CBC/RADIO-CANADA

THIRD QUARTER FINANCIAL REPORT

2013-2014

CBC Radio-Canada

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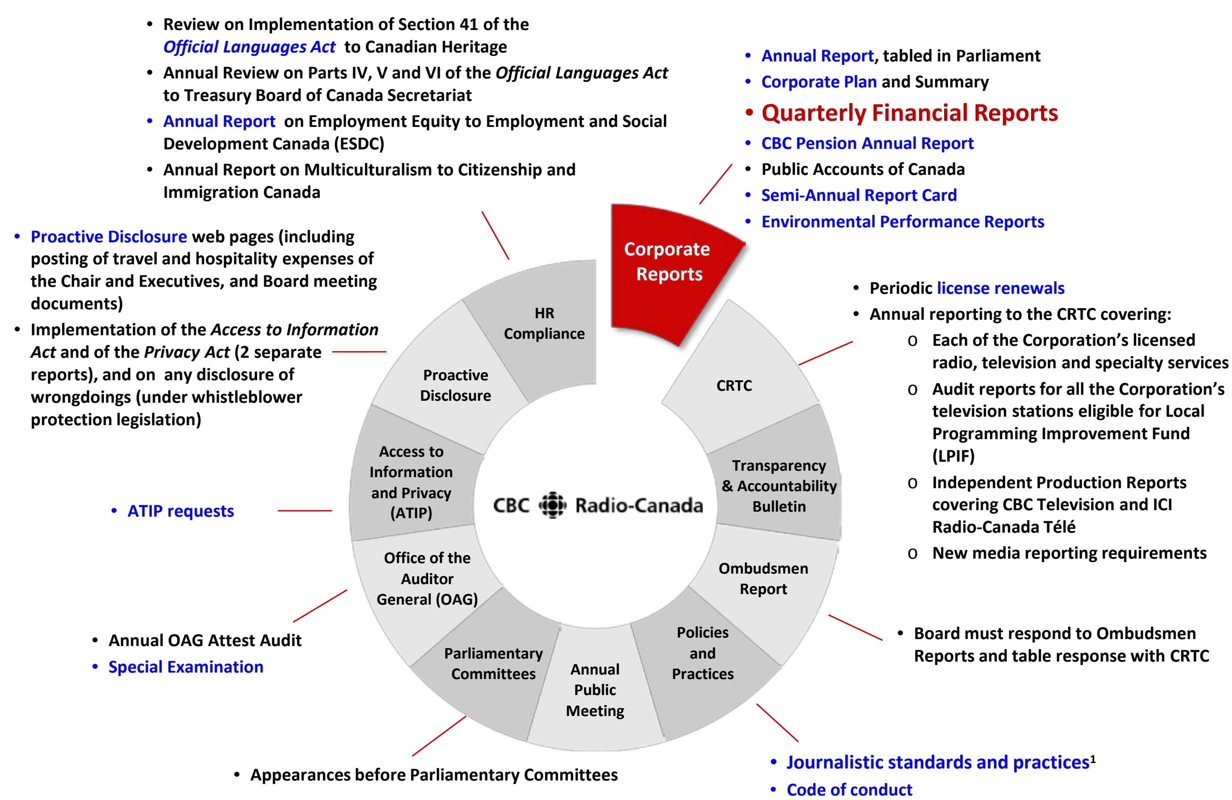
CBC/Radio-Canada's Commitment to Transparency and Accountability

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

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



[1]In November, the CBC/Radio-Canada Board of Directors approved a revised policy on political activity, along with minor changes to our Journalistic Standards and Practices. The policy was revised to clarify whether or not, to what extent, and when CBC/Radio-Canada employees, including on-air personalities, are permitted to engage in political activity, be it running for office, supporting a candidate, participating at an event, fundraising or donating to a party or candidate. Refer here for further details.

Management Discussion and Analysis

Caution regarding forward-looking statements

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. 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, 2013.

