5,567	2,308	5,567	2,154
Later than one year but not later than five years	22,673	11,370	22,673	10,616
More than five years	45,467	34,591	51,034	37,634
Less: unearned financing income	(25,438)	-	(28,870)	-
Present value of minimum payments receivable	**48,269**	**48,269**	**50,404**	**50,404**

Interest income included in current year's revenues and presented as financing income is $3.3 million (2013 – $3.4 million).

Present value of minimum payments receivable:

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Included in the Consolidated Statement of Financial Position as promissory notes receivable:		
Current	2,308	2,154
Long-term	45,961	48,250
	48,269	**50,404**

10. Investment in Finance Lease

The investment in finance lease, which is held by CBC Monetization Trust, relates to the rental of two parcels of land in Toronto that bear an implicit annual interest rate of 7.15% and with terms ending in May 2027. The lease receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through the notes payable.

The Corporation provided an absolute and unconditional guarantee of the full payment and timely payments of the finance lease by the ultimate debtors until 2027.

(in thousands of Canadian dollars)		**March 31, 2014**		**March 31, 2013**
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
Less than one year	6,050	2,568	6,050	2,387
Later than one year but not later than five years	24,199	11,671	24,199	10,880
More than five years	52,011	38,467	58,060	41,826
Less: unearned financing income	(29,554)	-	(33,216)	-
Present value of minimum lease payments receivable	**52,706**	**52,706**	**55,093**	**55,093**

Interest income included in current year's revenues and presented as financing income, is $3.4 million (2013 – $3.6 million).

Present value of minimum lease payments receivable:

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Included in the Consolidated Statement of Financial Position as investment in finance lease:		
Current	2,568	2,387
Long-term	50,138	52,706
	52,706	**55,093**

11. Property and Equipment

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Cost	2,153,623	2,211,297
Accumulated depreciation	(1,207,086)	(1,213,587)
	946,537	**997,710**

(in thousands of Canadian dollars)	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost at March 31, 2013	179,207	542,901	52,866	1,274,106	138,738	23,479	**2,211,297**
Additions	-	-	-	14,472	5,130	58,055	**77,657**
Transfers (refer to Note 12)	-	9,141	1,147	35,102	7,111	(54,358)	**(1,857)**
Assets classified as held for sale	(4,480)	(2,353)	-	-	-	-	**(6,833)**
Disposals and write-offs	(18)	(2,425)	(1,139)	(114,654)	(8,399)	(6)	**(126,641)**
Cost at March 31, 2014	**174,709**	**547,264**	**52,874**	**1,209,026**	**142,580**	**27,170**	**2,153,623**
Accumulated depreciation at March 31, 2013	-	(146,971)	(23,910)	(940,444)	(102,262)	-	**(1,213,587)**
Depreciation for the year	-	(34,822)	(3,065)	(64,167)	(12,389)	-	**(114,443)**
Reverse depreciation on assets classified as held for sale	-	1,021	-	-	-	-	**1,021**
Reverse depreciation on disposals and write-offs	-	1,403	1,139	109,135	8,246	-	**119,923**
Accumulated depreciation at March 31, 2014	**-**	**(179,369)**	**(25,836)**	**(895,476)**	**(106,405)**	**-**	**(1,207,086)**
Net carrying amount at March 31, 2014	**174,709**	**367,895**	**27,038**	**313,550**	**36,175**	**27,170**	**946,537**

11. Property and Equipment (Continued)

(in thousands of Canadian dollars)	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost at March 31, 2012	181,200	525,009	46,888	1,287,700	139,325	35,000	**2,215,122**
Additions	-	65	77	25,240	3,869	75,532	**104,783**
Transfers (refer to Note 12)	4	30,135	6,465	43,101	7,133	(87,007)	**(169)**
Assets classified as held for sale	(980)	(5,837)	-	(3,469)	(2,367)	-	**(12,653)**
Disposals and write-offs	(1,017)	(6,471)	(564)	(78,466)	(9,222)	(46)	**(95,786)**
Cost at March 31, 2013	**179,207**	**542,901**	**52,866**	**1,274,106**	**138,738**	**23,479**	**2,211,297**
Accumulated depreciation at March 31, 2012	-	(118,928)	(21,249)	(926,896)	(100,061)	-	**(1,167,134)**
Depreciation for the year	-	(35,761)	(3,011)	(92,208)	(13,476)	-	**(144,456)**
Reverse depreciation on asset classified as held for sale	-	5,297	-	3,423	2,366	-	**11,086**
Reverse depreciation on disposals and write-offs	-	2,421	350	75,237	8,909	-	**86,917**
Accumulated depreciation at March 31, 2013	**-**	**(146,971)**	**(23,910)**	**(940,444)**	**(102,262)**	**-**	**(1,213,587)**
Net carrying amount at March 31, 2013	**179,207**	**395,930**	**28,956**	**333,662**	**36,476**	**23,479**	**997,710**

The contractual commitments for the acquisition of property and equipment are $15.3 million as at March 31, 2014 (March 31, 2013 – $8.3 million).

11. Property and Equipment (Continued)

B. Impairment and Other Charges

No impairment loss was recorded during the year ended March 31, 2014.

In the previous year, a charge of $6.5 million was recorded in relation to the cessation of shortwave transmission of Radio Canada International programming. Additional depreciation expense of $26.0 million for the year was recorded in the Corporation's Consolidated Statement of Income (Loss) related to the accelerated shutdown of the remaining analogue television transmitters.

C. Assets Classified as Held For Sale

As part of the Corporation's financial plan, it has developed a strategy to reduce ownership in land and buildings. As part of this initiative, the Corporation has several properties classified as held for sale for accounting purposes at March 31, 2014, that have a total carrying value of $6.4 million (March 31, 2013 – $0.5 million). These properties are expected to be sold on a site by site basis over the next twelve months.

The Corporation has also classified as held for sale 26 transmission sites (March 31, 2013 – 57 transmission sites) no longer required following the end of TV analogue transmission. These sites have a net carrying amount of $0.5 million as at March 31, 2014, (March 31, 2013 – $1.0 million) and are expected to be sold on a site by site basis over the next twelve months.

D. Items Disposed of During the Year

There were no individually significant disposals recorded during the year ended March 31, 2014.

During 2012-2013, the Corporation disposed of property and equipment resulting in a gain of $11.9 million. This gain was primarily due to the disposal of two properties located in Edmonton, Alberta and Calgary, Alberta that were previously used as radio transmission sites. These sites became available for sale following the transfer of their signals to other locations. The proceeds on the sale of these properties were $19.6 million, resulting in a gain on disposition of $19.5 million. These gains were partially offset by losses from the disposal or replacement of equipment as assets are renewed.

12. Intangible Assets

The intangible assets carrying amounts are as follows:

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Cost	169,728	155,925
Accumulated amortization	(146,332)	(138,362)
	23,396	**17,563**

(in thousands of Canadian dollars)	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost at March 31, 2013	139,316	14,316	2,293	**155,925**
Additions	-	117	12,419	**12,536**
Transfers (refer to Note 11)	2,167	9,454	(9,764)	**1,857**
Disposals and write-offs	(590)	-	-	**(590)**
Cost at March 31, 2014	**140,893**	**23,887**	**4,948**	**169,728**
Accumulated amortization at March 31, 2013	(134,328)	(4,034)	-	**(138,362)**
Amortization for the year	(2,982)	(5,578)	-	**(8,560)**
Reverse amortization on disposals and write-offs	590	-	-	**590**
Accumulated amortization at March 31, 2014	**(136,720)**	**(9,612)**	**-**	**(146,332)**
Net carrying amount as at March 31, 2014	**4,173**	**14,275**	**4,948**	**23,396**

(in thousands of Canadian dollars)	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost at March 31, 2012	138,331	10,596	1,880	**150,807**
Additions	-	408	5,561	**5,969**
Transfers (refer to Note 11)	2,005	3,312	(5,148)	**169**
Disposals and write-offs	(1,020)	-	-	**(1,020)**
Cost at March 31, 2013	**139,316**	**14,316**	**2,293**	**155,925**
Accumulated amortization at March 31, 2012	(120,822)	(1,550)	-	**(122,372)**
Amortization for the year	(14,526)	(2,484)	-	**(17,010)**
Reverse amortization on disposals and write-offs	1,020	-	-	**1,020**
Accumulated amortization at March 31, 2013	**(134,328)**	**(4,034)**	**-**	**(138,362)**
Net carrying amount as at March 31, 2013	**4,988**	**10,282**	**2,293**	**17,563**

13. Assets Under Finance Lease

Assets under finance lease consist of leases for mobile equipment, office equipment and satellite transponders. The original terms of these leases are between four and seventeen years.

