Q3

THIRD QUARTER
FINANCIAL REPORT 2015-2016

CBC Radio-Canada

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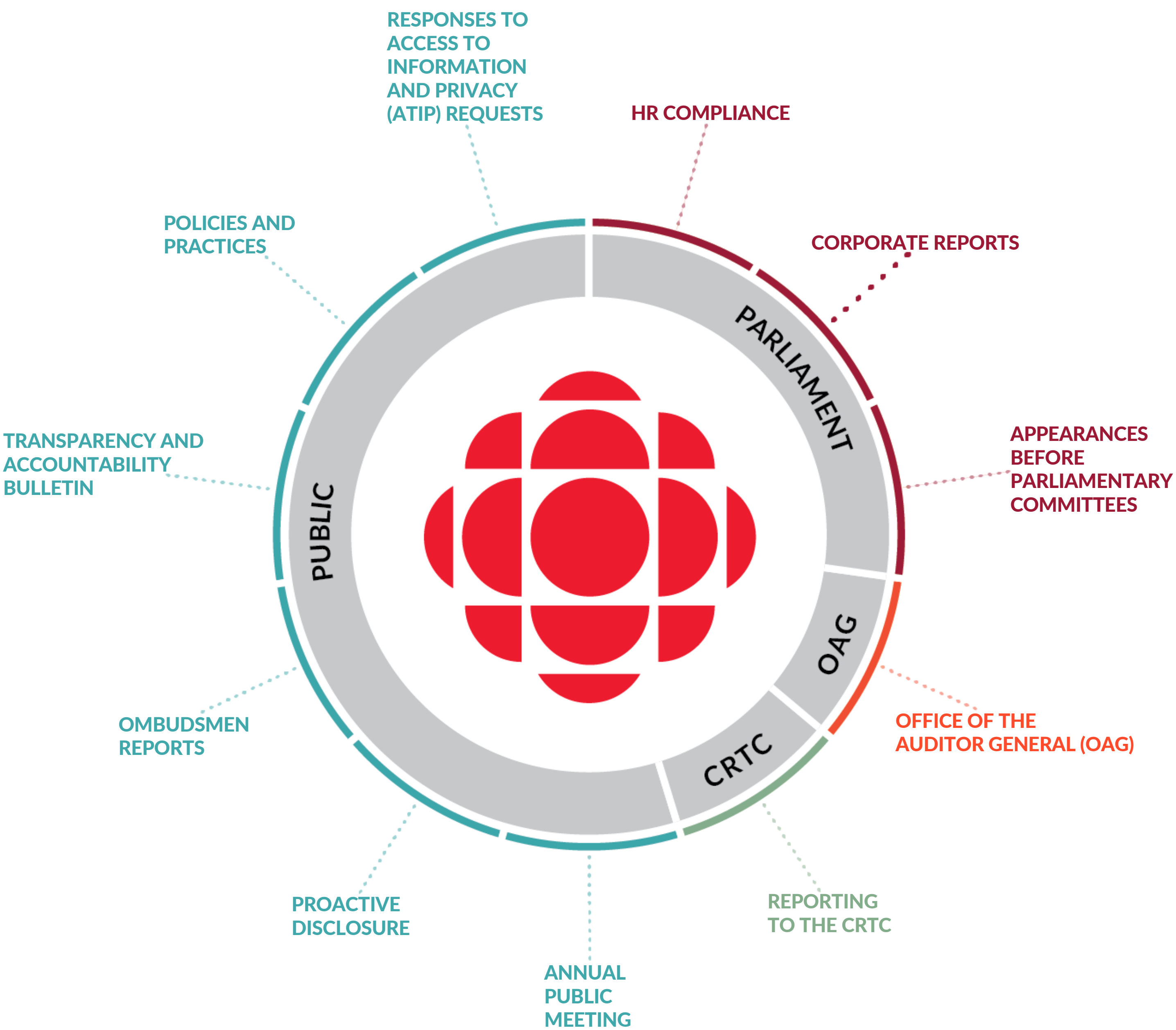
CBC/RADIO-CANADA'S COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY

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



Management Discussion and Analysis

Quarterly reporting requirement

In addition to filing an annual report, we are required – like most Canadian federal Crown corporations – to file quarterly financial reports for the first three quarters of each fiscal year. The following Management Discussion and Analysis (MD&A) aims to provide readers with an overview of our activities and performance for the third quarter of 2015-2016, and should be read in conjunction with our 2014-2015 Annual Report. In keeping with our commitment to transparency and effective oversight of public funds, we are pleased to present this quarterly report for the third quarter ended December 31, 2015.

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

Seasonality

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

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

Note regarding forward-looking statements

This report contains forward-looking statements about strategy, objectives, and expected financial and operational results. Forward-looking statements are typically identified by words such as “may,” “should,” “could,” “would,” and “will,” as well as expressions such as “believe,” “expect,” “forecast,” “anticipate,” “intend,” “plan,” “estimate” and other similar expressions. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada’s government funding remains consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the Outlook and Risk Update in section 4 of this report. However, some risks and uncertainties are by definition difficult to predict and are 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 Discussion of Results in section 2 for further details.

Financial Highlights from the Quarter

Revenue

The 2.7% decrease in revenue from ongoing activities this quarter was a result of:

- A persistent industry-wide softening of the TV advertising market, particularly in the Francophone market; and
- The absence of revenue from mobile production assets which were sold in June 2015.

These decreases were partially offset by increased subscriber revenue from French Services' specialty platforms, growth in digital advertising sales, and advertising revenue from covering the federal election.

OUR REVENUE

2015/16: $139 M
2014/15: $143 M
Total decrease ($4 M) ▽ 2.7%

OUR EXPENSES

2015/16: $419 M
2014/15: $416 M
Total increase +$3 M △ 0.6%

Expenses

The 0.6% increase in expenses from ongoing activities this quarter reflects:

- New investment in content, consistent with the Corporation's five-year strategic plan; and
- Incremental expenses for the coverage of the federal election.

The sustained effect of cost-reduction efforts helped offset these focused areas of spending.

Net Results

In addition to the revenue and expenses noted above, net results under IFRS and on a Current Operating Basis were affected by the timing of government funding drawdowns.

	For the three months ended December 31		
(in thousands of Canadian dollars)	2015	2014	% change
Revenue	139,173	142,971	(2.7)
Expenses	(418,558)	(416,216)	0.6
Results before Government funding and non-operating items	**(279,385)**	**(273,245)**	**(2.2)**
Government funding	254,121	265,305	(4.2)
Results before non-operating items	**(25,264)**	**(7,940)**	**(218.2)**
Net results under IFRS for the period	**(27,081)**	**(5,952)**	**(355.0)**
Results on a Current Operating Basis[1]	**(1,734)**	**15,394**	**N/M**

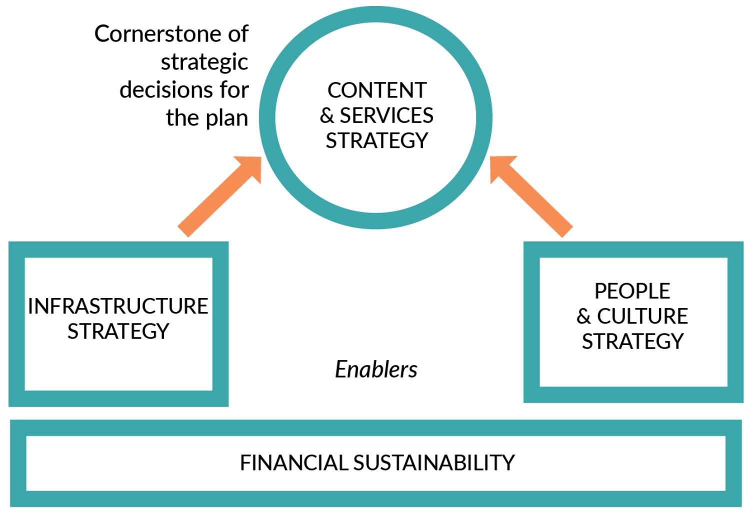
N/M = not meaningful

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

Business Highlights

At CBC/Radio-Canada, we have been transforming the way we engage with Canadians. Through the Corporation's five-year strategy, *A space for us all (Strategy 2020)*, CBC/Radio-Canada will become more local, more digital, and financially sustainable. We want to be the place where Canadians come to have a national conversation on issues that matter to them. The strategic plan sets out the following four objectives to equip us to thrive now and position us for the age beyond traditional broadcasting:

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



Content and Services

In our five-year strategic plan, we have committed to transforming the way we engage with audiences. The following describes some strategic multiplatform initiatives that took place during the third quarter and how they contribute to building our connection with the people we serve.

As explained in our previous quarterly report, Canadians still depend on our television and radio platforms, and we remain focused on high-quality, distinctive Canadian programs for those services. We have also committed to creating events that bring Canadians together and television remains a place where audiences gather to celebrate special occasions. Laughing into the New Year with our New Year's Eve comedy lineups is an ongoing tradition at CBC/Radio-Canada and our audiences' response is convincing. For example, this quarter, ICI Radio-Canada Télé's *Bye bye 2015* broke all previous audience records with an average of almost 4 million viewers on New Year's Eve, which represents an audience share of 88%.[1] On CBC Television, the full night of entertainment leading up to and into the New Year included Air Farce, Ron James and *This Hour Has 22 Minutes* (with audiences of 1.2, 1.1 and 0.5 million viewers respectively).[2]

CBC/Radio-Canada's radio services are stronger than ever. CBC Radio One and CBC Radio 2 recorded their highest fall audience shares ever. 25 out of 26 local morning CBC radio shows were in the top three most-listened to in their respective markets, with 15 being first.[3] ICI Radio-Canada Première and ICI Musique also reached a record combined audience share of 21.8%.[4] See the section about key performance indicators of this report for more details about our English and French radio services.

Canadians want to access our content at their convenience. Our challenge is to ensure that good stories find audiences across every platform so that we reach out to new audiences with our high-quality content. Our multiplatform and multiscreen strategies are key to establishing that strong connection. This quarter, the complete second season of the drama series *Série noire* was made available exclusively to ICI Tou.tv Extra subscribers before it appeared on television. Audiences responded: *Série noire* was streamed online more than 300,000 times, a remarkable digital success.[5] This event also drove ICI Tou.tv Extra subscription numbers to an unprecedented high. In the meantime, CBC's online comedy portal, Punchline, launched two new short form digital original titles: *Newborn Moms* (about the struggles of new parents) and *True Dating Stories* (about wild and embarrassing stories of modern courtship).