These 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 regarding objectives, strategies and expected financial and operational results. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada's government funding remains consistent with amounts announced in the federal budget; the funding received from the Local Programming Improvement Fund (LPIF) will be phased out by August 31, 2014 and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the Outlook and Risk Update section of this report. However, some risks and uncertainties are by definition difficult to predict and beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

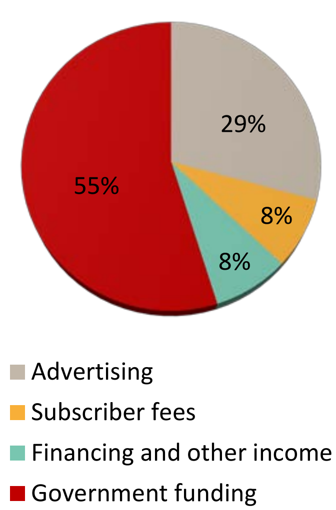
Non-IFRS Measure

This report includes the measure Results on a Current Operating Basis, which does not have any standardized meaning according to International Financial Reporting Standards (IFRS). It is therefore unlikely to be comparable to similar measures presented by other companies. Refer to section 3.1 for further details.

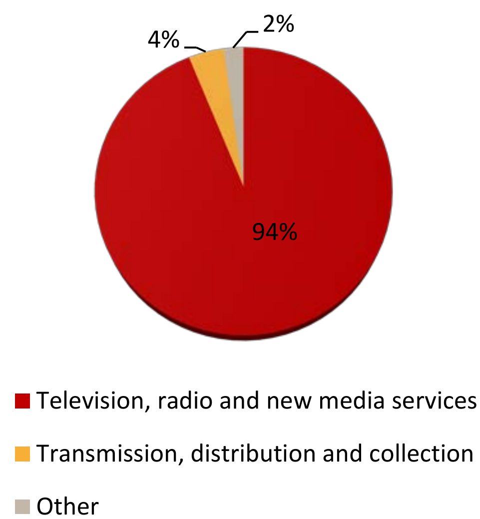
Quarter in Review

Financial Highlights

Revenue and Sources of Funds for Q3 2013–2014



Expense Breakdown for Q3 2013–2014



(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2013	2012 (revised[1])	% change	2013	2012 (revised[1])	% change
Revenue	189,897	159,680	18.9	501,616	469,355	6.9
Expenses	(460,893)	(434,868)	(6.0)	(1,315,372)	(1,367,563)	3.8
Government funding	230,585	241,285	(4.4)	750,959	813,710	(7.7)
Results before non-operating items	**(40,411)**	**(33,903)**	**(19.2)**	**(62,797)**	**(84,498)**	**25.7**
Net results for the period	**(40,697)**	**(14,549)**	**(179.7)**	**(65,357)**	**(66,268)**	**1.4**
Results on a current operating basis[2]	**(15,841)**	**(10,095)**	**(56.9)**	**(6,988)**	**(25,160)**	**72.2**

[1]The amounts for 2012 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 2C, Adoption of New and Revised International Financial Reporting Standards of the condensed interim consolidated financial statements for more details.

[2] Results on a Current Operating Basis is a non-IFRS measure. A reconciliation of net results to Results on a Current Operating Basis is provided in section 3.1.

IFRS Results

Changes in net results before non-operating items this quarter were primarily due to the following:

- Revenue increased by $30.2 million and expenses were higher by $26.0 million, largely because the current quarter included advertising revenue and the associated production costs from broadcasting live professional hockey on *Hockey Night in Canada* (*HNIC*). During last season's NHL lockout, we did not generate *HNIC* advertising revenue or incur *HNIC* production costs in the third quarter. This revenue increase was somewhat offset by a weakening advertising market.
- Government funding recognized for accounting purposes was $10.7 million lower in the current quarter compared to the third quarter of last year. This reflects the matching of operating funding recognized as income with our quarterly budgetary costs, as well as the amortization of deferred capital funding. By year-end, parliamentary appropriations received are expected to be $23.9 million lower compared to 2012–2013. This will reflect the $41.8 million funding reduction announced in Federal Budget 2012, offset partially by salary inflation funding for the 2013–2014 year received for the first-time since 2009–2010.

Results on a Current Operating Basis

Results on a Current Operating Basis for the third quarter of 2013–2014, reflected a loss of $15.8 million, and excludes items that do not currently generate or require funds from operations, the most significant being $12.6 million charged for non-cash pension expense, following the adoption of a revised accounting standard this year, IAS 19R – *Employee Benefits.*

Further details reconciling net results to Results on a Current Operating Basis are provided in section 3.1 of this report.