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Cost – automotive	619	619
Cost – office equipment	2,328	1,235
Cost – technical equipment	7,434	7,434
Cost – transmission equipment	119,897	119,897
Accumulated depreciation – automotive	(114)	(84)
Accumulated depreciation – office equipment	(486)	(103)
Accumulated depreciation – technical equipment	(3,077)	(2,160)
Accumulated depreciation – transmission equipment	(92,518)	(85,464)
Net carrying amount	**34,083**	**41,374**

Depreciation for the year ended March 31, 2014, was $8.4 million (2013 – $8.1 million). For more information on the related obligations, refer to Note 19.

14. Subsidiaries and Associate

A. Subsidiaries and Consolidated Structured Entities

i Documentary Channel

Through its 82% partnership interest in *documentary*, a specialty service broadcasting documentaries, the Corporation is currently able to exercise control over the entity through both its majority interest and active participation on *documentary's* Board of Directors and Board sub-committees. The Corporation controls the entity as it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Accordingly, *documentary's* financial results are consolidated in the Corporation's books. The subsidiary's fiscal year end is August 31. Additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

ii ARTV

ARTV is a French-language arts and entertainment specialty channel that has been broadcasting since September 2001 via cable and satellite. The Corporation owns 85% of ARTV and, accordingly controls the entity through both its majority voting interest and active participation on ARTV's Board of Directors and Board sub-committees. The Corporation controls ARTV as it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Corporation consolidates ARTV's financial results in the Corporation's consolidated financial statements.

ARTV's fiscal year end is August 31. Additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes. The ARTV shareholder agreement contains a clause that allows the minority shareholder to compel the Corporation to purchase all of minority shareholder's outstanding shares, pending all necessary regulatory approvals, for the same consideration that was originally paid to purchase those shares, which equates to $1 per share. As at March 31, 2014, the Corporation has a liability in relation to this option of $1.9 million (March 31, 2013 – $1.9 million) to reflect the 1,875,000 shares in ARTV currently held by the minority shareholder that can be put to the Corporation at any time. This option is considered to be short-term in nature given the on-demand characteristic associated with the option.

14. Subsidiaries and Associate (Continued)

iii The Broadcast Centre Trust

The Broadcast Centre Trust (the TBC Trust) is a charitable trust that is a lessee under a long-term lease with the Corporation for the land on which the Canadian Broadcasting Centre (the building) is located in Toronto. The rent during the term is the sum of one dollar, paid on October 1, 1988. The TBC Trust is also a lessor under a long-term sub-lease with the Corporation for the Canadian Broadcasting Centre. In order to finance the construction of the building, the TBC Trust issued $400 million of bonds on January 30, 1997, which are guaranteed by the rent payments for the premises occupied by the Corporation. The rent payable by the Corporation to the TBC Trust covers all interest and principal on the bonds, all other payments on the bonds and all operating expenses and liabilities of the TBC Trust. The TBC Trust is a structured entity because it is designed to conduct a narrow well-defined activity of leasing on behalf of the Corporation and the entity confers on the Corporation the ultimate decision making powers over relevant activities that could expose the Corporation to variable returns. Accordingly, the financial results of the TBC Trust are consolidated in the Corporation's books. The TBC Trust's fiscal year is March 31.

iv CBC Monetization Trust

In 2003, the Corporation sold two parcels of land to Ontrea Inc., a wholly owned subsidiary of Ontario Teachers' Pension Plan Board. The CBC Monetization Trust was created during 2009 as a charitable trust with the purpose of acquiring the Corporation's interest in the lease receivables. The Corporation has determined that it bears the majority of the risk associated with the collection of the Trust's receivables through the guarantee it has provided. The CBC Monetization Trust is a structured entity because the Corporation established it for a narrow well-defined activity to monetizing long-term receivables as part of the Recovery Plan implemented to manage budgetary shortfalls in 2009—2010. Through a predefined contractual arrangement, the CBC Monetization Trust confers on the Corporation the majority of decision making powers over relevant activities that expose the Corporation to variable returns. Accordingly, the financial results of the CBC Monetization Trust are consolidated in the Corporation's books. The CBC Monetization Trust's fiscal year is December 31. Additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

The Corporation does not have interests in joint arrangements or unconsolidated structured entities.

The Corporation has two subsidiaries with non-controlling interests (NCI): *documentary* and ARTV. The NCI of the subsidiary represents the portion of ownership interest and the proportion of voting rights held. Information regarding these subsidiaries is as follows:

(in thousands of Canadian dollars)	*documentary*		ARTV	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Principal place of business & incorporation	Canada	Canada	Canada	Canada
NCI in subsidiary	18.0%	18.0%	15.0%	15.0%
NCI voting rights	18.0%	18.0%	15.0%	15.0%
Net results attributable to NCI	137	208	(3)	(4)
Accumulated NCI	544	633	(76)	(73)

During the year, distributions totaling $0.2 million (2013 – nil) were paid to the other partners of *documentary*. There were no dividends or distributions paid to the NCI holders of ARTV during the year (2013 – nil).

14. Subsidiaries and Associate (Continued)

Summarized financial information including consolidation adjustments but before intra-company eliminations is as follows:

(in thousands of Canadian dollars)	*documentary*		ARTV	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Cash and cash equivalents	-	-	3,420	767
Current Assets	4,179	4,322	14,585	13,747
Long-term Assets	-	-	252	355
Current Liabilities	(728)	(368)	(2,853)	(2,095)
Revenue	6,453	6,215	16,556	17,076
Net results and total comprehensive income	766	1,154	(21)	(23)
Operating cash flows	-	-	2,629	(1,126)
Increase (decrease) in cash and cash equivalents	-	-	2,653	(1,118)

There are no significant restrictions imposed on the Corporation's ability to access or use assets and settle the liabilities of the Corporation. Specifically, there are no significant restrictions imposed on the Corporation or its subsidiaries relating to their ability to transfer funds to their investors.

Through the CBC Monetization Trust, the Corporation has two promissory notes receivable and an investment in finance lease relating to the sale and rental of parcels of land. These receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable. The Corporation provided an absolute and unconditional guarantee of the full and timely payments of receivables by the ultimate debtors until 2027. See notes 9 and 10 for further information.

The Corporation also guarantees, through its rent payments to the Broadcast Centre Trust, the bonds payable. See note 18 for further details.

During the current year, the Corporation has not provided, and has no current intention to provide, any further financial and other support to its consolidated structured entities.

There have been no changes in ownership interests related to the Corporation's subsidiaries during the current or preceding year.

14. Subsidiaries and Associate (Continued)

B. Associate

As at March 31, 2014, the Corporate held 17,856,787 Class A Subordinate Voting Shares in SiriusXM, which represented a 13.96% equity interest and a 10.41% voting interest. These shares were obtained following the conversion on March 21, 2014, of the 53,570,361 Class B Voting Shares previously held by the Corporation. The Corporation's equity interest remained unchanged following this transaction.