[1] Source: Numeris, Portable People Meter (PPM), Francophones in Quebec aged 2 years and older.
[2] Source: Numeris, Portable People Meter (PPM), Anglophones aged 2 years and older.
[3] Source: Numeris, Portable People Meter (PPM) Weeks 1-17 Anglophones aged 2 years and older, and fall 2015 survey (diary), Anglophones aged 12 years and older.
[4] Source: Numeris, fall 2015 survey (diary), Francophones aged 12 years and older.
[5] Source: Adobe Omniture SiteCatalyst.

At a time when Canadians have access to an increasing number of news choices, CBC and Radio-Canada intend to remain the source of record, not only in terms of speed and accuracy, but also as the space for analysis and conversation. By giving context to important events and helping citizens to make sense of what is happening, we believe that we play an important role in the country's democratic life. During the fall, Canadians turned in large numbers to our multiplatform offer to understand key unfolding events: the federal election, the terrorist attacks in Paris as well as the Paris Conference on Climate Change.

Digital is expanding our ability to be in-depth, focused and relevant. The Missing and Murdered Indigenous Women project, which paired CBC's investigative journalism with a digital interactive website, is a good example. For too long, Canadians have been hearing about unsolved cases of missing and murdered indigenous women. In Winnipeg, CBC's Aboriginal Digital Unit together with its investigative team decided to do more. As a result of their persistent work, the RCMP have re-opened two cold cases and successfully closed one. Last October, Radio-Canada's investigative program, *Enquête*, helped indigenous women in Val d'Or break their silence and reveal abuse by Quebec provincial police.

Digital is also an important part of our transformed approach to sports – a driver for innovation in both programming and technology. This quarter, we launched *Road to the Olympic Games/En route vers les Jeux olympiques*, a multiplatform English and French series that connects Canadians with high performance athletes and their sports leading to CBC/Radio-Canada's presentation of the 2016 Olympic Games in Rio de Janeiro and beyond to future Olympic Games. We will use broadcast, digital and our new sports app to follow athletes in training, in Canadian and international competition, as well as in their communities. Our multiplatform sports content will allow audiences to feel closer than ever to Olympic hopefuls.

Music is certainly another means of engaging audiences. On December 5, ICI Musique and the Orchestre de l'Université de Montréal, under the direction of Jean-François Rivest, presented their first interactive concert: Le concert dont vous êtes le héros. The concert program was created by Internet users after an online vote on ICIMusique.ca. CBC Music, in association with MusiCounts, embarked on the search for Canada's Greatest Music Class. The competition sought out students aged 13-17 in traditional music classes, music clubs and after-school programs across the country. The victor of Canada's Greatest Music Class will receive an assembly concert performance by a yet-to-be-announced top tier Canadian music artist for the entire student body. More than 250 classes entered. The contests are great for the winners but in the process, the whole country learns more about some incredible new Canadian talent.

INFRASTRUCTURE

This quarter saw the opening of the new Sudbury station. Located in the city's downtown core, the new facility will allow CBC/Radio-Canada Sudbury to more broadly reflect the region to audiences, while strengthening its connection to local communities. This move supports the modernization of our operations as part of *Strategy 2020*, which aims to deepen our connection with communities, expand our digital offering, and use space in an innovative, inspiring way to encourage cooperation among teams.

Now that several of our regional centres have already moved into new state-of-the-art digital broadcast centres, we need to rethink our Montreal facilities. Although we recognize that many are attached to Maison de Radio-Canada, the current building must be modernized because it no longer meets our needs. For example, it costs us $20 million a year in management and operating costs. We also have a $170 million cumulative maintenance deficit. These are substantial expenditures for the Corporation, whose mandate is to invest in content. That is why we are currently exploring all potential solutions, including selling the facility and moving into a new building on or off our existing site, with a view to ensure that the chosen alternative represents the optimal and most viable scenario for the public broadcaster. A digital, multiplatform production space that is close to the community, the new MRC will need to foster teamwork and innovation so that Radio-Canada can remain a cultural hub for the city.

Radio-Canada's bureau in Paris moved to the premises of TV5MONDE, the largest French-language network in the world with 297 million households connected. The move comes with a partnership that will grant Radio-Canada unprecedented access to French-speaking international audiences. The smaller and more efficient bureau will also generate savings that will be reinvested in our field reporting, where we really make a difference for Canadians.

In January, CBC News returned to Moscow with a new bureau staffed by three of our senior journalists. We are positioning ourselves to document the striking transformation of Russian society. The new bureau reflects our commitment to increasing the global footprint of CBC News with smart, targeted investment. By staying nimble and responsive in the face of constantly shifting news priorities, we aim to keep our audiences connected on the widest possible range of stories.

PEOPLE AND CULTURE

Work also continued on initiatives to create a workplace we can all be proud of. More than 98% of managers have thus far completed the new mandatory training on the prevention of bullying, harassment and workplace violence. Results of our employee engagement survey were shared by managers with their respective teams in late October. Action plans are to be established by January 2016. The goal of these plans is to improve our overall work environment.

In May 2015, the Canada Industrial Relations Board (CIRB) ruled that the new French Services union structure will comprise two bargaining units instead of four. The Syndicat des communications de Radio-Canada (FNC-CSN) now represents members of the Canadian Union of Public Employees (CUPE 675) and the Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada (STARF-CUPE 5757) in addition to their former members. The second bargaining unit consists of the Association des réalisateurs (AR). Radio-Canada is continuing negotiations with the Association des réalisateurs (AR); five bargaining sessions have been held since September 2015. The agreement with the Canadian Federation of Musicians (CFM) has been extended until March 31, 2016.

Alex Johnston was appointed CBC/Radio-Canada's new Vice-President of Strategy & Public Affairs effective February 29. Ms. Johnston comes from Catalyst Canada where she was Executive Director, responsible for shaping Catalyst's strategy for continued growth and membership engagement. She has served as Executive Director of Policy in the office of Ontario Premier Dalton McGuinty for eight years and has also practiced corporate law at Goodmans LLP.

1. Performance Update

Our new performance measurement framework introduced with our new strategic plan *A Space for us all (Strategy 2020)*, covers three areas:

1. Our *Mandate and Vision* (public perception indicators);
2. *Strategy 2020* (strategic indicators); and
3. Our *Media Lines* (operational indicators).

1.1 Strategic Indicators

Measuring Our Success

A central feature of *A space for us all (Strategy 2020)* is the establishment of metrics to track and assess our performance. Building on existing measurement tools, CBC/Radio-Canada has developed a streamlined performance measurement framework to assess our new strategic plan. The new performance measurement framework covers three areas: *Mandate and Vision* (public perception indicators), *Strategy 2020* (strategic indicators) and *Media Lines* (operational indicators).

Our Mandate and Vision

As Canada's national public broadcaster, the establishment of metrics to track and assess the perception of our performance is essential to demonstrate our accountability to Canadians. For *Strategy 2015*, we developed a report card that allowed us to monitor how well Canadians believe our services fulfill the Corporation's mandate under the *1991 Broadcasting Act*, as well as to measure the performance of our programming with respect to quality, distinctiveness and our ability to reflect and draw Canadians together. The data will continue to be collected for *Strategy 2020* via high-quality surveys conducted among representative samples of Anglophone and Francophone Canadians.[6] The *Mandate and Vision* reporting also includes new vision indicators, which present the Corporation's role in fulfilling the vision of *Strategy 2020*.

The latest survey results and highlights follow. These results are based on Canadians who gave CBC/Radio-Canada top marks, i.e., an 8, 9, or 10 on a 10-point scale. For those looking for more detailed results, we are moving reporting into the digital age. We have published the data online in an interactive dashboard for all Canadians to access here.

Survey Highlights

The top three perceptions in the latest survey show that CBC/Radio-Canada's programming is of high quality (70%), is informative (67%) and reflects the regions of Canada (66%).

The perception that CBC/Radio-Canada's programming is of high quality is at its highest point in the last five years. It reached 70% in the fall 2015 survey and was six percentage points higher than the previous year (fall 2014).

The fall 2015 results on reflecting my culture are also at a high point (50%), matching the previous survey results in spring 2015 and reaching six percentage points higher than the previous fall.

Canadians typically perceive us as a leader in making our programming available on new platforms, but the fall 2015 results saw a decline from 67% to 60% compared to the last two surveys.

[6] TNS Canadian Facts has been conducting the Mission Metrics tracking survey since 2010. Two methodological changes were made starting in fall 2015: 1. Sample sizes were reduced to lower the cost of the survey from 1,400 per wave per language to 1,000; and 2. Mobile-only homes were added to address changes in the Canadian population. Despite these methodological changes, results are comparable with previous years. Differences between the National fall 2015 results and prior years is +/- 2.0%.

Latest Results Fall 2015 – Per cent of Canadians Who Gave CBC/Radio-Canada Top Marks (8, 9, or 10 on a 10-point scale)[7]

			2014-2015 Fall	2014-2015 Spring	2015-2016 Fall
Broadcast Act Performance Indicators	CBC/Radio-Canada's Programming...	is informative	69%	67%	67%
		is enlightening	58%	56%	56%
		is entertaining	54%	54%	51%
		is available on New Platforms	67%	67%	60%
		is of high quality	64%	69%	70%
		is different from others	46%	44%	45%
		reflects regions of Canada	66%	67%	66%
		reflects my region	44%	45%	43%
		reflects the diversity of Canada	53%	54%	54%
		reflects my culture	44%	50%	50%
	CBC/Radio-Canada's Information Programming...	reflects a diversity of opinions	56%	55%	54%
		covers major issues in a fair and balanced way	58%	59%	59%
Vision Performance Indicators	CBC/Radio-Canada...	is personally important for me	60%	57%	57%
		is listening to its audiences	45%	48%	45%
		supports the creation of original Canadian content	65%	64%	62%
		is actively interacting with its audiences	47%	48%	48%
		is the leader in Canadian content	62%	61%	61%
		provides a place for Canadians to share their ideas and views with others	53%	58%	55%

[7] Source: Mission Metrics Survey, TNS Canadian Facts (1,000 Anglophones and 1,000 Francophones per survey). Surveys are conducted in November each year.

STRATEGY 2020

Strategy 2020 reporting is used to ensure that we are meeting the corporate-wide strategic objectives of *Strategy 2020*. We established long-term 2020 targets and will track progress against them with short-term annual targets starting with 2015-2016. A set of 10 key indicators were developed to measure the four elements of the new strategy: audience, infrastructure, people and financial sustainability.

For audience success, we selected five metrics. By 2020, we want three out of four Canadians to consider one or more of our services to be very personally important to them (metric 1). In order to change Canadians' perceptions so significantly, we will need to launch new digital services and grow our digital reach and interactions with Canadians (metrics 3 and 4). We will also need to maintain the level of time Canadians spend with our services, even as competition for Canadians' attention continues to increase (metric 5). With respect to the diversity and objectivity of our information programming (metric 2), we set a goal to maintain Canadians' high perceptions even in the face of a fragmenting public opinion and the transformation of our news offering.