Business Highlights

Strategy 2015

We continue to fulfill our mandate guided by our five-year strategic plan, Strategy 2015: *Everyone, Every way.* In the third quarter, we pursued initiatives to support the plan's three key thrusts:

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

More Distinctly Canadian

Canadian content broadcast on our various platforms last fall and over the holiday season received a strong and positive response.

ICI Radio-Canada Télé's prime-time market share rose to 21.5% during the fall, an increase of 1.7 percentage points compared to the same period in 2012[1]. This gain is explained in part by the following programs that drew over a million weekly viewers: *Unité 9, Tout le monde en parle, Les enfants de la télé, Les pêcheurs, Les Parent* and *Mémoires vives*. The fall season on CBC Television included several programs that garnered over one million viewers each week: *Murdoch Mysteries*, *Dragons' Den*, *Battle of the Blades* and *Hockey Night in Canada*[1].

Keeping our radio offerings fresh and relevant is paying-off. ICI Radio-Canada Première and Espace musique achieved record market shares this quarter of 16.8% and 4.6%, respectively[2]. Despite scheduling changes, our radio listener levels have been steady compared to the francophone market as a whole[2]. CBC Radio One achieved its highest-ever fall survey audience share of 12.5%, while Radio 2's audience share of 3.1% was its second highest fall share since programming format changes in 2008[2]. Moreover, 24 of our 26 morning shows on CBC Radio One ranked in the top three in local markets where shares are measured. This included our new local service extensions in both Kamloops (which moved to the top spot in the mornings, from a 14.6% share in 2012 to a 25.3% share this fall) and Kitchener-Waterloo (which ranked second in its market during its first-ever measurement period)[3].

As part of fulfilling our mandate, we continue to broadcast major multiplatform events that bring Canadians together. Through our pre-Olympic coverage, we are continuing to tell the story of Canadian athletes in a way that informs and that generates national pride and anticipation across the country. On October 30, CBC/Radio-Canada marked the 100-day countdown to the opening ceremony of the Sochi 2014 Winter Olympics and launched its multiplatform pre-Games programming.

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[1] Source: BBM Canada, PPM, 2 years+
[2] Source: BBM Canada, Fall 2013 survey (diaries), 12 years+
[3] Source: Markets measured either by PPM (Season to date to Week 17) or Diary (Fall Survey 2013)

CBC commemorated Remembrance Day with special multiplatform coverage. Peter Mansbridge hosted live coverage at the National Cenotaph, while CBC News Network provided coverage throughout the day. CBC Television presented "Remembering: The Great War" on November 11 in prime time, while several CBC radio programs, such as *The Sunday Edition*, *Living Out Loud* and *The Current*, covered related topics.

This fall CBC/Radio-Canada enhanced its service to Aboriginal Canadians. Radio-Canada International launched the web platform *Aboriginal Peoples, the Other Story*, which will feature interviews and reports on Aboriginal history, culture and spirituality. The website will also redirect visitors to related content created by CBC and Radio-Canada (*8th Fire*, CBCMusic.ca, CBC News, Espace.mu, etc.). Also in the fall, CBC re-launched CBC Aboriginal, a place to re-engage our Aboriginal online community with social media, featuring a dedicated stream of pertinent blog posts, photos and rich media content.

CBC/Radio-Canada strongly supports Canada's authors. In November, Radio-Canada presented, for the fourth consecutive year, the Salon du livre de Montréal, an important French-language literary event during which books and writers were featured across all our platforms. Radio-Canada had a strong presence at the event, which attracted over 120,000 visitors[1], and its on-air personalities recorded close to ten programs on site.

CBC Radio One's Jian Ghomeshi hosted the gala for the Scotiabank Giller Prize, awarded annually to the author of the best English-language Canadian novel or short story collection. The gala was broadcast on CBC Television and streamed live and on-demand on CBC.ca. CBC Radio also featured Giller Prize nominees on its literary programs.

In keeping with tradition, our radio, television and web teams offered special programming for the holiday season. At Radio-Canada, two major multiplatform events generated a great deal of interest: *Le bossu symphonique*, a new collaboration between storyteller Fred Pellerin, Radio-Canada and the Orchestre symphonique de Montréal, and the New Year's Eve special. The year-end comedy event *Bye Bye 2013* broke its own 2012 record with a total of 5.3 million viewers[2].