The Corporation has a seat on the Board of Directors through its ownership of a 10.41% voting interest in SiriusXM. The Corporation therefore holds the power to participate in the financial and operating policy decisions of SiriusXM through this board representation, its voting interest and its ongoing business relationship with SiriusXM. As such, the Corporation concludes that it exerts significant influence and applies the equity method of accounting to its investment in SiriusXM.

SiriusXM, a corporation located and domiciled in Canada, is a satellite radio communications company offering a variety of content on a subscription basis across Canada, including 6 channels carrying the Corporation's programming.

SiriusXM's fiscal year end is August 31, which differs from that of the Corporation. IAS 28, *Investments in Associates and Joint Ventures,* limits the difference between the end of the reporting period of an associate and that of the investor to no more than three months. As such, the Corporation has included its portion of the interim results of SiriusXM for the period up to February 28, 2014, which falls within the allowed three month window. This corresponds to the latest information available for SiriusXM that can be disclosed publicly.

The fair value of the Corporation's investment in SiriusXM at March 31, 2014, was $154.5 million (March 31, 2013 – $114.8 million). Given that the fair value was determined using the closing market price of SiriusXM Class A shares at March 31, 2014, the fair value measurement is considered a Level 1 measurement in the fair value hierarchy.

As of November 2012, SiriusXM initiated the payment of quarterly dividends. For the year ended March 31, 2014, the Corporation received dividends from SiriusXM of $7.1 million (2013 – $4.4 million).

The following is the summarized financial information for the Corporation's investments:

(in thousands of Canadian dollars)	Ownership interest as at:		Carrying value as at:	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
SiriusXM - Class A shares (March 31, 2013 - Class B shares)	14%	14%	1,855	3,473

14. Subsidiaries and Associate (Continued)

The summarized financial information presented below represents the amounts included in the IFRS financial statements of SiriusXM:

(in thousands of Canadian dollars)	**March 31, 2014**[1]	March 31, 2013[2]
Current assets	63,913	65,362
Long-term assets	294,109	327,648
Current liabilities	(201,551)	(196,290)
Non-current liabilities	(143,184)	(172,717)
Net assets	13,287	24,003

1. These amounts reflect the SiriusXM balances as at February 28, 2014.

2. These amounts reflect the SiriusXM balances as at February 28, 2013.

(in thousands of Canadian dollars)	**March 31, 2014**[1]	March 31, 2013[2]
Revenue	303,646	273,192
Net results and total comprehensive income	12,767	9,265

1. Amounts for the year ended March 31, 2014, include SiriusXM results for the 12-month period ended February 28, 2014.

2. Amounts for the year ended March 31, 2013, include SiriusXM results for the 12-month period ended February 28, 2013.

A reconciliation of the summarized financial information above to the carrying amounts of SiriusXM recorded on the Consolidated Statement of Financial Position is as follows:

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Opening balance	3,473	6,191
Share of profit in associate	4,440	1,701
Dividends received and recorded against the investment balance	(7,098)	(4,419)
Dilution gain	1,040	-
Balance, end of year	**1,855**	**3,473**

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Net assets, SiriusXM	13,287	24,003
Corporation's share of net assets	13.96%	14.47%
	1,855	**3,473**

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

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

15. Accounts Payable and Accrued Liabilities

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Trade payables	38,806	34,729
Accruals	64,318	58,553
Other	3,173	2,931
	106,297	**96,213**

16. Provisions

(in thousands of Canadian dollars)	**March 31, 2014**				
			Restructuring costs		
	Claims and legal proceedings	Environmental	Workforce reduction	Decommissioning	Total
Opening balance	45,408	260	1,235	4,393	51,296
Additional provisions recognized	10,516	490	-	-	11,006
Increase due to accretion	-	-	-	167	167
Provisions utilized	(13,362)	(162)	(1,235)	(3,655)	(18,414)
Reductions resulting from remeasurement or settlement without cost	(11,432)	-	-	-	(11,432)
Balance, end of year	**31,130**	**588**	**-**	**905**	**32,623**

A. Restructuring costs

The Corporation's restructuring provision as at March 31, 2014, consists of decommissioning work associated with the shutdown of both analogue television and shortwave transmission services. Work associated with the provision of $0.9 million (March 31, 2013 – $4.4 million) is expected to be completed within the next year.

As at March 31, 2014, the Corporation has not recorded any provisions related to workforce reductions (March 31, 2013 – $1.2 million). All amounts related to workforce reductions are included in employee-related liabilities on the Consolidated Statement of Financial Position.

B. Claims and legal proceedings

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

Litigation is subject to many uncertainties and the outcome of individual matters is not always predictable. Claims that are uncertain in terms of the outcome or potential outflow or that are not measurable are considered to be a contingency and are not recorded in the Corporation's consolidated financial statements. At March 31, 2014, the Corporation had provisions amounting to $31.1 million (March 31, 2013 – $45.4 million) in respect of legal claims. All matters are classified as current as, where estimable, the Corporation expects them to be resolved within 12 months.

During the year the Corporation resolved a claim related to real estate valuation and municipal taxes, resulting in a provision utilized of $11.8 million and an additional settlement without cost of $9.0 million.

16. Provisions (Continued)

C. Environmental liabilities

At March 31, 2014, the Corporation had a provision of $0.6 million for one environmental matter (March 31, 2013 – $0.3 million). Remediation work is required at the Corporation's Mont Logan property to clean-up oil contaminants found in ground samples from the site's former transmission tower and associated building. The total costs associated with remediation work at this site have been estimated at $0.6 million. This matter is subject to ministry approvals and other environmental reviews. A significant portion of the work is expected to be completed during the summer of 2014, although the project may require up to 6 years to complete.

D. Contingencies

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

17. Pension Plans and Employee-Related Liabilities

Employee-related liabilities are as follows:

(in thousands of Canadian dollars)	Current		Long-term	
	March 31, 2014	March 31, 2013 (revised)	**March 31, 2014**	March 31, 2013 (revised)
Net defined benefit liability	-	-	61,961	193,329
Employee future benefits	-	-	136,481	150,126
Vacation pay	59,282	58,237	-	-
Workforce reduction	8,125	11,898	-	-
Salary-related liabilities	73,118	65,458	128	150
	140,525	**135,593**	**198,570**	**343,605**

The Corporation maintains a contributory defined benefit pension plan, the CBC/Radio-Canada Pension Plan, covering substantially all employees of the Corporation. The Plan is administered by the CBC Pension Board of Trustees, including the management of the Plan's assets and the payment of benefits promised to Plan members and their survivors. The Plan is federally regulated and is governed by the provisions of the *Pension Benefits Standards Act* (the *Act*), and other applicable regulations.

Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last 10 years of employment. Employees are required to contribute a percentage of their pensionable salary to the Plan, with the Corporation providing the balance of the funding, as required, based on actuarial valuations. The amounts included in these consolidated financial statements reflect the latest funding valuation which was performed as of December 31, 2013. While this valuation has been completed, it has not yet been filed with the pension authorities. The Corporation also maintains unfunded non-contributory defined benefit pension arrangements. All plans are subject to an annual actuarial valuation.

17. Pension Plans and Employee-Related Liabilities (Continued)

The Corporation maintains a non-contributory long-term benefit plan for certain employees hired prior to the various plan closure dates which vary by category of employees between April 1, 2005 and October 1, 2007. Under the plan, employees retiring with more than three years of service with the Corporation can choose to receive a cash award upon retirement or improve their pension benefits. The benefits are based on the length of pensionable service and on the salary rate at March 2005, July 2005 or at retirement/death, depending on the category of employees. The Corporation also provides employee future benefits such as long-term disability and workers' compensation, continuation of benefits coverage for employees on long-term disability and post-retirement life insurance.