To support our audience goals, we will need to transform our infrastructure, including reducing our real estate footprint by 50% (metric 6). We will need our employees to be more engaged (metric 7) and better reflect the diverse society we serve (metric 8). Lastly, we will need to meet our cost reduction (metric 9) and investment fund targets (metric 10) to be financially sustainable.

Indicator	Fiscal Year 2013-2014	Fiscal Year 2014-2015	Target 2015-2016	Expected Shape of Growth	2020 Target
Audience/Market					
1. Personal importance to Canadians (% very important)[1]	57%	59%	58%		75%
2. Information programming has diverse opinions and is objective (% who strongly agree)[1]	57%	57%	57%		57%
3. Digital Reach of CBC/Radio-Canada[2]	8.7 million	12.4 million	12.7 million		18 million
4. Monthly Digital Interactions with CBC/Radio-Canada[3]	54.9 million	79.7 million	77 million		95 million
5. Overall Time Spent with CBC/Radio-Canada[4]	177 million hrs/wk	177 million hrs/wk	173 million hrs/wk		173 million hrs/wk
Infrastructure					
6. Reduce Real Estate Footprint[5]	4.0 million rentable square feet (RSF)	4.0 million rsf	3.9 million rsf		2.0 million rsf
People					
7. Employee Engagement (% proud to be associated)[6]	92% in 2012	N/A	Result: 69%		90%
8. Employee Diversity (% of new employees)[7]	16.0%	16.1%	23.2%		23.2%
Financial					
9. Achieve Cost Reduction Target	N/A	N/A	$62 million		$117 million
10. Achieve Investment Fund Target	N/A	N/A	$5 million		$20 million

N/A = not available

[1]Source: Mission Metrics Survey, TNS Canadian Facts. This is the per cent of Canadians who give us top marks (8, 9, 10 on a 10-point scale). The data is obtained from a high quality telephone survey conducted among a representative sample of the Canadian population.

[2]Source: comScore, multiplatform measurement, Monthly average unique visitors to our Internet services.

[3]Source: comScore, multiplatform measurement, Monthly average visits to our Internet services.

[4]Source: Numeris, Time spent with our TV and Radio services; Adobe SiteCatalyst, Time spent with our Internet services. Note that 2013-2014 includes the Sochi 2014 Olympic Winter Games and 2014-2015 includes the 2014 FIFA World Cup Brazil, which is why the 2015-2016 target is lower.

[5]Our rentable square feet (RSF) results exclude: foreign offices (e.g., bureaus), transmission sites, parking lots and leases for the sole purpose of storage (i.e., no broadcasting activity).

[6]Source: Gallup Consulting, Dialogue 2015 Survey. This is the per cent of employees who are proud to be associated with CBC/Radio-Canada. This is measured as the per cent who respond 4 to 5 on a scale of 1 to 5 in a representative survey of employees. The last employee survey was conducted in 2012, so the 2015-2016 and 2020 targets could not be set last March.

[7]This metric is made up of three groups: Aboriginal Peoples, persons with disabilities and visible minorities. It is calculated as a per cent of new external hires for positions 13 weeks or more.

Measuring Our Canadian Content

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

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

1.2 Operational Indicators

English Services

By year-end, English Services is expected to meet or exceed most of its performance targets, while experiencing a challenge on two specific television indicators.

The following are some key highlights for this quarter:

- For CBC Radio, the 2015 fall diary survey marked another year of strong performance, with CBC Radio One and CBC Radio 2 combined audience share reaching 18.5%. This result was a new record for the fall diary.
- On CBC television, our prime time audience share is trending below target, reflecting the fall performance of some of our new and returning shows. Winter audiences, traditionally a better viewership period for CBC, may mitigate this performance to date.
- CBC News Network's audience share has performed very well, increasing steadily throughout the year. The channel's share is trending several tenths of a point above target and last year's results, bolstered by the coverage of events such as the federal election campaign and the Paris attacks.
- In the digital realm, CBC.ca's number of monthly average unique visitors is also trending above both its target and the prior year results, driven by recent usability and presentation enhancements to the platform, as well as events of major international, national and local interest, such as those mentioned above.
- For our regional performance indicators, the radio share during the morning show period (when CBC Radio One offers the most local content) has increased almost one full percentage point year over year, helping drive the network's positive results. This performance is especially positive given the decline in overall English-language radio consumption. By contrast, local TV performance indicators are currently trending below target as regional programs were launched in a new format in October 2015. While we expected this change to adversely impact our audience in the early days, we also anticipate the new format will ultimately help drive higher audiences consistent with the steady increase observed in the weeks after its launch.
- Average monthly unique visitors to regional content pages are trending to achieve expectations, driven by events such as provincial elections (e.g. Alberta, Newfoundland & Labrador), the Wilfrid Laurier University security lockdown, and the earthquake in British Columbia.
- Subscriber levels to our specialty television channels are relatively stable and consistent with anticipated performance, with both CBC News Network and *documentary* subscribers declining slightly year over year. The cord-cutting trend and the effects of regulatory changes in the industry associated with the *Let's Talk TV* initiative are expected to further challenge our subscriber levels.
- Revenue for the year is anticipated to slightly exceed target, partially driven by one-time events such as CBC's coverage of and host broadcaster activities for the Toronto 2015 Pan Am and Parapan Am Games.

	Targets 2015-2016	April 1 to December 31, 2015	Results 2014-2015	April 1 to December 31, 2014
Radio Networks				
CBC Radio One and CBC Radio 2				
All-day audience share[1]	17.5%	18.5%	18.1%	18.1%
Television				
CBC Television				
Prime-time audience share				
Regular season, Monday-Friday & Sunday[2]	6.2%	5.6%	6.0%	5.5%
CBC News Network				
All-day audience share April-March[2]	1.4%	1.8%	1.5%	1.5%
Regional				
CBC Radio One morning shows				
Audience share				
(Monday-Friday) Regular season[1]	19.6%	20.4%	19.5%	19.5%
TV supper news				
Average minute audience (Monday-Friday) Regular season[2]	0.360 million	0.331 million	0.375 million	0.376 million
Regional content				
Monthly average unique visitors April-March[3]	4.2 million	4.2 million	4.0 million	4.0 million
Digital				
CBC.ca				
Monthly average unique visitors April-March[3]	11.2 million	12.0 million	10.6 million	10.4 million
Specialty Television Channels				
CBC News Network				
Subscribers	11.2 million	11.1 million	11.2 million	11.3 million
documentary				
Subscribers	2.7 million	2.6 million	2.7 million	2.7 million
Revenue[4]				
Conventional, specialty, online	$246 million	$201 million	$321 million	$263 million

[1]Source: Numeris, fall survey (diary), persons aged 12 years and older.

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

[3]Source: comScore Media Metrix, persons aged 2 years and older (regional content: desktop measure only / CBC.ca: multiplatform measure). Prior to 2015-2016, the measure for all CBC.ca websites only included unique visitors using a desktop. It now also includes visitors using mobile devices.

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

French Services

French Services is trending to meet or exceed certain performance targets set for 2015-2016. Others, including self-generated revenue, are tracking below.

The following are some key highlights for this quarter:

- ICI Radio-Canada Première and ICI Musique achieved a combined record share of 21.8% in Fall 2015, which significantly exceeded the target and beat the prior record of 21.7% achieved in fall 2014. ICI Radio-Canada Première's regional morning shows have also officially exceeded the annual target based on the fall survey.
- While benefiting from a strong fall line-up with successful returning programs such as *Unité 9* and record-breaking results for *Bye Bye 2015*, ICI Radio-Canada Télé is currently tracking below target, with an average prime-time audience share of 19.2%. We expect this winter's launch of high-profile drama series such as *Les pays d'en haut* or *Ruptures* to positively impact ICI Radio-Canada Télé's share.
- Specialty TV channels' audience share is tracking to meet target, supported for the most part by ICI RDI performance during the fall and ICI EXPLORA, which benefited from two free preview periods. Our television regional performance indicator is currently tracking slightly below target, although viewership tends to increase during the winter.
- Average monthly unique visitors to regional content pages are trending slightly below target, while Radio-Canada websites' results are on target. Our digital results for all Radio-Canada websites have been driven by events of both international and national interest. As an example, they averaged more than 3.5 million unique visitors during the month of the federal election.[8]
- Subscriber levels on our specialty television channels are slightly below target for both ICI RDI and ICI ARTV, consistent with market pressures exerted by cord-cutting and pick-and-pay. We expect ICI EXPLORA's subscriber levels to exceed its annual target.
- Revenue is tracking below target as it continues to be adversely affected by the persistent softness of the francophone TV advertising market.

Bye bye 2015 – ICI Radio-Canada Télé

[8] Source: comScore Media Metrix, unique visitors aged 2 years and older, multiplatform measure, desktop and mobile devices.

	Targets 2015-2016	April 1 to December 31, 2015	Results 2014-2015	April 1 to December 31, 2014
Radio Networks				
ICI Radio-Canada Première and ICI Musique				
All-day audience share[1]	21.2%	21.8%	21.4%	21.4%
Television				
ICI Radio-Canada Télé				
Prime-time share, fall/winter season[2]	19.7%	19.2%	19.8%	19.8%
ICI RDI, ICI ARTV, ICI EXPLORA				
All-day audience share, April-March[2]	4.7%	4.7%	4.8%	4.9%
Regional				
ICI Radio-Canada Première				
Morning show audience share, Monday-Friday 6-9 a.m.[1]	18.1%	19.9%	19.2%	19.2%
Téléjournal 18h				
Average minute audience, weekly average, Monday-Friday, 6-6:30 p.m., fall/winter season[2]	0.310 million	0.306 million	0.325 million	0.327 million
Regional web pages				
Monthly average unique visitors, April-March[3]	0.758 million	0.694 million	0.722 million	0.712 million
Digital				
ICI.Radio-Canada.ca, ICI.Tou.tv, ICIMusique.ca, RCInet.ca, ICI.ARTV.ca and ICI.EXPLORAtv.ca				
Monthly average unique visitors, April-March[3]	2.8 million	2.8 million	1.9 million	1.8 million
Specialty Television Channels				
ICI RDI				
Subscribers	11.1 million[4]	10.8 million[4]	10.8 million[4]	11.1 million[4]
ICI ARTV				
Subscribers	1.8 million	1.8 million	1.8 million	1.9 million
ICI EXPLORA				
Subscribers	0.8 million	0.7 million	0.6 million	0.6 million
Revenue[5]				
Conventional, specialty, online	$227 million	$160 million	$234 million	$177 million

[1]Source: Numeris, fall 2015 survey (diary), Francophones aged 12 years and older. All-day audience share: Results for Francophone radio stations in markets served by a Radio-Canada base station. Morning show audience share: Results for all Francophones in markets served by a Radio-Canada base station. Prior to 2015-2016, the metric was an average of the spring and fall surveys.