CBC holiday programming included the Canadian television programs *Season of Song: Canadian Tenors & Friends*, *Booky and the Secret Santa*, *Holiday Festival on Ice* and *CCMA Home for the Holidays*. CBC Radio's *Canada Live* presented *The 12 days of Christmas* and CBCMusic.ca presented *Seasonal Favourites* and *Holiday Classics* streams.

More Regional

Radio-Canada aired news seven days a week nationwide, with new editions of *Le téléjournal week-end* in Eastern Quebec and Ontario (the 30-minute newscast airs at 6 p.m. on Saturdays and Sundays).

CBC launched new one-hour, weekly, local television programs in six cities across the country. *Our Vancouver, Our Calgary, Our Edmonton, Our Toronto, Our Ottawa* and *Our Montreal* are each locally-focused programs that present stories less formally than our supper hour news programs, and feature stories and segments from across CBC's content units.

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[1]Source: Salon du Livre de Montréal (www.salondulivredemontreal.com)
[2]Source: BBM Canada, PPM, 2 years+. Average number of viewers per broadcast minute. Live and repeat broadcasts.

Radio-Canada offered the most comprehensive coverage of the 2013 Quebec municipal elections. This included multi-program coverage of the Montreal mayoral debates and a special version of *Le 15-18* produced live at Laval's Collège Montmorency featuring mayoral candidates. On election night, audiences had access to live results for all of Quebec on ICI Radio-Canada Télé/ICI RDI and ICI Radio-Canada Première; local radio programs covered Quebec City and Ottawa-Gatineau; and a social media section on ICI Radio-Canada.ca let users get updates and share their opinions on social networks.

CBC/Radio-Canada also used its various platforms to provide in-depth analysis of important regional news stories. The magazine program *Découverte* attempted to answer questions about the Lac-Mégantic tragedy in four special reports that aired on ICI Radio-Canada Télé, ICI Explora and ICI RDI. On December 21, Espace musique broadcast the benefit concert *Noël country à Mégantic*. Also in December, CBC platforms provided in-depth coverage of how the ice storm and clean-up efforts affected residents of southern Ontario.

More Digital

In October, CBC/Radio-Canada launched Curio.ca, Canada's largest educational content website. A subscription to Curio gives elementary, secondary and university teachers and students streaming access to video and audio educational content. Curio.ca showcases CBC/Radio-Canada's archives, featuring material from educational programs such as *Découverte* with Charles Tisseyre, *Enquête* with Alain Gravel, *George Stroumboulopoulos Tonight* and *The Nature of Things* with David Suzuki.

In October, CBC became the first Canadian broadcaster to use Facebook's new tools for broadcast media outlets. These tools let CBC feature real-time feeds of public Facebook posts on our broadcasts, and also measure public engagement. CBC was one of the first Facebook partners to use the tools on the hit primetime series *Battle of the Blades*.

We refreshed the design of the ICI Radio-Canada.ca website to make it easier for users to browse and view content. The website also launched original, interactive productions that entertain, spark reflection and offer enhanced user features. By the end of October, Internet users could catch twelve episodes of Chick'n Swell's new interactive web series, *Disparus,* on ICI Radio-Canada.ca (the episodes were launched on Tou.tv in November). In partnership with other international media, Radio-Canada also presented on its website the documentary game *Fort McMoney* – a playful, interactive exploration of the city of Fort McMurray in Alberta.

Other notable launches this quarter include a revamped CBCMusic.ca app for iOS. This new app features *CBC Music First Plays,* allowing users to stream new albums before they're released by some of the hottest Canadian and international acts. CBCMusic.ca also launched the first CBC Music tablet magazine for iOS, Android and Amazon devices, featuring the best content from 2013 on CBCMusic.ca.

Sochi Winter Olympic Games

In keeping with our strategy, CBC/Radio-Canada has covered the Sochi Winter Olympic Games across all platforms – including TV, radio, online and mobile – connecting Canadians with the biggest stories on Canadian athletes and the latest content whenever and wherever they want.

The Opening Ceremonies for the Sochi 2014 Olympic Winter Games, which ran from February 7 to 23, were held on February 7. Preliminary results released on February 22 for Olympic programming engagement are positive, with CBC/Radio-Canada and its partners reaching more than 32 million Canadians (or 95% of the population[1]) with our Olympic coverage across French and English platforms.