The last actuarial valuations for the non-contributory long-term benefit plan and the continuation of benefits coverage plan were made as at December 31, 2012. The measurement date for the pension plan assets and the defined benefit obligation is March 31, 2014.

The risks associated with the Corporation's defined benefit plan are as follows:

Funding risk: One of the primary risks that plan sponsors face is funding risk, which is the risk that the investment asset growth and contribution rates of the Corporation's pension plan will not be sufficient to cover the pension obligations, resulting in unfunded liabilities. When funding deficit exists, regulatory authorities require that special contributions be made over specified future periods.

The major contributors to funding risk are the declines in discount rates and investments failing to achieve expected returns. In addition, the pension obligations are affected by non-economic factors like changes in member demographics.

Funding risk is managed by monitoring and reviewing the funded ratio on an ongoing basis and ensuring that investment decisions are made in accordance with established investment policies and procedures and applicable legislation. The Statement of Investment Policies and Procedures (SIPP) is reviewed annually by the CBC Pension Board of Trustees with a view to provide the pension plans with long-term rate of return sufficient to assist the plans in meeting funding objectives and the ongoing growth of pension obligations.

Other risks: The plan assets are also subject to a variety of financial risks as a result of investment activities. These risks include credit risk, market risk (interest rate, currency risk and price risk) and liquidity risk. In addition, the defined benefit obligation and costs are subject to measurement uncertainty due to the use of actuarial assumptions (see below). The impact of these factors on the remeasurement of the pension benefit asset, and pension, other post-employment and other long-term benefit liabilities can be significant and volatile at times.

The significant actuarial assumptions used for the purposes of determining the defined benefit obligation and pension benefit costs were as follows:

Assumptions – annual rates	**March 31, 2014**	March 31, 2013
Assumptions for the calculation of pension benefit costs:		
Discount rate	4.00%	4.25%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	4.25%	4.00%
Discount rate - long service gratuity	3.50%	3.50%
Discount rate - LTD benefit	3.50%	3.50%
Discount rate - life insurance	4.00%	3.75%
Mortality	CBC Pensioner mortality table based on CBC experience	UP94 fully generationally projected
Long-term rate of compensation increase, excluding merit and promotion	1.50% in 2014, 2015 & 2.75% thereafter	1.50% in 2013 & 2.75% thereafter
Health care cost trend rate	7.77% in 2014 declining to 4.5% over 14 years	8.00% in 2013 declining to 4.50% over 15 years
Indexation of pensions in payment	1.65%	1.65%

17. Pension Plans and Employee-Related Liabilities (Continued)

During the year, the Corporation adopted mortality rate assumptions reflecting its own plan experience based on the results of an actuarial study. This study was commissioned after the Canadian Institute of Actuaries (CIA) issued a draft report on July 31, 2013 concluding that Canadians are living longer than their US counterparts. The CIA also indicated in October 2013 that the use of UP-94 tables without adjustment would only be appropriate if supported by the plan's actual credible experience. A final Canadian specific set of mortality tables (collectively known as CPM2014 tables) and improvement scales was issued in February 2014. In March 2014, the CIA published an Educational Note confirming that in the absence of credible mortality experience, the new tables represent the best estimate of mortality for use in funding or accounting valuations of most Canadian pension plans. Historically, the Corporation used as the basis for its assumptions the UP-94 Table with generational projection using mortality projection Scale AA. The change in mortality rate assumptions is expected to result in increased pension expense of approximately $14.0 million in 2014—2015.

The sensitivity analysis of the significant actuarial assumptions would show the following changes in the present value of the defined benefit obligations:

	Pension plans		Other post-employment plans	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Discount rate sensitivity				
100 basis point higher	-12.6%	-12.8%	-7.9%	-8.0%
100 basis point lower	16.1%	16.3%	9.3%	9.4%
Expected rate of future salary increases				
100 basis point higher	2.6%	2.7%	6.7%	6.1%
100 basis point lower	-2.3%	-2.4%	-6.0%	-5.4%
Expected rate of future pension increases				
100 basis point higher	12.7%	12.8%	N/A	N/A
100 basis point lower	-10.5%	-10.7%	N/A	N/A
Mortality sensivity				
Pensioners live an extra year	4.8%	5.0%	-1.7%	-2.2%
Pensioners die a year before	-4.8%	-5.0%	2.0%	2.5%
Health care cost trend rates sensitivity				
100 basis point higher	n/a	n/a	0.8%	0.7%
100 basis point lower	n/a	n/a	-0.7%	-0.7%

N/A = not applicable

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the Consolidated Statement of Financial Position.

17. Pension Plans and Employee-Related Liabilities (Continued)

An asset/liability study is performed periodically to review the risk/reward associated with the existing long-term asset mix policy, analyze the risk/reward profile that would result from alternative asset mix policies, and consider the impact of various economic environments on both the assets and liabilities (pension obligations). The most recent asset/liability study was completed in 2012. Its main findings are summarized below:

- Maintain the value of the Plan's Liability Driven Investment (LDI)[25] strategy that focuses on reducing the interest rate and inflation risk mismatch between the Plan's assets and liabilities;
- Update the LDI asset mix policy to include a market sensitive implementation plan to redistribute some assets towards strategic investments;
- Reduce the amount of interest rate hedging; and
- Increase the amount of return generating assets with higher return potential, such as equities, private investments and real estate.

The Plan will be implementing these asset mix changes based on ongoing market and economic analysis.

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

The contribution rate for full-time employees is as follows:

	2013–2014	2012–2013
For earnings up to the maximum public pension plan earnings[1]		
April 1 to June 30	5.53%	5.07%
July 1 to March 31	6.19%	5.53%
For incremental earnings in excess of the maximum public pension plan earnings[1]		
April 1 to June 30	7.27%	6.67%
July 1 to March 31	8.14%	7.27%

1. The maximum public pension earnings for 2014 is $52,500 (2013: $51,100, 2012: $50,100).

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

(in thousands of Canadian dollars)	**2014**	2013
Benefits paid directly to beneficiaries	14,420	13,863
Employer regular contributions to pension benefit plans	61,305	61,190
Total cash payments for defined benefit plans	**75,725**	**75,053**

25. LDI is an investment strategy that manages a pension plan's assets relative to its liabilities with the intent to minimize pension surplus volatility. Under LDI, pension plan assets are grouped into matched and unmatched assets. Matched assets (fixed income) have the similar interest rate and inflation sensitivities as the pension plan's liabilities. Unmatched assets (equities and alternative investments) do not have the same interest rate and inflation sensitivities as the pension plan's liabilities.

17. Pension Plans and Employee-Related Liabilities (Continued)

The maturity profile of the benefit plan obligation and other post-employment benefits for the Corporation is as follows:

	Pension plans		Other post-employment plans	
	March 31, 2014	March 31, 2013	**March 31, 2014**	March 31, 2013
Average duration of the benefit obligation	14.2 years	14.4 years	8.3 years	8.6 years
Active members	20.7 years	20.8 years	8.3 years	8.8 years
Deferred members	17.3 years	18.5 years	N/A	N/A
Retired members	10.2 years	10.1 years	8.6 years	7.0 years

N/A = not applicable

The Corporation expects to make a contribution of $58.5 million to the defined benefit pension plans during the next financial year.