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

[3]Source: comScore Media Metrix, unique visitors aged 2 years and older (regional web pages: desktop only / Radio-Canada's web offerings: multiplatform measure). Prior to 2015-2016, the measure for all Radio-Canada websites only included unique visitors using a desktop. It now also includes visitors using mobile devices.

[4]In November 2014, one of our partners informed us of an error in the subscriber count for ICI RDI. The error had affected 2014-2015 annual results (10.8 million) and, furthermore, was identified after we had set the annual target for 2015-2016 (11.1 million). ICI RDI's annual subscriber target for 2016-2017, to be published in the 2016-2017 Q1 report, will be established in light of the now-known actual values.

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

2. DISCUSSION OF RESULTS

2.1 RESULTS UNDER IFRS AND ON A CURRENT OPERATING BASIS

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2015	2014	% change	2015	2014	% change
Revenue	139,173	142,971	(2.7)	400,051	473,692	(15.5)
Expenses	(418,558)	(416,216)	0.6	(1,157,324)	(1,248,660)	(7.3)
Results before Government funding and non-operating items	(279,385)	**(273,245)**	**(2.2)**	(757,273)	**(774,968)**	**2.3**
Government funding	254,121	265,305	(4.2)	666,074	641,237	3.9
Results before non-operating items	(25,264)	**(7,940)**	**(218.2)**	(91,199)	**(133,731)**	**31.8**
Non-operating items	(1,817)	1,988	N/M	358	41,003	(99.1)
Net results under IFRS for the period	(27,081)	**(5,952)**	**(355.0)**	(90,841)	**(92,728)**	**2.0**
Items not generating or requiring funds from operations						
Pension and other employee future benefits	15,542	8,544	81.9	51,216	32,427	57.9
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	4,308	5,606	(23.2)	14,842	16,728	(11.3)
Other provisions for non-cash items	5,497	7,196	(23.6)	(11,343)	(8,385)	(35.3)
Results on a Current Operating Basis[1]	(1,734)	**15,394**	**N/M**	(36,126)	**(51,958)**	**30.5**

N/M = not meaningful

[1] Results on a Current Operating Basis is a non-IFRS measure. An explanation of Results on a Current Operating Basis is provided below.

Net results under IFRS and Results on a Current Operating Basis decreased in the quarter as a result of:

- Lower revenue explained by the continued softening of the advertising market combined with a nominal (0.6%) increase in expenses as we continue implementing cost-reduction initiatives and invest in content to adapt to, and stay ahead of changes shaping the broadcasting industry; and
- Timing differences in the drawdown and recognition of government funding into income.

On a year-to-date basis, net results under IFRS and Results on a Current Operating Basis have improved relative to the prior year due to:

- Lower operating expenses that are more than offsetting the revenue decreases; and
- Higher government funding recognized in income this year as our working capital requirements were higher compared to last year when we sold a portion of our equity interest in Sirius XM Canada Holdings (SiriusXM).

Government appropriations for the full year of 2015-2016 are expected to remain at the same level as received in 2014-2015.

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 revenue that will not generate operating funds within one year. This measure is used regularly by management to help monitor performance and balance the Corporation's budget consistent with parliamentary appropriations. We believe this measure provides useful complementary information to readers, while recognizing that it does not have a standard meaning under IFRS and will not likely be comparable to measures presented by other companies.

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

Revenue

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2015	2014	% change	2015	2014	% change
Advertising						
English Services	37,586	37,960	(1.0)	94,254	165,561	(43.1)
French Services	39,038	39,777	(1.9)	94,479	104,350	(9.5)
	76,624	77,737	(1.4)	188,733	269,911	(30.1)
Subscriber fees						
English Services	18,471	18,739	(1.4)	55,388	56,318	(1.7)
French Services	15,204	14,427	5.4	45,585	44,376	2.7
	33,675	33,166	1.5	100,973	100,694	0.3
Financing and other income						
English Services	10,738	14,663	(26.8)	60,765	45,807	32.7
French Services	8,148	8,479	(3.9)	19,329	25,513	(24.2)
Corporate Services	9,988	8,926	11.9	30,251	31,767	(4.8)
	28,874	32,068	(10.0)	110,345	103,087	7.0
TOTAL	139,173	**142,971**	**(2.7)**	400,051	**473,692**	**(15.5)**

Advertising

The 1.4% decrease in advertising revenue this quarter resulted from:

- Persistent softness of the traditional TV advertising market;

partially offset by;

- Growth in digital advertising revenue as we continue to enhance our digital presence, consistent with *Strategy 2020*; and
- Advertising revenue from covering the federal election.

The 30.1% decrease in year-to-date advertising revenue resulted from:

- Higher revenue last year from *Hockey Night in Canada* and our coverage of the 2014 FIFA World Cup Brazil;

partially offset by;

- Additional advertising revenue generated from broadcasting the Toronto 2015 Pan Am and Parapan Am Games. French Services' TV advertising revenue has been more affected by the softness in the advertising revenue, consistent with the state of the Francophone market. We are closely monitoring developments that may further impact the overall media industry.

Subscriber Fees

The 1.5% increase in subscriber fees this quarter was largely attributable to an increase in ICI EXPLORA and ICI Tou.tv 's subscriber revenue, partly offset by lower subscriber levels on both CBC News Network and *documentary*, consistent with the cord-cutting trend adversely affecting the industry.

On a year-to-date basis, subscriber fees were slightly higher due to the growth in ICI EXPLORA subscribers, which was offset by lower English Services' subscriber levels as described above and a modest decrease in ICI ARTV subscriber fees.

Financing and Other Income

The 10% decrease in financing and other income this quarter is a result of:

- The absence of revenue from mobile production assets which were sold in June 2015;

partially offset by;

- Higher income generated by our real estate rentals.

The 7% increase on a year-to-date basis resulted mainly from:

- Other income generated by host broadcasting activities of the Toronto 2015 Pan Am and Parapan Am Games by English Services;

partially offset by;

- The absence of revenue from the Local Programming Improvement Fund, digital rights revenue from the 2014 FIFA World Cup Brazil, and host broadcasting revenue for the FIFA U-20 Women's World Cup.

OPERATING EXPENSES

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2015	2014	% change	2015	2014	% change
Television, radio and digital services costs						
English Services	220,343	212,018	3.9	603,482	679,929	(11.2)
French Services	171,853	176,886	(2.8)	476,279	498,194	(4.4)
	392,196	388,904	0.8	1,079,761	1,178,123	(8.3)
Other operating expenses						
Transmission, distribution and collection	17,947	17,985	(0.2)	52,006	52,007	(0.0)
Corporate management	2,625	2,380	10.3	7,340	7,452	(1.5)
Payments to private stations	213	597	(64.3)	1,147	1,795	(36.1)
Finance costs	6,948	7,721	(10.0)	21,183	22,995	(7.9)
Share of results in associate	(1,371)	(1,371)	-	(4,113)	(13,712)	70.0
TOTAL	418,558	**416,216**	**0.6**	1,157,324	**1,248,660**	**(7.3)**

TELEVISION, RADIO AND DIGITAL SERVICES COSTS

The 0.8 % increase in TV, radio and digital service costs this quarter was a result of:

- Higher levels of investment in content consistent with *A space for us all (Strategy 2020)*, and coverage of the federal election on both networks;

partially offset by;

- The effect of our cost-saving efforts.

In addition, the comparative period of 2014 included restructuring expenses as we made changes to further reduce our ongoing operating costs.

The 8.3% decrease year to date was mainly due to:

- 2014 expenses included rights and production costs for *Hockey Night in Canada* and 2014 FIFA World Cup Brazil. These expenses were higher than this year's costs to broadcast the Toronto 2015 Pan Am and Parapan Am Games. Together, these changes in sports coverage accounted for 55% of the year-to-date decrease.

Also contributing to this decrease was:

- Restructuring expenses incurred in 2014;
- Our ongoing cost-saving initiatives, including the sale of mobile production assets;
- A downward revision of a provision for copyright dues following a recent court ruling;

partially offset by;

- Higher pension expense due to changes in actuarial assumptions; and
- Reinvestment in content in line with *Strategy 2020*.

OTHER OPERATING EXPENSES

Other operating expenses are stable this quarter. The 7.3% decrease year to date is a result of a special dividend received from Sirius XM Canada Holdings (SiriusXM) in 2014.

Government Funding

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2015	2014	% change	2015	2014	% change
Parliamentary appropriations for operating expenditures	229,752	239,339	(4.0)	591,794	561,375	5.4
Parliamentary appropriations for working capital	1,000	1,000	-	3,000	3,000	-
Amortization of deferred capital funding	23,369	24,966	(6.4)	71,280	76,862	(7.3)
TOTAL	254,121	**265,305**	**(4.2)**	666,074	**641,237**	**3.9**

Parliamentary appropriations for operating expenditures decreased by 4.0% in the quarter and increased by 5.4% year to date. Parliamentary appropriations are recognized based on our working capital requirements, according to forecasted revenues and expenditures for the period. In the second quarter of last year, our working capital requirements were lower due to the sale of a portion of our equity interest in SiriusXM.

Government appropriations in 2015-2016 are expected to remain at the same level as received in 2014-2015.

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

Non-Operating Items

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2015	2014	% change	2015	2014	% change
Gain on sale of shares	-	-	N/M	-	33,548	(100.0)
Gain (loss) on disposal of property and equipment and intangibles	(1,817)	1,988	N/M	358	7,455	(95.2)
TOTAL	(1,817)	**1,988**	**N/M**	358	**41,003**	**(99.1)**

N/M = not meaningful

The small non-operating loss this quarter was largely due to asset retirements in the normal course of our business.

Gains on a year-to-date basis last year resulted from:

- A non-operating gain from the sale of a portion of our equity interest in SiriusXM in 2014; and
- Insurance proceeds received in 2014 relating to mobile production assets destroyed in a fire.