The Sochi 2014 Paralympic Winter Games will follow from March 7 to 16. Including official specialty channels and broadcast partners, CBC/Radio-Canada will air over 1,500 hours of Olympic programming. It is the first Olympic Winter Games where Canadians will be able to live stream all events directly to their smartphone or tablet.

Other Business Matters

We continue to connect with Canadians to keep them informed and engaged with their national public broadcaster in an open, transparent and accountable way. CBC/Radio-Canada's Annual Public Meeting was held in Toronto in October, with more than 325 members of the public attending in person and almost 220 more viewing online in locations ranging from Newfoundland to British Columbia.

At CBC/Radio-Canada, we are deeply committed to adding public value and being present in Canadian communities. This quarter, employees participated in 26 charitable activities across the country, including joint initiatives with Quebec mainstream media: La grande guignolée des medias on December 5 and the 11e Guignolée du Dr Julien on December 14. Through these activities, we have collectively raised over $11 million.

In mid-February, CBC/Radio-Canada met with the Senate Committee on Transport and Communications as part of the Committee's recently launched review of the Corporation. This review provides the opportunity to discuss how the Corporation is ensuring Canadians get the services they need in a rapidly changing broadcasting environment. We continue to welcome the Committee's interest in public broadcasting and encourage Canadians to express their views.

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[1] Source: BBM Canada, InfosysTV+, Canadians Aged 2+, Total Canada, All Olympic Networks (English and French), BBM Encoded Digital Streams.

Looking Forward

CBC's broadcast and digital rights contract with the NHL ends in June 2014. On November 25, 2013, the Corporation reached an agreement with Rogers Communications Inc. (Rogers) for the continued telecast of *Hockey Night in Canada* (*HNIC*) on Saturday nights, following the deal reached by Rogers with the NHL for Canadian hockey rights, beginning with the 2014–2015 hockey season. Under this arrangement, the Corporation will continue to broadcast *HNIC* with over 300 hours of prime-time hockey, including playoffs and the Stanley Cup Finals for at least the next four years. This arrangement will ensure that Canadians continue to benefit from *HNIC*, a Canadian cultural icon, in a way that is cost effective for the Corporation, as we will no longer pay rights costs. However, we will not retain the associated advertising revenue or retain editorial control over those Games. The Corporation expects workforce reductions associated with this deal; however, these have not yet been determined.

In 2014–2015, the Corporation will be implementing the final year of funding reductions announced in Federal Budget 2012. We are also facing revenue pressures due to a weak advertising market across the industry, lower than expected television schedule performance in the key 25-54 year-old demographic, as well as lower than expected revenues in radio advertising. We are developing business plans and a budget for 2014–2015 that take these factors and the Rogers deal into consideration, while establishing a sustainable long-term model for the Corporation as it develops its beyond 2015 strategic plan.

1. Performance Update

Our key performance indicators (KPIs), discussed below, fall into two categories:

Strategic indicators include survey results regarding fulfillment of our mandate and the degree to which programming adheres to our guiding principles. They also include measures of our Canadian content on television.

Operational indicators include measures of audience share, website visitors, subscriber counts and revenue generation for English and French Services.

Further details are provided in our 2012–2013 Annual Report.

1.1 Strategic Indicators

Measuring our success against Strategy 2015: Everyone, Every way

A central feature of Strategy 2015 is the establishment of metrics to track and assess our performance. We have developed a report card that allows us to monitor how well our services fulfill the Corporation's mandate under the 1991 *Broadcasting Act* and the degree to which our programming adheres to the guiding principles of our plan. This information is obtained from surveys conducted among representative samples of Canadians. Below is the report card for November 2013, an interim measure for Year 3 of the strategy that shows our progress since the launch of Strategy 2015.

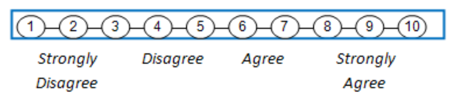
Our analysis of the report card focuses on significant variances between the two most recent scores (i.e., scores recorded in November 2013 compared to the ones from November 2012). Note that differences of less than 0.3 are not statistically significant.