The amount included in the Consolidated Statement of Financial Position arising from the Corporation's obligation in respect of its defined benefit plans is as follows:

(in thousands of Canadian dollars)			**March 31, 2014**			March 31, 2013 (revised)
	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
Fair value of plan assets	5,587,972	-	-	5,393,484	-	-
Defined benefit obligation	5,562,330	87,603	136,481	5,500,267	86,546	150,126
Net asset (liability) arising from defined benefit obligation	**25,642**	**(87,603)**	**(136,481)**	**(106,783)**	**(86,546)**	**(150,126)**

17. Pension Plans and Employee-Related Liabilities (Continued)

Movements in the present value of the defined benefit obligation were as follows:

(in thousands of Canadian dollars)	**March 31, 2014**		March 31, 2013 (revised)	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening defined benefit obligation	5,586,813	150,126	5,266,627	156,917
Current service cost	109,923	5,825	101,558	7,707
Interest cost	221,228	5,289	221,695	6,332
Contributions from employees	47,833	-	44,452	-
Remeasurements:				
Actuarial losses (gains) arising from changes in demographic assumptions	215,950	(6,659)	-	(534)
Actuarial (gains) losses arising from changes in financial assumptions	(239,362)	(3,680)	193,975	4,740
Actuarial (gains) losses arising from experience adjustments	(21,093)	-	18,913	(11,173)
Benefits paid	(271,359)	(14,420)	(260,407)	(13,863)
Closing defined benefit obligation	**5,649,933**[1]	**136,481**	**5,586,813**[2]	**150,126**

1. The defined benefit obligations for the funded plan and for the unfunded plans are $5,562,330 and $87,603 respectively.

2. The defined benefit obligations for the funded plan and for the unfunded plans are $5,500,267 and $86,546 respectively.

Movements in the fair value of the plan assets were as follows:

(in thousands of Canadian dollars)	**March 31, 2014**		March 31, 2013 (revised)	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening fair value of plan assets	5,393,484	-	5,090,814	-
Administration fees (other than investment management fees)	(5,300)	-	(5,020)	-
Interest income on plan assets	212,490	-	213,334	-
Return on plan assets, excluding interest income	149,519	-	249,121	-
Contributions from employees	47,833	-	44,452	-
Contributions from the Corporation	61,305	14,420	61,190	13,863
Benefits paid	(271,359)	(14,420)	(260,407)	(13,863)
Closing fair value of plan assets	**5,587,972**	**-**	**5,393,484**	**-**

17. Pension Plans and Employee-Related Liabilities (Continued)

The fair value of the plan assets can be allocated to the following categories:

(in thousands of Canadian dollars)		March 31, 2014			March 31, 2013		
		Quoted market price in an active market	Not quoted market price in an active market	Total	Quoted market price in an active market	Not quoted market price in an active market	Total
Fixed income	Cash and short-term investments	144,705	49,149	193,854	-	186,174	186,174
	Canadian bonds	-	2,332,195	2,332,195	-	2,467,601	2,467,601
Equities	Canadian	286,692	368,637	655,329	314,784	248,969	563,753
	Global	1,269,610	75,067	1,344,677	1,036,517	229,597	1,266,114
Strategic	Property	33,390	483,101	516,491	40,937	378,529	419,466
	Private investments	-	387,153	387,153	-	326,321	326,321
	Hedge Funds	-	117,459	117,459	-	129,852	129,852
Other	Derivatives	(550)	14,901	14,351	-	14,441	14,441
Total investment assets		**1,733,847**	**3,827,662**	**5,561,509**	**1,392,238**	**3,981,484**	**5,373,722**
Non-investment assets less liabilities				**26,463**			**19,762**
Fair value of plan assets				**5,587,972**			**5,393,484**

The fair values of the above fixed income and equity instruments are determined based on quoted market prices in active markets whereas the fair values of strategic investments and derivatives are not based on quoted market prices in active markets.

The actual return on plan assets was $384.1 million or 7.25% (2013 – 9.13%).

Amounts recognized in comprehensive income (loss) in respect to these defined benefit plans are indicated in the table below:

(in thousands of Canadian dollars)	**2014**	2013 (revised)
Current service cost	115,748	109,265
Administration fees (other than investment management fees)	5,300	5,020
Interest cost on defined benefit obligation	226,517	228,027
Interest income on plan assets	(212,490)	(213,334)
Remeasurements recognized in net results	(551)	(2,858)
Expense recognized in net results	134,524	126,120
Plus:		
Remeasurements recognized in other comprehensive income (loss)	(203,812)	(40,342)
Total amounts recognized in comprehensive income (loss)	**(69,288)**	**85,778**

17. Pension Plans and Employee-Related Liabilities (Continued)

Retained earnings include $179.9 million of cumulative actuarial gains as at March 31, 2014 (revised March 31, 2013 losses – $23.9 million).

The total expense recognized in net results has been recorded in the Corporation's Consolidated Statement of Comprehensive Income (Loss) as follows:

(in thousands of Canadian dollars)	**2014**	2013 (revised)
Television, radio and new media services costs	129,143	121,075
Transmission, distribution and collection	4,036	3,784
Corporate management	1,345	1,261
Total	**134,524**	**126,120**

For the year ending March 31, 2014, the total expense related to employee benefits, which includes all salary and related costs, was $1,037.9 million (2013 revised – $1,039.2 million).

18. Bonds Payable

The Corporation, through its relationship with the Broadcast Centre Trust, guarantees the bonds payable with its rent payments for the premises occupied by the Corporation in Toronto. The Broadcast Centre Trust issued $400 million in secured bonds on January 30, 1997. The bonds are secured by the assets of Canadian Broadcasting Centre, which have a carrying value of $207.4 million (March 31, 2013 – $223.8 million). These bonds bear a fixed interest rate of 7.53% annually and require blended semi-annual payments of $16.5 million, which will require the following principal amounts:

(in thousands of Canadian dollars)	**March 31, 2014**		March 31, 2013	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
Less than one year	33,039	21,101	33,039	20,578
Later than one year but not later than five years	132,155	59,916	132,155	55,647
More than five years	280,830	204,683	313,869	221,361
Less: future finance charges	(160,324)	-	(181,477)	-
Present value of minimum payments	**285,700**	**285,700**	**297,586**	**297,586**

Interest expense related to bonds payable included in current year's expenses and presented as finance costs is $21.2 million (2013 – $22.0 million).

Present value of minimum payments:

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Included in the Consolidated Statement of Financial Position as bonds payable:		
Current	21,101	20,578
Long-term	264,599	277,008
	285,700	**297,586**

19. Obligations Under Finance Leases

Obligations under finance leases include satellite transponders, mobile equipment and office equipment.

	Effective Interest rate	Ending Date
Transponder lease	6.80% per annum	February 2018
Mobile equipment lease	2.95% per annum	January 2016
Office equipment leases	2.57% - 2.97% per annum	October 2017

The Corporation has an option to purchase the mobile equipment and office equipment for a nominal amount at the end of the lease term.

(in thousands of Canadian dollars)	**March 31, 2014**		March 31, 2013	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than one year	14,311	11,743	14,024	10,906
Later than one year but not later than five years	36,926	33,676	50,233	44,447
Less: future finance charges	(5,818)	-	(8,904)	-
Present value of minimum lease payments	**45,419**	**45,419**	**55,353**	**55,353**

Interest expense related to obligations under finance leases and included in current year's expenses as part of finance costs is $3.1 million (2013 – $3.8 million).

Present value of minimum lease payments:

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Included in the Consolidated Statement of Financial Position as obligations under finance leases:		
Current	11,743	10,906
Long-term	33,676	44,447
	45,419	**55,353**

20. Notes Payable

The notes payable, held by the CBC Monetization Trust, a structured entity of the Corporation, mature in May 2027 and bear interest at an annual rate of 4.688%. Blended semi-annual payments are made in May and November of each year. The notes are redeemable at the CBC Monetization Trust's option in whole or in part from time to time before maturity, on not less than 30 days and not more than 60 days prior notice. The redemption price is the greater of the outstanding principal amount of the notes to be redeemed and the net present value of all scheduled semi-annual payments on the notes from the date of redemption to the date of maturity, using the Government of Canada yield plus 0.30% on such date, together, in each case, with accrued but unpaid interest to, but excluding, the redemption date. The notes payable are secured by the promissory notes receivable and the investment in finance lease described in Notes 9 and 10.