2.2 Total Comprehensive Income (Loss)

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2015	2014	% change	2015	2014	% change
Net results for the period	(27,081)	**(5,952)**	**(355.0)**	(90,841)	**(92,728)**	**2.0**
Other comprehensive income (loss)						
Remeasurements of defined benefit plans	177,514	31,338	N/M	312,767	89,253	N/M
Total comprehensive income (loss) for the period	150,433	**25,386**	**N/M**	221,926	**(3,475)**	**N/M**

N/M = not meaningful

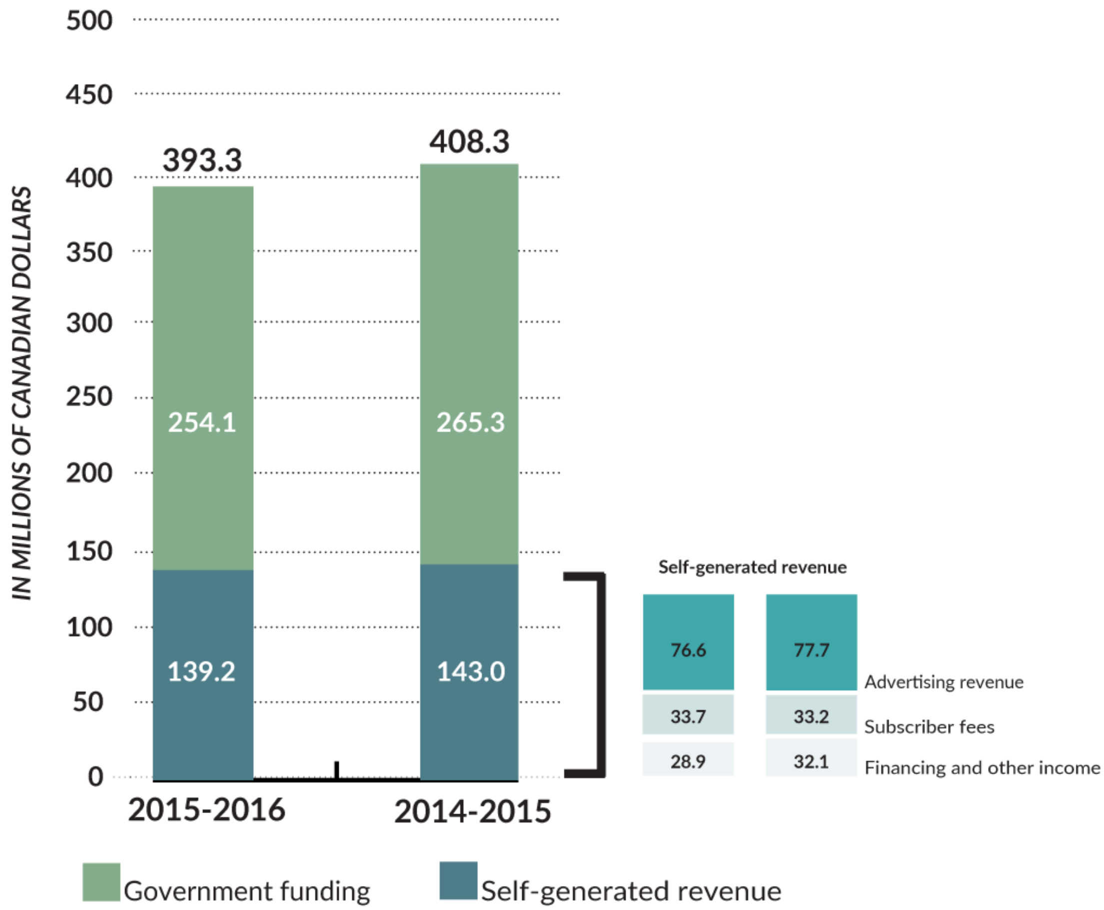
Total comprehensive income recognized this quarter was $150.4 million, compared to a gain of $25.4 million in the same period last year. In addition to net results, total comprehensive income includes remeasurements of pension plan values. These remeasurements are driven by significant non-cash fluctuations in our pension plan's obligations and assets that occur when actual results or interest rates differ from our actuarial assumptions. We recognize these movements immediately in other comprehensive income each reporting period.

This quarter's $177.5 million in other comprehensive income was driven by a higher return on plan assets than that used in our assumptions.

3. Capital Resources, Financial Condition and Liquidity

3.1 Capital Resources

Quarterly Summary of Revenue and Other Sources of Funds



Government funding (65% of sources in 2015-2016): Government funding recognized of $254.1 million, including $23.4 million of amortization of deferred capital funding. A freeze of salary inflation funding for this fiscal year was confirmed by the government in its November 2013 Economic Update. This means that any salary increases for our employees have to be managed through cost reductions in other areas. For an average salary increase of 1.5%, the Corporation needs to find $13.5 million in cost savings each year.

Advertising revenue (19% of sources in 2015-2016): Revenue from selling advertising on our conventional and specialty television channels, CBC Radio 2, ICI Musique, and other platforms. Advertising revenue is decreasing as a proportion of our total revenue and sources of funds as a result of the end of our broadcast rights contract with the NHL and the market shift away from conventional advertising platforms.

Subscriber fees (9% of sources in 2015-2016): Fees from our specialty services – CBC News Network, documentary, ICI EXPLORA, ICI ARTV, ICI RDI, the new ICI Tou.tv Extra premium package, and Curio.ca.

Financing and other income (7% of sources in 2015-2016): Includes income from activities such as rental of real estate assets, leasing of space at our transmission sites, host broadcasting, and contributions from the Canada Media Fund and program sales.

For quarterly variance analysis, see Discussion of Results in section 2.

Borrowing Plan

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

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

3.2 Financial Condition and Liquidity

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

Our cash flows from operating, investing and financing activities for the third quarter ended December 31, 2015, are summarized in the following table. Our cash balance on December 31, 2015, was $103.7 million, compared to $214.9 million on March 31, 2015.

Cash Position

	For the three months ended December 31			For the nine months ended December 31		
(in thousands of Canadian dollars)	2015	2014	% change	2015	2014	% change
Cash - beginning of the period	105,456	**92,765**	**13.7**	214,884	**61,974**	**246.7**
Changes in the period						
Cash from (used in) operating activities	4,754	28,764	(83.5)	(90,732)	10,276	N/M
Cash used in financing activities	(25,433)	(25,821)	1.5	(54,078)	(55,471)	2.5
Cash from investing activities	18,925	20,232	(6.5)	33,628	99,161	(66.1)
Net change	(1,754)	**23,175**	**N/M**	(111,182)	**53,966**	**N/M**
Cash - end of the period	103,702	**115,940**	**(10.6)**	103,702	**115,940**	**(10.6)**

N/M = not meaningful

Cash From (Used In) Operating Activities

The decrease in cash from operating activities this quarter and the increase in cash used in operating activities year to date is a result of seasonal fluctuations in working capital, notably programming inventory.

Cash Used in Financing Activities

Cash outflows from financing activities were stable. Cash is used for interest, semi-annual payments of the Toronto Broadcast Centre bonds, payments of notes payable and funds needed to meet our obligations under finance leases.

Cash From Investing Activities

Cash flows from investing activities were relatively stable this quarter.

Lower year-to-date cash flows resulted from:

- The sale of a portion of our equity interest in SiriusXM in 2014; and
- A special dividend by SiriusXM distributed in the first quarter of 2014-2015.

4. Outlook and Risk Update

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

Government Funding

We are very encouraged by the support the new government has expressed for Canadian culture, by its pledge to reinvest in the public broadcaster and by its recognition that CBC/Radio-Canada is a vital national institution that brings Canadians together. We expect that the extent and timing of additional funding will be announced in the Government's upcoming first budget.

Industry Challenges: A Weaker Advertising Market and Regulatory Changes

As indicated in our 2014-2015 Annual Report, our revenue is exposed to the industry-wide softening of advertising markets and the shift of advertising away from traditional television to digital platforms. After two months of positive year-over-year advertising revenue growth in September and October 2015 compared to last year, the market declined by 4.4% year-over-year in November and 2.6% in December.[9] This had been preceded by a decline of 7.3% in the previous broadcast year (September 2014 to August 2015). We are closely monitoring the situation, as we expect the advertising market to remain challenged for the rest of this fiscal year.

In addition to these developments, we are continuing to monitor and assess the impacts of the decisions made by the CRTC's *Let's Talk TV* review on the TV broadcasting industry in Canada. Refer to our 2014-2015 Annual Report for more details. Changes resulting from these regulatory decisions could also affect our specialty channel revenue. We are developing plans to mitigate any negative changes to our specialty channel distribution and revenue, including negotiating the channel carriage of our specialty channels with our Broadcasting Distribution Undertaking partners.

On September 14, 2015, the CRTC launched a review of the policy framework for local and community television programming. This review builds on the determinations made during the *Let's Talk TV* proceeding. The Commission will review issues related to policy, regulation and funding of local programming. No new funding will be provided, but existing funding may be reallocated among broadcasting initiatives to help strengthen local programming. Given the importance of this proceeding for us, we filed written comments and appeared at the public hearing in January 2016.

On September 9, 2015, the Canada Media Fund (CMF) started cross-country public consultations about its future. At these public consultations, the CMF detailed how it wants to change its programs to focus on innovative and, landmark content and to sustain independent producers. This proposed strategy would shift CMF funds away from television broadcasters like CBC/Radio-Canada towards digital content creators and distributors, independent producers, and vertically integrated media companies. We shared our position on these issues during the consultation process.

[9] Source: January 2016 Television Bureau of Canada (TVB) report.

Real Estate Portfolio Optimisation

We are currently examining scenarios for the Maison de Radio-Canada redevelopment project, including selling our facility and moving into a new building on or off our existing site. To this end, we retained the services of a real estate brokerage firm to help us identify the full range of opportunities in the Montreal market. More information is provided in the Business Highlights section.

The Board of Directors has approved the sale of our existing facility in Calgary and the move of our operations to a new leased location. This new space will mean a 70% reduction in our physical footprint in Calgary. The proposed new space will create an opportunity to modernize our technology and infrastructure as we move into the HD world and allow for fuller integration amongst our platforms.

Looking Forward

On October 21, 2015, the International Olympics Committee (IOC) announced that we had been awarded the Canadian broadcast rights for the Beijing 2022 Olympic Winter Games and the 2024 Olympic Summer Games. We are now Canada's Olympic Network and Official Broadcaster for the next five Olympic Games including Rio 2016, Pyeongchang 2018, and Tokyo 2020, along with our broadcast partners Bell Media and Rogers Media. This will significantly increase both revenue and expenses in 2016-2017, 2017-2018, and 2020-2021; we expect to at least break even on this premier international sporting property.