Report on French Services

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

Radio-Canada's Radio and Television programming is…	Benchmark November 2010 Average Scores (/10)	Year 1 November 2011 Average Scores (/10)	Year 2 November 2012 Average Scores (/10)	Year 3 November 2013 Average Scores (/10)
informative	8.1	8.3	8.2	8.1
enlightening	7.8	8.0	8.0	7.8
entertaining	7.8	7.9	7.8	7.7
available on new platforms	8.0	8.4	8.1	8.0

Metric definition: Average score is the average of the scores given by all respondents on a 10 point scale.



Source: TNS Canadian Facts (1,200 Francophones per survey).

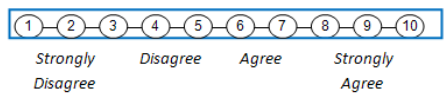
The telephone surveys are conducted in November and March of each year.

The results of the November 2013 tracking survey confirm that Francophones continue to feel that CBC/Radio-Canada's French Services is fulfilling its mandate under the 1991 *Broadcasting Act*, with French Services receiving high scores for each aspect of its mandate that was measured, ranging from 7.7 (entertaining) to 8.1 (informative).

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

Radio-Canada's programming[1]...	Benchmark November 2010 Average Scores (/10)	Year 1 November 2011 Average Scores (/10)	Year 2 November 2012 Average Scores (/10)	Year 3 November 2013 Average Scores (/10)
is high quality	8.2	8.4	8.2	8.2
is different from that offered on other channels	7.6	8.0	7.6	7.6
reflects regions of Canada	7.5	7.8	7.3	7.3
reflects my region	6.8	7.1	6.7	6.6
reflects diversity	7.4	7.7	7.2	7.2
reflects my culture	7.4	7.6	7.3	7.3

Metric definition: Average score is the average of the scores given by all respondents on a 10 point scale.



[1]Programming and content offered on any of our services, i.e., ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, Espace musique, ICI Radio-canada.ca and Tou.Tv.

Source: TNS Canadian Facts (1,200 Francophones per survey).

The telephone surveys are conducted in November and March of each year.

Francophones continue to respond positively to initiatives French Services has announced or introduced since the launch of the strategy. Scores in November 2013 for each of the Strategy 2015 metrics – which measure the degree to which French Services' programming offers original, innovative, quality Canadian content that reflects and draws Canadians together – were comparable to those from November 2012.

As in November 2012, French Services' programming and content received its highest score for ''high quality'' (8.2) and its lowest score for ''reflects my region'' (6.6). French Services is continuing to work towards better meeting the regional needs of Canadians.

Report on English Services

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

CBC's Radio and Television programming is…	Benchmark November 2010 Average Scores (/10)	Year 1 November 2011 Average Scores (/10)	Year 2 November 2012 Average Scores (/10)	Year 3 November 2013 Average Scores (/10)
informative	8.0	8.0	7.8	7.7
enlightening	7.5	7.5	7.4	7.3
entertaining	7.4	7.4	7.2	7.2
available on new platforms	8.2	8.2	8.3	7.9

Metric definition: Average score is the average of the scores given by all respondents on a 10 point scale.

1 2 3 4 5 6 7 8 9 10

Strongly Disagree *Disagree* *Agree* *Strongly Agree*

Source: TNS Canadian Facts (1,200 Anglophones per survey).

The telephone surveys are conducted in November and March of each year.

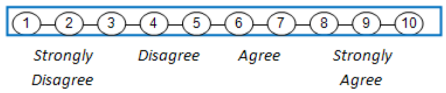
Anglophone Canadians continue to believe that CBC/Radio-Canada's English Services is meeting its mandate under the 1991 *Broadcasting Act*. English Services received its highest scores for making its content “available on new platforms” (7.9) and for offering programming that is “informative” (7.7).

However, the score for being “available on new platforms” dropped 0.4 points compared to the same period last year. Although CBC continues to increase its digital presence on new platforms, there is a decline in perceptions that can be explained through the nature of our key competitors. They are vertically integrated and promote a mix of devices, services and content while CBC remains content driven. In addition, our competitors have recently increased their promotional spending of on-demand and mobile platforms on a year-over-year basis.