Principal payments are scheduled as follows:

(in thousands of Canadian dollars)		**March 31, 2014**		March 31, 2013
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
Less than one year	11,473	8,124	11,473	7,960
Later than one year but not later than five years	45,892	27,595	45,892	26,316
More than five years	97,520	79,335	108,993	86,733
Less: future finance charges	(39,831)	-	(45,349)	-
Present value of minimum payments	**115,054**	**115,054**	**121,009**	**121,009**

Interest expense related to notes payable and included in current year's expenses as part of finance costs is $5.5 million (2013 – $5.8 million).

Present value of minimum payments:

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Included in the Consolidated Statement of Financial Position as notes payable:		
Current	8,124	7,960
Long-term	106,930	113,049
	115,054	**121,009**

21. Revenue

The Corporation has recognized revenue from the following sources:

(in thousands of Canadian dollars)	**2014**	2013
Advertising	491,189	364,648
Subscriber fees	133,277	136,127
Building, tower, facility and service rentals	51,578	45,266
Production revenue	24,632	17,730
Digital programming	11,244	10,104
Retransmission rights	4,715	7,866
Program sponsorship	5,434	5,700
Other services	4,636	3,947
Total Rendering of services	**726,705**	**591,388**
Total Financing income	**8,759**	**10,339**
Contribution from the Local Programming Improvement Fund (LPIF)	25,705	37,507
Contra revenues other than advertising	6,136	6,050
Gain on foreign exchange rates	454	255
Net gain from fair value of financial instruments	71	526
Total Revenue	**767,830**	**646,065**

22. Finance Costs

The Corporation's finance costs include the following:

(in thousands of Canadian dollars)	**2014**	2013
Interest on bonds payable	21,153	21,999
Interest on notes payable	5,517	5,804
Interest on obligations under finance leases	3,141	3,843
Other non-cash finance costs	1,059	190
	30,870	**31,836**

23. Government Funding

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

(in thousands of Canadian dollars)	**2014**	2013
Operating funding		
Base funding	968,438	977,988
Additional non-recurring funding for programming initiatives	-	32,200
Compensation adjustment allocated from Treasury Board	18,705	-
Transfer to capital funding	(11,525)	(10,704)
Operating funding received	**975,618**	**999,484**
Capital funding		
Base funding	92,331	92,331
Transfer from operating funding	11,525	10,704
Capital funding received	**103,856**	**103,035**
Working capital funding	**4,000**	**4,000**
	1,083,474	**1,106,519**

Total funding approved and received by the Corporation for the year is not the same as the total government funding presented in the Consolidated Statement of Income (Loss). Capital Funding received is recorded as Deferred Capital Funding in the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income (Loss) on the same basis and over the same periods as the related property, equipment and intangible assets.

(in thousands of Canadian dollars)	**March 31, 2014**	March 31, 2013
Opening balance	525,696	574,027
Government funding for capital expenditures	103,856	103,035
Amortization of deferred capital funding	(111,280)	(151,366)
Balance, end of year	**518,272**	**525,696**

24. Gain on Business Divestitures

On March 26, 2013, the Corporation completed the sale of its **bold** specialty channel to Blue Ant Media (BAM) for total proceeds of $10.0 million for the sale of the channel's assets and the sublicensing of certain programming to BAM. Additionally, a transitional services agreement was entered into with the Corporation to provide certain services to BAM until August 31, 2013.

A total non-operating gain on sale of $6.3 million was recognized as follows:

(in thousands of Canadian dollars)	**2013**
Proceeds on disposition	10,000
Less costs of sale:	
Liability assumed for future programming	(2,500)
Programming write-offs	(755)
Brokerage fees and other	(423)
Total gain on sale	**6,322**

During 2012—2013, the Corporation also sold a warrant it received as part of the sale of the Galaxie pay audio service that was completed in 2010. The proceeds received and resulting gain amounted to $0.9 million.

25. Income Taxes

A. Income tax recognized in net results

The income tax expense for the year can be reconciled to the income tax expense that would be computed by applying the Corporation's federal statutory tax rate of 25.00% (2013 – 25.00%) to accounting profit as follows:

(in thousands of Canadian dollars)	**2014**	2013
Income tax provision at federal statutory rate	(4,566)	(12,743)
Permanent differences	1,025	(2,747)
Increase resulting from adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences	3,541	15,490
Income tax expense recognized in net results	-	-

The tax rate used for the 2014 reconciliation above is the corporate tax rate payable by a corporation that is a prescribed Federal Crown Corporation under Part LXXI of the *Income Tax Regulations* and is subject to the provisions of the *Income Tax Act* (Canada). The Corporation's activities are not subject to provincial taxes. An adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences is reflected above.

As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, the Corporation operates within a specific operating structure to match cash expenses with available resources, and to breakeven over the long term. The Corporation draws and uses appropriations only to the extent required to fund its operating expenses, and may not borrow to fund working capital shortfalls. Therefore, the Corporation does not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, the expected deferred tax asset or liability is not recognized in the consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.

25. Income Taxes (Continued)

B. Temporary Differences

(in thousands of Canadian dollars)	**2014**	2013
The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability was recognized were as follows:		
Accrued liabilities	38,039	40,830
Pension plan	61,961	193,329
Employee-related liabilities	136,609	150,506
Loss carry-forward	39,509	76,398
Long-term receivables and investments	13,174	16,870
Deferred income for tax purposes related to the sale of receivables	(46,539)	(48,969)
Property and equipment	(202,961)	(230,496)
Other	(15,841)	(5,910)

The loss carry-forwards will begin to expire in 2030.

26. Movements in Working Capital

(in thousands of Canadian dollars)	**2014**	2013
Changes in Working Capital are comprised of:		
Trade and other receivables	(92,589)	(7,016)
Programming	9,990	19,965
Merchandising inventory	498	56
Prepaid expenses	40,090	(24,193)
Accounts payable and accrued liabilities	10,071	(28,434)
Provisions	(18,840)	12,115
Deferred revenues	441	2,812
Pension plans and employee-related liabilities	2,390	4,955
	(47,949)	**(19,740)**

27. Financial Instruments

A. Fair Value

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

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

(in thousands of Canadian dollars)	**March 31, 2014**		March 31, 2013			
	Carrying values	Fair values	Carrying values	Fair values	Method[1]	Note
Financial instruments measured at fair value on a recurring basis:						
Derivative financial asset instruments						
Forward contracts	446	446	458	458	Level 2	(a)
Stock options	235	235	171	171	Level 2	(b)
Financial instruments measured at amortized cost:						
Promissory notes receivable (long-term)	45,961	52,416	48,250	56,743	Level 2	(c)
Investment in finance lease (long-term)	50,138	57,745	52,706	62,893	Level 2	(c)
Bonds payable (long-term)	264,599	346,602	277,008	381,053	Level 2	(d)
Obligations under finance leases (long-term)	33,676	35,597	44,447	47,881	Level 2	(d)
Notes payable (long-term)	106,930	116,740	113,049	128,009	Level 2	(d)

1. Method refers to the hierarchy levels described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

- Level 1 – quoted prices in active markets for identical assets or liabilities instruments
- Level 2 – directly observable market inputs other than Level 1 inputs
- Level 3 – inputs that are not based on observable market data (unobservable inputs)

There have been no transfers between levels during the year ended March 31, 2014.

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

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

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

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

27. Financial Instruments (Continued)

B. Capital Risk Management

The Corporation defines capital that it manages as the aggregate of its equity, which is comprised of retained earnings.

The Corporation is not subject to externally imposed capital requirements. The Corporation is, however, subject to Part III of the *Broadcasting Act*, which imposes restrictions in relation to borrowings and requires authorization from Parliament and approval from the Minister of Finance.