CBC/Radio-Canada the Official Broadcaster for the next five Olympic Games

5. Financial Reporting Disclosure

5.1 Future Accounting Standards

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

5.2 Critical Accounting Estimates and Judgments

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

5.3 Transactions With Related Parties

Transactions With Defined Benefit Pension Plans

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

STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

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

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

Hubert T. Lacroix,

President and Chief Executive Officer

Judith Purves,

Executive Vice-President and
Chief Financial Officer

Ottawa, Canada

February 24, 2016

In thousands of Canadian dollars

Condensed Interim Consolidated Statement of Financial Position (Unaudited)

	NOTE	December 31, 2015	March 31, 2015
ASSETS			
Current			
Cash		103,702	214,884
Trade and other receivables	3	134,137	151,444
Programming	4	271,540	170,177
Merchandising inventory		256	274
Prepaid expenses		27,205	26,859
Promissory notes receivable		2,606	2,474
Investment in finance lease		2,909	2,759
Derivative financial instruments	13	794	269
Assets classified as held for sale	5	3,519	1,627
		546,668	**570,767**
Long-term			
Property and equipment	5	868,049	902,752
Intangible assets	6	27,745	25,324
Assets under finance leases		22,516	20,389
Pension plan	9	440,728	190,342
Programming	4	88,356	140,113
Promissory notes receivable		41,552	43,507
Investment in finance lease		45,179	47,379
Deferred charges		16,949	17,252
Investment in associate	7	-	-
		1,551,074	**1,387,058**
TOTAL ASSETS		**2,097,742**	**1,957,825**
LIABILITIES			
Current			
Accounts payable and accrued liabilities		67,896	87,534
Provisions	8	36,329	40,962
Pension plans and employee-related liabilities	9	132,918	154,876
Programming liability		15,151	15,151
Bonds payable		17,539	21,663
Obligations under finance leases		11,311	10,232
Notes payable		7,330	8,319
Deferred revenue		22,849	30,105
Deferred operating vote drawdown	11	35,206	-
		346,529	**368,842**
Long-term			
Deferred revenue		24,194	39,154
Pension plans and employee-related liabilities	9	236,061	247,245
Programming liability		23,623	33,446
Bonds payable		236,851	251,237
Obligations under finance leases		19,503	20,671
Notes payable		93,764	100,513
Deferred capital funding	11	518,920	520,200
		1,152,916	**1,212,466**
Equity			
Retained earnings		597,772	375,976
Total equity attributable to the Corporation		**597,772**	**375,976**
Non-controlling interests		**525**	**541**
TOTAL EQUITY		**598,297**	**376,517**
TOTAL LIABILITIES AND EQUITY		**2,097,742**	**1,957,825**

Contingencies (NOTE 8) and Commitments (NOTE 15)

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

In thousands of Canadian dollars

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

	NOTE	Three months ended December 31		Nine months ended December 31	
		2015	2014	**2015**	2014
REVENUE	*10*				
Advertising		76,624	77,737	188,733	269,911
Subscriber fees		33,675	33,166	100,973	100,694
Other income		26,463	29,257	102,701	95,225
Financing income		2,411	2,811	7,644	7,862
		139,173	**142,971**	**400,051**	**473,692**
EXPENSES					
Television, radio and digital services costs		392,196	388,904	1,079,761	1,178,123
Transmission, distribution and collection		17,947	17,985	52,006	52,007
Corporate management		2,625	2,380	7,340	7,452
Payments to private stations		213	597	1,147	1,795
Finance costs		6,948	7,721	21,183	22,995
Share of results in associate	*7*	(1,371)	(1,371)	(4,113)	(13,712)
		418,558	**416,216**	**1,157,324**	**1,248,660**
Results before Government funding and non-operating items		**(279,385)**	**(273,245)**	**(757,273)**	**(774,968)**
GOVERNMENT FUNDING	*11*				
Parliamentary appropriation for operating expenditures		229,752	239,339	591,794	561,375
Parliamentary appropriation for working capital		1,000	1,000	3,000	3,000
Amortization of deferred capital funding		23,369	24,966	71,280	76,862
		254,121	**265,305**	**666,074**	**641,237**
Results before non-operating items		**(25,264)**	**(7,940)**	**(91,199)**	**(133,731)**
NON-OPERATING ITEMS					
Gain on sale of shares	*7*	-	-	-	33,548
Gain (loss) on disposal of property and equipment and intangibles	*5, 6*	(1,817)	1,988	358	7,455
		(1,817)	**1,988**	**358**	**41,003**
Net results for the period		**(27,081)**	**(5,952)**	**(90,841)**	**(92,728)**
Net results attributable to:					
The Corporation		(27,155)	(6,035)	(90,971)	(92,967)
Non-controlling interests		74	83	130	239
		(27,081)	(5,952)	(90,841)	(92,728)

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

In thousands of Canadian dollars

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

	NOTE	Three months ended December 31		Nine months ended December 31	
		2015	2014	**2015**	2014
COMPREHENSIVE INCOME (LOSS)					
Net results for the period		(27,081)	(5,952)	(90,841)	(92,728)
Other comprehensive income (loss) - not subsequently reclassified to net results					
Remeasurements of defined benefit plans	9	177,514	31,338	312,767	89,253
Total comprehensive income (loss) for the period		**150,433**	**25,386**	**221,926**	**(3,475)**
Total comprehensive income (loss) attributable to:					
The Corporation		150,359	25,303	221,796	(3,714)
Non-controlling interests		74	83	130	239
		150,433	**25,386**	**221,926**	**(3,475)**

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

In thousands of Canadian dollars

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	NOTE	Three months ended December 31, 2015 — Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at September 30, 2015		447,413	451	447,864
Changes in the period				
Net results for the period		(27,155)	74	(27,081)
Remeasurements of defined benefit plans	9	177,514	-	177,514
Total comprehensive income for the period		**150,359**	**74**	**150,433**
Balance as at December 31, 2015		**597,772**	**525**	**598,297**

	NOTE	Three months ended December 31, 2014 — Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at September 30, 2014		207,100	449	207,549
Changes in the period				
Net results for the period		(6,035)	83	(5,952)
Remeasurements of defined benefit plans	9	31,338	-	31,338
Total comprehensive income for the period		**25,303**	**83**	**25,386**
Balance as at December 31, 2014		**232,403**	**532**	**232,935**

	NOTE	Nine months ended December 31, 2015 — Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2015		375,976	541	376,517
Changes in the period				
Net results for the period		(90,971)	130	(90,841)
Remeasurements of defined benefit plans	9	312,767	-	312,767
Total comprehensive income for the period		**221,796**	**130**	**221,926**
Distributions to non-controlling interests		**-**	**(146)**	**(146)**
Balance as at December 31, 2015		**597,772**	**525**	**598,297**

	NOTE	Nine months ended December 31, 2014 — Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2014		236,117	468	236,585
Changes in the period				
Net results for the period		(92,967)	239	(92,728)
Remeasurements of defined benefit plans	9	89,253	-	89,253
Total comprehensive income (loss) for the period		**(3,714)**	**239**	**(3,475)**
Distributions to non-controlling interests		**-**	**(175)**	**(175)**
Balance as at December 31, 2014		**232,403**	**532**	**232,935**

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

In thousands of Canadian dollars

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	NOTE	Three months ended December 31 2015	2014	Nine months ended December 31 2015	2014
CASH FLOWS (USED IN) FROM					
OPERATING ACTIVITIES					
Net results for the period		(27,081)	(5,952)	(90,841)	(92,728)
Adjustments for:					
(Gain) loss on disposal of property and equipment and intangibles	5, 6	1,817	(1,988)	(358)	(7,455)
Gain on sale of shares	7	-	-	-	(33,548)
Financing income		(2,411)	(2,811)	(7,644)	(7,862)
Finance costs		6,948	7,721	21,183	22,995
Change in fair value of financial instruments designated as at fair value through profit and loss	13	(299)	125	(525)	551
Depreciation of property and equipment	5	25,042	27,108	76,589	82,963
Amortization of intangible assets	6	1,630	1,617	4,961	4,834
Depreciation of assets under finance leases		1,897	2,034	5,694	6,260
Share of results in associate	7	(1,371)	(1,371)	(4,113)	(13,712)
Change in deferred charges		(253)	226	303	(3,027)
Change in programming asset [long-term]	4	2,109	(18,723)	53,147	(108,524)
Change in programming liability [long-term]		(3,765)	(4,040)	(10,579)	52,662
Amortization of deferred capital funding	11	(23,369)	(24,966)	(71,280)	(76,862)
Change in deferred appropriations for operating expenditures	11	16,748	30,667	35,206	30,667
Change in deferred revenue [long-term]		(3,592)	(7,523)	(15,612)	22,691
Change in pension plan asset	9	(163,567)	(25,724)	(250,386)	(90,732)
Change in pension plans and employee-related liabilities [current]	9	6,179	6,644	8,684	4,652
Change in pension plans and employee-related liabilities [long-term]	9	179,103	34,262	301,583	123,141
Accretion of promissory notes receivable		(6)	(5)	(16)	(15)
Movements in working capital	12	(11,005)	11,463	(146,728)	93,325
		4,754	28,764	(90,732)	10,276
FINANCING ACTIVITIES					
Repayment of obligations under finance leases		(2,712)	(2,945)	(7,923)	(8,775)
Repayment of bonds		(6,804)	(6,319)	(13,361)	(12,409)
Repayment of notes		(3,290)	(3,140)	(6,504)	(6,209)
Distributions to non-controlling interests		-	-	(146)	(175)
Interest paid		(12,627)	(13,417)	(26,144)	(27,903)
		(25,433)	(25,821)	(54,078)	(55,471)
INVESTING ACTIVITIES					
Parliamentary appropriations for capital funding	11	32,499	29,000	70,000	74,965
Additions to property and equipment	5	(16,148)	(17,227)	(52,499)	(37,365)
Additions to intangible assets	6	(2,922)	(2,012)	(9,359)	(6,872)
Net proceeds from disposal of property and equipment	5	784	5,712	11,058	9,086
Net proceeds from disposal of shares	7	-	-	-	33,548
Collection of promissory notes receivable		617	575	1,819	1,695
Collection of finance leases receivable		654	610	1,928	1,797
Dividends received	7	1,371	1,371	4,113	15,567
Interest received		2,070	2,203	6,568	6,740
		18,925	20,232	33,628	99,161
Change in cash		(1,754)	23,175	(111,182)	53,966
Cash, beginning of the period		105,456	92,765	214,884	61,974
Cash, end of the period		103,702	115,940	103,702	115,940

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2015 (UNAUDITED)

(In thousands of Canadian dollars, unless otherwise noted)

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

A. STATEMENT OF COMPLIANCE

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

These condensed interim consolidated financial statements have not been audited or reviewed by the Corporation's external auditor. They have been authorized for issuance by the Board of Directors on February 24, 2016.

B. BASIS OF PREPARATION

Basis of Presentation

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

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

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

Functional and presentation currency

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

Seasonality

Excluding government appropriations, approximately 50% of the Corporation's source of funds come from advertising revenue that tend to follow seasonal patterns, with the second quarter typically being the lowest mainly due to the summer season attracting fewer viewers. Advertising revenue also varies according to market and general economic conditions and the programming schedule. By contrast, subscriber-based revenue is more stable on a quarter-by-quarter basis. Operating expenses tend also to follow a seasonal pattern, as they are influenced by the programming schedule.