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

CBC's programming[1]...	Benchmark November 2010 Average Scores (/10)	Year 1 November 2011 Average Scores (/10)	Year 2 November 2012 Average Scores (/10)	Year 3 November 2013 Average Scores (/10)
is high quality	8.0	8.1	8.2	8.1
is different from that offered on other channels	7.3	7.5	7.4	7.2
reflects regions of Canada	7.9	8.1	8.0	7.9
reflects my region	6.1	6.4	6.4	6.3
reflects diversity	7.5	7.8	7.6	7.4
reflects my culture	6.7	6.9	6.7	6.8

Metric definition: Average score is the average of the scores given by all respondents on a 10 point scale.



[1]Programming and content offered on any of our services, i.e., CBC Television, CBC News Network, **bold** (up to November 2011), *documentary* , CBC Radio One, CBC Radio 2 and CBC.ca.

Source: TNS Canadian Facts (1,200 Anglophones per survey).

The telephone surveys are conducted in November and March of each year.

Strategy 2015 continues to be perceived positively by Anglophones, with scores from November 2013 comparable to those from November 2012. The indicators "high quality" (8.1) and "reflects regions of Canada" (7.9) continue to receive the highest scores.

Canadian Content Expectations and Results

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

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

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

1.2 Operational Indicators

In addition to monitoring the overall performance of Strategy 2015 (see section 1.1 above), we have developed KPIs for English and French Services.

These indicators relate directly to our strategic priorities and are formulated each year as part of the media lines' business plans. The KPI targets take into account a number of factors, including specific programming, sources of funding, broadcast industry trends, consumer behaviour patterns and past performance.

Our third quarter report contains a complete list of KPIs, combining indicators applicable to the entire year (as seen in past 2013–2014 quarterly reports) and those applicable to periods of less than the full 12-month period (being presented below for the first time this fiscal year).

English Services

English Services' performance against its operational indicators remains positive to date, with most trending towards achieving their full-year targets.

For CBC Radio, the Fall Diary Survey yielded excellent results. Radio One achieved an all-time high fall share of 12.5%, and Radio 2 garnered a 3.1% share, second highest since the programming changes on this service were introduced in 2008. The combined total share of 15.5% exceeded performance targets.

CBC Television's full audience share (2+ year-old demographic) is trending above the full-year target, with an 8.4% share through the end of the quarter compared with an annual target of 8.1%. However, we have noticed an unfavourable trend compared to our expectations in some of our results in the 25-54 year-old demographic (a demographic which drives advertising revenue).

Regional performance indicators to date are close to or at the targeted levels for the full year. We will continue to monitor their progress as the year end approaches.

CBC.ca's monthly average unique visitors is trending well above the annual targets, aided by strong demand for information on events such as the Boston bombing, the Calgary flood and Lac Mégantic tragedies, as well as Toronto municipal politics and Parliamentary investigations.

Subscriber levels on our specialty television channels have remained constant over the past several months, and are therefore trending to targets.

Revenue to date exceeds revenue from the same period last year driven by the return of *Hockey Night in Canada* to CBC Television in the fall of 2013, with its associated advertising and other revenues. The NHL labour disruption kept *Hockey Night in Canada* off the air in the fall of 2012. We are forecasting advertising revenue to be below target for the full fiscal year, reflecting both the state of the advertising market and key audience performance trends. This outlook suggests that overall revenue will be slightly below our target for the year.

		Annual Targets 2013–2014	Results to date 2013–2014	Annual Results 2012–2013	Results to date 2012–2013
Radio Networks					
CBC Radio One and CBC Radio 2	All day audience share[1]	14.6%	15.5%	15.3%	15.3%
Television					
CBC Television	Prime-time audience share Regular season[2]	8.1%	8.4%	6.8%	5.3%
CBC News Network	All day audience share April-March[2]	1.4%	1.6%	1.3%	1.4%
Regional					
CBC Radio One morning shows	Average weekly hours tuned (Mon -Fri) Regular season[2]	5.5 million	5.5 million	5.5 million	5.6 million
TV supper and late-night news	Average weekly hours tuned (Mon -Fri) Regular season[2]	3.95 million	3.7 million	3.7 million	3.6 million
Regional web home pages	Monthly average unique visitors April-March[3]	0.995 million	0.95 million	0.971 million	0.91 million
New Platforms					
CBC.ca	Monthly average unique visitors April-March[3]	6.5 million	6.8 million	6.3 million	6.1 million
Specialty Television Channels					
CBC News Network	Subscribers	11.2 million	11.3 million	11.3 million	11.4 million
documentary	Subscribers	2.7 million	2.7 million	2.7 million	2.7 million
Revenue[4]					
Conventional, specialty, online		$400 million	$291 million	$362 million	$258 million