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern, to fund its asset base and to fulfil its mission and objectives for the Government of Canada to the benefit of Canadians.

The Corporation manages its capital by reviewing formally, on a regular basis, the actual results against set budgets, and shares this information with its Audit Committee and Board of Directors. The Corporation's overall strategy with respect to capital management includes the balancing of its operating and capital activities with its funding on an annual basis. The Corporation makes adjustments to its capital management strategy in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements.

The Corporation's objectives, policies and processes for managing capital are consistent with those in place as at March 31, 2013.

C. Categories of Financial Instruments

(in thousands of Canadian dollars)	**2014**	2013
Financial assets		
Fair value through profit or loss (FVTPL)		
Cash	61,974	51,459
Derivative financial instruments	681	629
Loans and receivables	325,289	234,874
Financial liabilities		
Other liabilities	507,051	514,808

D. Financial Risk Management

The Corporation's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on the Corporation's financial performance. The risk management is carried out through financial management practices in conjunction with the overall Corporation's governance. The Board of Directors is responsible for overseeing the management of financial risk.

27. Financial Instruments (Continued)

E. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Corporation is exposed to all of these risks.

The Corporation's exposure to market risk and its objectives, policies and processes for managing market risk are consistent with those in place as at March 31, 2013.

i Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to limited foreign exchange risk on revenues and expenses denominated in a foreign currency. The majority of these transactions are denominated in US dollars, Euros and British Pounds. The policy on currency risk requires the Corporation to minimize currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations.

The Corporation mitigates this risk by entering into forward exchange contracts. Accordingly, the Corporation has limited sensitivity to changes in foreign exchange rates.

The Corporation's net foreign currency exposure as at March 31 (expressed in Canadian equivalent dollars) is as follows:

(in thousands of Canadian dollars)			**March 31, 2014**			March 31, 2013
	$US	Euros	GBP	$US	Euros	GBP
Cash	2,579	245	178	4,182	295	190
Trade and other receivables	670	356	291	343	402	129
Accounts payable and accrued liabilities	(685)	(178)	(258)	(1,472)	(148)	(311)
Net exposure	**2,564**	**423**	**211**	**3,053**	**549**	**8**

Based on the net exposure as at March 31, 2014, and assuming all the other variables remain constant, a hypothetical 5% change in the Canadian dollar against the US dollar, the Euro and the GBP would not have a significant impact on the Corporation's net results.

ii Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's notes receivable, bonds payable and notes payable bear fixed interest rates and, as such, are subject to interest rate risk because the fair value of the financial instruments will be affected by changes in the market rates. However, a change in fair value would not impact the profit or loss of the Corporation.

For its short-term cash balances, the Corporation has a policy of maximizing interest revenues. Given that the prevailing interest rates on treasury bills and other similar investments have not been favourable, the Corporation did not have any such investments as at March 31, 2014 (March 31, 2013 – nil). The Corporation may invest in marketable securities with terms to maturity of less than one year. To be compliant with the *Broadcasting Act*, these securities must be fully guaranteed by the Government of Canada (e.g. Canada treasury bills). The Corporation may also place its cash in interest bearing accounts with Schedule I Canadian banks. Consequently, the interest rate risk associated with the cash balances is directly tied to the movements of the Bank of Canada's Key Overnight Lending Rate and to the banks' prime rates. To manage interest rate risk, the Corporation deals with a number of banks to obtain competitive rates and to mitigate its exposure to any one particular investment vehicle.

27. Financial Instruments (Continued)

iii Price Risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices caused by factors specific to an investment, its issuer or all factors affecting a market or a market segment. Maximum risk resulting from financial instruments is equivalent to their fair value.

F. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has adopted a policy of only extending credit to creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by senior management.

The Corporation is exposed to credit risk through its cash, trade and other receivables, forward exchange contracts, promissory notes receivable and investment in finance lease.

The maximum exposure to credit risk of the Corporation at March 31, 2014 and March 31, 2013 is the carrying value of these assets.

i Cash

The Corporation has deposited cash with reputable financial institutions (members of the Canadian Payments Association or local Cooperative Credit Societies that are members of a Central Cooperative Credit Society having membership in the Canadian Payments Association or, subject to the approval of the Minister of Finance, any financial institutions outside Canada), from which management believes the risk of loss to be remote.

ii Trade and other receivables

The Corporation's trade and other receivables are mainly derived from the sale of advertising airtime. Credit risk concentration with respect to trade receivables is limited by following a program of credit evaluation and by limiting the amount of customer credit where deemed necessary. The Corporation does not believe that it is exposed to an unusual or significant level of credit risk. As at March 31, 2014 and March 31, 2013, there was no individual customer with an account receivable balance that represented more than 5% of total advertising revenue. See Note 6 for more information.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The Corporation has a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. The Corporation establishes a specific allowance for receivables where there is objective evidence that the receivable is not recoverable. This is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, the current economic climate, customer and industry concentrations, and historical experience.

The Corporation's allowance for doubtful accounts amounted to $3.7 million at March 31, 2014 (March 31, 2013 – $3.6 million). See Note 6 for more information.

27. Financial Instruments (Continued)

iii Forward exchange contracts

The policy on currency risk requires that all significant forward contracts, options and other instruments used to economically hedge a foreign currency exposure will be negotiated with providers holding credit ratings equivalent to or better than that of the major Canadian banks. To this end, the Corporation has qualified five counterparties meeting this criterion with which it places all its currency hedging business.

(in thousands of Canadian dollars)		**March 31, 2014**		March 31, 2013
	Notional	Fair values	Notional	Fair values
Forward exchange contracts—$US[1]	10,628	446	12,288	458

1. The forward contracts rates are between 1.06110 and 1.06593 for forward contracts in US dollars and the maturity dates are between April 2014 and October 2014.

iv Promissory notes receivable and Investment in finance lease

The Corporation's promissory notes receivable and investment in finance lease are the result of transactions that occurred in 2003, when the Corporation agreed to sell and rent several parcels of land to a wholly-owned subsidiary of the Ontario Teachers' Pension Plan. At the time of the transaction, the Corporation ensured that the counterparty met the criteria set out by the Corporation with regards to credit worthiness and risk, especially given the long-term nature of the receivables. The Corporation monitors the collection of the promissory notes receivable and rental payments associated with the investment in finance lease, which are collected on a monthly basis through the CBC Monetization Trust.

G. Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its financial obligations associated with financial liabilities.

The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring losses. The Corporation also manages liquidity risk by continuously monitoring actual and budgeted cash flows. Also, the Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as large transactions.

The Corporation does not have the authority to obtain a line of credit or long-term debt without the prior approval of the Minister of Finance.

The following table presents a maturity analysis of the Corporation's financial liabilities based on the expected cash flows from the date of the Consolidated Statement of Financial Position to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

(in thousands of Canadian dollars)	Carrying amount of liability at **March 31, 2014**	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable	285,700	446,024	33,039	132,155	280,830
Notes payable	115,054	154,885	11,473	45,892	97,520
Finance lease – Transponders	40,465	46,115	12,030	34,085	-
Finance lease – Mobile equipment	3,091	3,171	1,730	1,441	-
Finance leases – Office equipment	1,863	1,951	551	1,400	-

27. Financial Instruments (Continued)

(in thousands of Canadian dollars)	Carrying amount of liability at **March 31, 2013**	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable	297,586	479,063	33,039	132,155	313,869
Notes payable	121,009	166,358	11,473	45,892	108,993
Finance lease – Transponders	49,510	58,145	12,030	46,115	-
Finance lease – Mobile equipment	4,708	4,901	1,730	3,171	-
Finance leases – Office equipment	1,135	1,211	264	947	-

There are no expected future cash outflows related to the derivative financial instruments.