Basis of consolidation

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

Key sources of Estimation Uncertainty and Critical Judgments

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

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

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

C. Adoption of New and Revised International Financial Reporting Standards

The following new pronouncements issued by the IASB or the IFRS Interpretations Committee were adopted by the Corporation effective April 1, 2015. These pronouncements had no impact on the condensed interim consolidated financial statements as at and for the quarter ended December 31, 2015.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

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

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

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

D. Future Accounting Changes

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

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

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

The amendments to IFRS 10 and IAS 28 (2011) were issued in September 2014. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. Final amendments to IFRS 10 and IAS 28 were published by the IASB in December 2015 to defer the effective date of the September 2014 amendments to these standards indefinitely until the research project on the equity method has been concluded. Earlier application of the September 2014 amendments continues to be permitted.

Amendments to IFRS 11 Joint Arrangements

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

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

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

Annual Improvements to IFRSs: 2012-2014 Cycle

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

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

IFRS 9 Financial Instruments

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

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and supersedes IAS 18 *Revenue* and IAS 11 *Construction Contracts* and a number of revenue-related interpretations. The Standard establishes a comprehensive framework for determining when revenue should be recognized and how it should be measured. The core principle is that an entity should recognize revenue when it transfers goods or services to a customer based upon the amount of consideration to which the entity expects to be entitled to from the customer. The goods or services are transferred when the customer has control of them. IFRS 15 also requires extensive new qualitative and quantitative disclosures designed to help investors understand the nature, amount, timing and uncertainty of revenue. This standard will become effective for annual periods beginning on or after January 1, 2018, after the IASB confirmed a one-year deferral of the effective date by issuing formal amendment to the revenue Standard on September 11, 2015. The Accounting Standards Board has approved this one-year deferral in January 2016. When first adopting IFRS 15, the Corporation will apply the standard in full for the current period, including retrospective application to all contracts not yet complete at the beginning of that period. In respect to prior periods, the Corporation will either fully apply the standard or adopt a modified approach as permitted by the transition guidance. The Corporation is currently assessing these alternatives.

Amendments to IAS 1 Disclosure Initiative

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

Amendments to IAS 7 Statement of Cash Flows

IAS 7 was amended in January 2016 to improve information provided to users of financial statements about an entity's financing activities and liquidity. The proposed amendments would require an entity to provide a reconciliation of the amounts in the opening and closing statement of financial position for each item for which cash flows have been, or would be, classified as financing activities, excluding equity items; and disclosure about matters that are relevant to understanding the entity's liquidity, such as restrictions that affect the decisions of an entity to use cash and cash equivalent balances. These amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application being permitted.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and supersedes IAS 17 *Leases* and related interpretations. The new Standard eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases when applying IAS 17. As such, the most significant effect of the new requirement will be an increase in lease assets and financial liabilities. The new *Leases* Standard will become effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 *Revenue from Contracts with Customers* has also been applied.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

IAS 12 was amended in January 2016 as part of a project to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. In order to resolve the significant diversity in practice, the Interpretations Committee recommended to the IASB to clarify the accounting in IAS 12 *Income Taxes*. These amendments are effective for annual periods beginning on or after January 1, 2017 on a retrospective basis, with earlier application being permitted.

In thousands of Canadian dollars

3. Trade and Other Receivables

	December 31, 2015	March 31, 2015
Trade receivables	121,450	140,999
Allowance for doubtful accounts	(2,444)	(2,683)
Other	15,131	13,128
	134,137	**151,444**

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

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

	December 31, 2015	March 31, 2015
31 - 60 days	32,768	22,481
61 - 90 days	18,413	13,096
Over 90 days	11,879	16,724
Total	**63,060**	**52,301**

B. Movement in Allowance for Doubtful Accounts

	December 31, 2015	March 31, 2015
Opening balance	(2,683)	(3,719)
Amounts written off during the period as uncollectible	-	2,000
Impairment losses reversed	1,077	349
Net increase in allowance for new impairments	(838)	(1,313)
Balance, end of the period	**(2,444)**	**(2,683)**

4. Programming

A. Programming by Category

	December 31, 2015	March 31, 2015
Completed programs	56,180	61,918
Programs in process of production	100,915	39,728
Broadcast rights available for broadcast within the next twelve months	114,445	68,531
	271,540	**170,177**
Broadcast rights not available for broadcast within the next twelve months	88,356	140,113
	359,896	**310,290**

B. Movement in Programming

	December 31, 2015	March 31, 2015
Opening balance	310,290	223,714
Additions	737,107	1,070,776
Programs broadcast	(687,501)	(984,200)
Balance, end of the period	**359,896**	**310,290**

The programming write-offs included in the Programs broadcast line in the above table for the three and nine months ended December 31, 2015, amount to $0.3 million (2014 – $0.9 million) and $1.1 million (2014 – $2.9 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.

In thousands of Canadian dollars

5. Property and Equipment

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost as at March 31, 2015	174,552	553,585	53,253	1,129,557	139,591	42,034	2,092,572
Additions	-	-	-	6,799	1,332	44,368	52,499
Transfers (refer to Note 6)	6	7,811	9,362	34,108	7,081	(56,818)	1,550
Assets classified as held for sale	(251)	(5,471)	-	-	-	-	(5,722)
Disposals and write-offs	(1)	(6,046)	-	(69,365)	(7,331)	-	(82,743)
Cost as at December 31, 2015	**174,306**	**549,879**	**62,615**	**1,101,099**	**140,673**	**29,584**	**2,058,156**
Accumulated depreciation as at March 31, 2015	-	(209,726)	(28,864)	(847,406)	(103,824)	-	(1,189,820)
Depreciation for the period	-	(22,742)	(2,945)	(42,143)	(8,759)	-	(76,589)
Reclassification of depreciation on assets classified as held for sale	-	2,790	-	-	-	-	2,790
Reclassification of depreciation on disposals and write-offs	-	2,643	-	64,824	6,045	-	73,512
Accumulated depreciation as at December 31, 2015	**-**	**(227,035)**	**(31,809)**	**(824,725)**	**(106,538)**	**-**	**(1,190,107)**
Net carrying amount as at December 31, 2015	**174,306**	**322,844**	**30,806**	**276,374**	**34,135**	**29,584**	**868,049**

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

The contractual commitments for the acquisition of property and equipment are $23.2 million as at December 31, 2015 (March 31, 2015 – $11.9 million).

In thousands of Canadian dollars

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the three and nine months ended December 31, 2015 (2014 – nil).

C. Assets Classified as Held For Sale

Consistent with the Corporation's financial plan to reduce its real estate footprint, several properties were classified as held for sale for accounting purposes as at December 31, 2015 that have a total carrying value of $3.5 million (March 31, 2015 - $1.6 million). These properties are expected to be sold on a site by site basis over the next twelve months.

D. Disposals

There were no significant disposals during the third quarter of 2015-2016.

During the second quarter, the Corporation recorded a gain of $1.1 million for insurance proceeds related to a mobile production vehicle that was damaged beyond repair in May 2014.

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

Other net gains and losses during the three and nine months ended December 31, 2015 resulted from the disposal or retirements of equipment as part of the Corporation's normal asset refresh cycle.

6. Intangible Assets

The intangible assets carrying amounts are as follows:

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2015	140,594	26,602	9,499	176,695
Additions	-	-	9,359	9,359
Transfers (refer to Note 5)	467	3,935	(5,952)	(1,550)
Disposals and write-offs	(515)	(568)	-	(1,083)
Cost as at December 31, 2015	**140,546**	**29,969**	**12,906**	183,421
Accumulated amortization as at March 31, 2015	(137,090)	(14,281)	-	(151,371)
Amortization for the period	(963)	(3,998)	-	(4,961)
Reclassification of amortization on disposals and write-offs	515	141	-	656
Accumulated amortization as at December 31, 2015	**(137,538)**	**(18,138)**	-	(155,676)
Net carrying amount as at December 31, 2015	**3,008**	**11,831**	**12,906**	27,745

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

There were no impairment losses recorded or reversed during the three and nine months ended December 31, 2015 (2014 – nil).

In thousands of Canadian dollars

7. Investment in Associate

A. Description of Investment

As at December 31, 2015, the Corporation held 13,056,787 Class A Subordinate Voting Shares in Sirius XM Canada Holdings Inc. (SiriusXM), which represented a 10.15% equity interest and a 9.64% voting interest.

SiriusXM has a policy to pay dividends on a quarterly basis, as well as to issue special dividends at their discretion. For the three and nine month period ended December 31, 2015, the Corporation received a quarterly dividend from SiriusXM totalling $1.4 million (2014 – received quarterly dividend from SiriusXM totalling $1.4 million) and $4.1 million (2014 – received quarterly and special dividends from SiriusXM totalling $15.6 million).

B. Accounting Considerations

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

The fair value of the Corporation's investment in SiriusXM at December 31, 2015, was $54.3 million (March 31, 2015 – $71.8 million). The fair value was determined using the closing market price of SiriusXM Class A shares (TSX: XSR) at December 31, 2015, and as such, the fair value measurement is considered a Level 1 measurement in the fair value hierarchy.

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

	Ownership interest as at:		Carrying value as at:	
	December 31, 2015	March 31, 2015	**December 31, 2015**	March 31, 2015
SiriusXM - Class A shares	10.15%	10.18%	-	-

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

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

[1] Total dividends received during the three and nine months ended December 31, 2015 amounted to $1.4 million (2014 - $1.4 million) and $4.1 million (2014 - $15.6 million). In prior periods, dividends received grinded down the investment carrying value to nil. For the three and nine months ended December 31, 2015 the excess of dividends received over the investment carrying value of $1.4 million (2014 - $1.4 million) and $4.1 million (2014 -$13.7 million) is recognized in net results under Share of results in associate.

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

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

In thousands of Canadian dollars

8. Provisions

	Claims and legal proceedings	Environmental	Restructuring costs: Workforce reduction	Restructuring costs: Decommissioning	Total
Opening balance	32,044	377	6,436	2,105	40,962
Additional provisions recognized	8,459	-	2,031	-	10,490
Provisions utilized	(3,086)	-	(3,802)	(1,122)	(8,010)
Reductions resulting from remeasurement or settlement without cost	(4,556)	-	(2,557)	-	(7,113)
Balance, end of the period	**32,861**	**377**	**2,108**	**983**	**36,329**

A. Restructuring Costs

Restructuring costs recognized this quarter relate to the following initiatives carried out in 2014-2015 as part of the Corporation's new strategic plan announced in June 2014 which requires a workforce reduction of up to 1,500 employees by 2020:

- On October 30, 2014, the Corporation announced the elimination of the equivalent of approximately 400 full-time positions. Most of the employees affected by this initiative were notified before the end of November, with the remainder of notifications occurring in early 2015.
- On March 26 2015, the Corporation announced it will be further reducing its workforce by approximately 240 full-time equivalents.