28. Related Parties

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

A. Transactions with Related Parties Excluding Government-Related Entities

(in thousands of Canadian dollars)	Rendering of services		Receipt of services		Pension contributions	
	2014	2013	**2014**	2013	**2014**	2013
Associate	3,047	3,484	-	34	-	-
Other related entities[1]	129	121	-	23	-	-
Corporate Pension Plan	-	-	-	-	61,305	61,190
	3,176	**3,605**	**-**	**57**	**61,305**	**61,190**

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

The following balances were outstanding at the end of the year:

(in thousands of Canadian dollars)	Amounts owed by related parties	
	March 31, 2014	March 31, 2013
Associate	379	351
Other related entities	8	-
	387	**351**

There are no amounts owing to related parties as at March 31, 2014 (March 31, 2013 – nil).

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

28. Related Parties (Continued)

B. Other Transactions with Associate

There were no significant transactions with the Corporation's associate during the current or previous fiscal year other than the dividends received, as discussed in Note 14.

C. Transactions with Government-Related Entities

CBC/Radio-Canada is a Federal Crown Corporation that operates in an economic environment dominated by entities directly or indirectly controlled by the federal government through its government authorities, agencies, affiliations and other organizations (collectively referred to as "government-related entities"). The Corporation has transactions with other government-related entities including but not limited to sales and purchases of goods and rendering and receiving of services.

These transactions are conducted in the ordinary course of the Corporation's activities on terms comparable to those with other entities that are not government-related. The Corporation has established procurement policies, pricing strategy and approval process for purchases and sales of products and services which are independent of whether the counterparties are government-related entities or not.

For the year ended March 31, 2014, the aggregate amount of the Corporation's significant transactions with other government-related entities amounted to $1.5 million of its rendering of services (2013 – $1.3 million) and $1.2 million of its purchase of goods and services (2013 – $1.3 million). There were no individually significant transactions during the year ended March 31, 2014 (2013 – none).

D. Compensation of Key Management Personnel

Key management personnel are those people that have authority and responsibility for planning, directing and controlling the activities of the Corporation. This includes the Senior Executive Team (SET) and all members of the Board of Directors.

The remuneration of the Senior Executive Team during the year was as follows:

(in thousands of Canadian dollars)	**2014**	2013
Short-term benefits[1]	4,001	3,755
Post-employment benefits[2]	1,541	1,291
Other long-term benefits[3]	104	50
Termination benefits[4]	-	609
	5,646	**5,705**

1. Short-term benefits include wages, salaries, social security contributions, paid annual leave, short-term disability, incentive pay (if payable within twelve months of the end of the period) and other benefit packages (healthcare, life insurance, dental, accident insurance) for current employees.

2. Post-employment benefits such as pensions and post-employment life insurance.

3. Other long-term benefits include long-term incentive pay, long-term disability and worker's compensation.

4. Termination benefits include benefits that are payable as a result of the Corporation terminating employment before the normal retirement date or an employee's decision to accept an offer of voluntary departure. Termination benefits include termination payments, severance pay and long-service gratuity.

Members of the Board of Directors, except the President and CEO, receive meeting fees for Board and Committee meetings based on a fee schedule. The Chair of the Board also receives an annual retainer.

The total compensation paid to the members of the Board of Directors, excluding the President and CEO, during the year was $0.2 million (2013 – $0.2 million). Additional data on meetings attended by Board members is provided in the section *Board of Directors Attendance* of the Annual Report.

28. Related Parties (Continued)

The remuneration of key management personnel is as follows:

- The President and CEO and the Chair of the Board of Directors' remuneration is in accordance with the terms of the Order-in-Council appointing them;
- The remuneration of the other members of the Board of Directors is in accordance with the Corporations' by-laws (as approved by the Minister of Canadian Heritage);
- SET members' remuneration, excluding the President and CEO, is approved by the Board of Directors upon recommendation of the Human Resources and Governance Committee, having regard to the performance of individuals and market trends.

29. Commitments

A. Program-related and Other

This note shows amounts to which the Corporation is contractually committed, but which do not meet the criteria for inclusion in the Consolidated Statement of Financial Position.

(in thousands of Canadian dollars)	**2014**	2013
Facilities management	239,269	277,604
Programming	80,334	220,703
Transmission distribution	41,222	46,108
Maintenance & support	41,101	28,970
Property and equipment	17,798	8,299
Other	36,221	43,771
	455,945	**625,455**

Future annual payments as of March 31 are as follows:

(in thousands of Canadian dollars)	**2014**	2013
Less than one year	156,995	243,356
Later than one year but not later than five years	238,070	273,413
More than five years	60,880	108,686
	455,945	**625,455**

29. Commitments (Continued)

B. The Corporation as a Lessee – Operating Leases

Operating leases relate to leases of property, network distribution and equipment with remaining lease terms of between one and 45 years. Certain leases contain clauses allowing for the renewal/extension of the original term at market rates. The Corporation does not have an option to purchase any of the property, network distribution or equipment at the expiry of the lease periods.

As at March 31 the future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(in thousands of Canadian dollars)	**2014**	2013
Less than one year	22,391	20,330
Later than one year but not later than five years	73,085	71,009
More than five years	60,420	69,621
	155,896	**160,960**

The amounts presented above include a total of $58.4 million (March 31, 2013 – $53.3 million) representing operating costs and property taxes payable. The payments recognized as an expense for minimum lease payments in 2014 amounted to $21.5 million (2013 – $20.6 million).

Included in the above amounts are lease payments to be made in the normal course of business in the amount of $4.0 million (March 31, 2013 - $5.1 million) to a related party including government-related entities.

C. The Corporation as a Lessor - Operating Leases

Operating leases relate to buildings and transmission towers owned by the Corporation with remaining lease terms of between one to 96 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

As at March 31 the future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

(in thousands of Canadian dollars)	**2014**	2013
Less than one year	10,848	9,340
Later than one year but not later than five years	35,062	27,989
More than five years	333,002	336,169
	378,912	**373,498**

In addition to the amounts presented above, the Corporation has receivables related to operating expenses and property taxes under building leases that total $162.8 million (March 31, 2013 – $162.6 million).

Included in the above amounts are lease payments to be received in the normal course of business in the amount of $6.3 million (March 31, 2013 – $2.6 million) from a related party including government-related entities.

30. Subsequent Events

On April 10, 2014, the Corporation announced its 2014—2015 budget. Faced with financial challenges, the Corporation announced immediate spending cuts of $130.0 million and a restructuring initiative to eliminate the equivalent of 657 positions over the next two fiscal years, with up to 573 positions affected in 2014—2015. The Corporation estimates its restructuring costs in connection with workforce reductions, comprising of severance, benefits continuation and outplacement services, will total approximately $33.5 million. These challenges may result in additional costs that are not determinable at this time.

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 nine 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 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 Musique[26] 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.

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.

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

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, 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

Current Board Members were profiled as follows at March 31, 2014:

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.

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 a former Member of Parliament and was 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 in 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.

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 Telefim 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.

At the time of completing their service to CBC/Radio-Canada, the following former Board Members were profiled as follows:

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.

PATRICIA A. MCIVER

Vancouver

Patricia A. 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 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.

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	6	1	3	5			2			4	1	2	4	2	1	6		
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 W. Boyd	6/6	1/1	3/3				2/2			4/4	1/1	2/2	4/4	2/2	1/1	6/6		
Peter D. Charbonneau	6/6	1/1	3/3	5/5			2/2						4/4	2/2	1/1			
George T.H. 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 Anthony 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 A. McIver[3]	2/2		1/1	1/1							1/1							
Brian R. 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; 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, 2013[27].

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.

27. 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's 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 Musique[28] 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.

28. *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 *2015: 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 United States 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 degree 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.

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