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

At December 31, 2015, the Corporation has provisions related to workforce reductions of $2.1 million (March 31, 2015 – $6.4 million) included in current liabilities.

The Corporation's decommissioning provision includes work associated with the shutdown of both analogue television and shortwave transmission services. Work associated with the provision of $1.0 million (March 31, 2015 – $2.1 million) is expected to be completed within the next year.

B. Claims and Legal Proceedings

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

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

At December 31, 2015, the Corporation had provisions amounting to $32.9 million (March 31, 2015 – $32.0 million) in respect of legal claims. All matters are classified as current as, where estimable, the Corporation is working to resolve these matters within 12 months.

C. Environmental Liabilities

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

In thousands of Canadian dollars

D. CONTINGENCIES

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

9. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

A. NET DEFINED BENEFIT ASSET/LIABILITY

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

	Current		Long-term	
	December 31, 2015	March 31, 2015	**December 31, 2015**	March 31, 2015
Net defined benefit asset	-	-	**440,728**	**190,342**
Net defined benefit liability	-	-	101,402	106,801
Other post-employment plans	-	-	134,573	140,339
Vacation pay	56,208	55,315	-	-
Workforce reduction	18,640	30,809	-	-
Salary-related liabilities	58,070	68,752	86	105
	132,918	**154,876**	**236,061**	**247,245**

	December 31, 2015			March 31, 2015		
	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
Fair value of plan assets	6,495,920	-	-	6,648,816	-	-
Defined benefit obligation	6,055,192	101,402	134,573	6,458,474	106,801	140,339
Net asset (liability) arising from defined benefit obligation	**440,728**	**(101,402)**	**(134,573)**	**190,342**	**(106,801)**	**(140,339)**

B. SIGNIFICANT ACTUARIAL ASSUMPTIONS

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

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

In thousands of Canadian dollars

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

	December 31, 2015		March 31, 2015	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening defined benefit obligation	6,565,275	140,339	5,649,933	136,481
Current service cost	94,248	3,735	98,839	5,311
Interest cost	170,847	2,859	237,284	4,874
Contributions from employees	35,160	-	47,359	-
Remeasurements:				
Actuarial (gains) losses arising from changes in financial assumptions	(480,980)	(3,534)	810,039	6,653
Actuarial (gains) losses arising from experience adjustments	(2,940)	-	1,803	-
Benefits paid	(225,016)	(8,826)	(279,982)	(12,980)
Closing defined benefit obligation	**6,156,594**	**134,573**	**6,565,275**	**140,339**

There were no remeasurements from changes in demographic assumptions in the period considered.

D. Movements in the Fair Value of Plan Assets

	December 31, 2015		March 31, 2015	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening fair value of plan assets	6,648,816	-	5,587,972	-
Administration fees (other than investment management fees)	(4,620)	-	(5,340)	-
Interest income on plan assets	172,134	-	233,795	-
Return on plan assets, excluding interest income	(174,521)	-	1,004,950	-
Contributions from employees	35,160	-	47,359	-
Contributions from the Corporation	43,967	8,826	60,062	12,980
Benefits paid	(225,016)	(8,826)	(279,982)	(12,980)
Closing fair value of plan assets	**6,495,920**	-	**6,648,816**	-

E. Defined Benefit Plan Costs

Amounts recognized in comprehensive income

	Three months ended December 31		Nine months ended December 31	
	2015	2014	**2015**	2014
Current service cost	32,661	25,898	97,983	77,694
Administration fees (other than investment management fees)	1,540	1,335	4,620	4,005
Interest cost on defined benefit obligation	57,902	60,468	173,706	181,404
Interest income on plan assets	(57,378)	(58,449)	(172,134)	(175,347)
Other	160	-	(166)	148
Expense recognized in net results	34,885	29,252	104,009	87,904
Plus:				
Remeasurements recognized in other comprehensive (income) loss	(177,514)	(31,338)	(312,767)	(89,253)
Total amounts recognized in comprehensive (income) loss	**(142,629)**	**(2,086)**	**(208,758)**	**(1,349)**

Retained earnings include $680.1 million of cumulative actuarial gains as at December 31, 2015 (March 31, 2015 gains – $367.4 million).

In thousands of Canadian dollars

Expense recognized in net results

	Three months ended December 31		Nine months ended December 31	
	2015	2014	**2015**	2014
Television, radio and digital services costs	33,490	28,083	99,849	84,388
Transmission, distribution and collection	1,046	877	3,120	2,637
Corporate management	349	292	1,040	879
Total	**34,885**	**29,252**	**104,009**	**87,904**

F. TOTAL CASH PAYMENTS

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

	Three months ended December 31		Nine months ended December 31	
	2015	2014	**2015**	2014
Benefits paid directly to beneficiaries	2,942	2,967	8,826	8,901
Employer regular contributions to pension benefit plans	16,401	17,741	43,967	46,576
Total cash payments for defined benefit plans	**19,343**	**20,708**	**52,793**	**55,477**

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.

10. REVENUE

The Corporation has recognized revenue from the following sources:

	Three months ended December 31		Nine months ended December 31	
	2015	2014	**2015**	2014
Advertising	76,624	77,737	188,733	269,911
Subscriber fees	33,675	33,166	100,973	100,694
Building, tower, facility and service rentals	11,785	13,485	33,245	36,548
Production revenue	5,407	4,248	39,573	15,630
Digital programming	3,391	3,914	12,084	16,616
Retransmission rights	781	1,409	2,282	4,622
Program sponsorship	658	2,191	3,051	4,580
Other services	1,727	1,313	2,872	3,306
Total Rendering of services	**134,048**	**137,463**	**382,813**	**451,907**
Total Financing income	**2,411**	**2,811**	**7,644**	**7,862**
Contribution from the Local Programming Improvement Fund (LPIF)	-	15	-	8,963
Contra revenues other than advertising	2,149	2,651	8,772	4,511
Gain on foreign exchange rates	261	152	281	986
Net gain (loss) from fair value of financial instruments	304	(121)	541	(537)
Total Revenue	**139,173**	**142,971**	**400,051**	**473,692**

In thousands of Canadian dollars

11. Government Funding

A. Government Funding Received

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

	Three months ended December 31		Nine months ended December 31	
	2015	2014	**2015**	2014
Operating funding	246,500	270,006	627,000	592,042
Capital funding received	32,499	29,000	70,000	74,965
Working capital funding	1,000	1,000	3,000	3,000
	279,999	**300,006**	**700,000**	**670,007**

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

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

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

B. Deferred operating vote drawdown

	December 31, 2015	March 31, 2015
Operating funding received during period	627,000	929,284
Less: Parliamentary appropriation for operating expenditures recognized in the Condensed Interim Consolidated Statement of Income (Loss) during period	(591,794)	(929,284)
Deferred appropriations for operating expenditures	**35,206**	**-**

C. Capital Funding Deferred

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

	December 31, 2015	March 31, 2015
Opening balance	520,200	518,272
Government funding for capital expenditures	70,000	104,740
Amortization of deferred capital funding	(71,280)	(102,812)
Balance, end of the period	**518,920**	**520,200**

In thousands of Canadian dollars

12. Movements in Working Capital

	Three months ended December 31		Nine months ended December 31	
	2015	2014	2015	2014
Changes in Working Capital are comprised of:				
Trade and other receivables	(8,378)	5,786	17,148	122,303
Programming asset (current)	17,934	20,040	(101,363)	5,199
Merchandising inventory	1	(16)	18	(1)
Prepaid expenses	431	(9,573)	(346)	(12,867)
Accounts payable and accrued liabilities	(9,385)	(16,757)	(19,655)	(38,381)
Provisions	(3,585)	(905)	(4,633)	5,094
Pension plans and employee-related liabilities (current)	(6,448)	5,005	(30,641)	18,476
Deferred revenue (current)	(1,575)	7,883	(7,256)	(6,498)
	(11,005)	**11,463**	**(146,728)**	**93,325**

13. Fair Value Measurements

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

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

	December 31, 2015		March 31, 2015			
	Carrying values	Fair values	Carrying values	Fair values	Note	
Financial instruments measured at fair value on a recurring basis:						
Derivative financial asset instruments						
Forward contracts	667	667	161	161	(a)	Level 1
Stock options	127	127	108	108	(b)	Level 2
Financial instruments measured at amortized cost:						
Promissory notes receivable (long-term)	41,552	48,802	43,507	51,970	(c)	Level 2
Investment in finance lease (long-term)	45,179	54,044	47,379	57,470	(c)	Level 2
Bonds payable (long-term)	236,851	314,339	251,237	343,663	(d)	Level 2
Obligations under finance leases (long-term)	19,503	19,858	20,671	21,629	(d)	Level 2
Notes payable (long-term)	93,764	106,283	100,513	115,918	(d)	Level 2

There were no transfers between levels during the three and nine months ended December 31, 2015. Also, there were no impairments or reversal of impairments recognized on financial assets for the three and nine months ended December 31, 2015 (2014 – nil).

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

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

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

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

In thousands of Canadian dollars

14. 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

	Three months ended December 31					
	Rendering of services		Receipt of services		Pension contributions	
	2015	2014	**2015**	2014	**2015**	2014
Associate	621	408	-	-	-	-
Other related entities[1]	313	30	21	-	-	-
Corporate Pension Plan	-	-	-	-	16,401	17,600
	934	**438**	**21**	**-**	**16,401**	**17,600**

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

	Nine months ended December 31					
	Rendering of services		Receipt of services		Pension contributions	
	2015	2014	**2015**	2014	**2015**	2014
Associate	1,794	1,840	-	-	-	-
Other related entities[1]	369	90	167	-	-	-
Corporate Pension Plan	-	-	-	-	43,967	46,435
	2,163	**1,930**	**167**	**-**	**43,967**	**46,435**

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

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

	Amounts owed by related parties	
	December 31, 2015	March 31, 2015
Associate	558	542
Other related entities	283	-
	841	**542**

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

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

B. Other Transactions with Associate

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

C. Transactions with Government-Related Entities

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

For the three months ended December 31, 2015, the aggregate amount of the Corporation's significant transactions with other government-related entities amounted to $0.3 million for its rendering of services (2014 – $0.3 million) and $0.6 million for the purchase of goods and services (2014 – $0.3 million). For the nine months ended December 31, 2015, the aggregate amount of the Corporation's significant transactions with other government-related entities amounted to $1.1 million of its rendering of services (2014 – $0.8 million) and $1.4 million of its purchase of goods and services (2014 – $1.0 million). There were no individually significant transactions during the three and nine months ended December 31, 2015 (2014 – none).

15. COMMITMENTS

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