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

[2] Source: BBM Canada, Personnal People Meter (PPM), persons aged 2 years and older.
CBC Television, Regular Season 2013-2014 to Date, Weeks 6-18.
CBC News Network, Fiscal Year 2013-2014 to Date, Weeks 32+ for Broadcast 2012-2013 and Weeks 1-18 for Broadcast 2013-2014.
CBC Radio One Morning Shows: Regular Season 2013-2014 to date, Weeks 1-17.
CBC Television Supper & Late Night (Mon-Fri): Regular Season 2013-2014 to date, Weeks 1-18.

[3] Source: comScore, persons aged 2 years and older.

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

French Services

Results to date indicate that French Services will likely meet or exceed the 2013–2014 targets set for all key operational indicators.

As of December 31, our 2013–2014 radio and television programming has been well received by audiences. ICI Radio-Canada Télé and ICI Radio-Canada Première/Espace musique are tracking or exceeding their audience share annual targets. ICI Radio-Canada Télé has benefited from a strong fall line-up that included highly-anticipated returning programs (*Unité 9*, *Tout le monde en parle*, *Les enfants de la télé*, *Les Parent* and *Mémoires vives*) and new shows such as *Les pêcheurs*.

ICI Radio-Canada Première's and Espace musique's historic performance was driven by good results in the spring of 2013 and steady listener levels in the fall compared to the francophone radio industry in general.

Indicators for platforms offering news and current affairs are tracking to annual targets. Major regional news stories, such as the Lac-Mégantic tragedy, the 2013 municipal elections and the Charbonneau Commission have contributed to the performance of ICI Radio-Canada.ca's regional webpages and ICI RDI's audience share.

ICI Radio-Canada.ca's total monthly average unique visitors and TV newscasts' weekly average viewers per minute are currently tracking below targets. However, the newscasts' performance is in line with mid-year results in 2012–2013, when viewership increased throughout the winter months.

Combined subscriber numbers for the three specialty channels (ICI ARTV, ICI Explora, ICI RDI) and total self-generated revenues are in line with annual targets.

		Annual Targets 2013–2014	Results to date 2013–2014	Annual Results 2012–2013	Results to date 2012–2013
Radio Networks					
ICI Radio-Canada Première and Espace musique	Full-day audience share[1]	19.3%	21.5%	18.5%	18.5%
Television					
ICI Radio-Canada Télé	Prime-time audience share Fall/Winter season[2]	19.5%	21.5%	20.3%	19.8%
ICI RDI, ICI ARTV, ICI Explora	All-day audience share April-March[2]	5.2%	5.2%	5.4%	5.3%
Regional					
ICI Radio-Canada Première	Morning shows audience share Mon-Fri 6-9 a.m.[1]	18.5%	20.9%	17.7%	17.7%
TV Newscasts (6 p.m.)	Average viewer per minute Weekly average [2] Mon-Fri 6-6:30 p.m. Fall/Winter season[2]	0.350 million	0.324 million	0.347 million	0.324 million
Regional web pages	Monthly average unique visitors April-March[3]	0.710 million	0.692 million	0.646 million	0.631 million
New Platforms					
ICI Radio-Canada.ca, Tou.Tv, RCInet.ca, Espace.mu	Monthly average unique visitors April-March[3]	2.3 million	2.0 million	2.2 million	2.2 million
Specialty Television Channels[4]					
ICI RDI	Subscribers	11.1 million	11.1 million	11.2 million	11.2 million
ICI ARTV	Subscribers	2.0 million	2.0 million	2.0 million	2.1 million
ICI Explora	Subscribers	0.4 million	0.4 million	0.3 million	not available [5]
Revenue[6]					
Conventional, specialty, online		$243.8 million	$ 184.8 million	$252.8 million	$187.3 million

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

[2]Source: BBM Canada, Personal People Meter (PPM), Francophones in Quebec (specialty channels: Francophones in Quebec that subscribe to the cable), persons aged 2 years and older. Results to date: as at December 29, 2013.

[3] Source: comScore, persons aged 2 years and older. Results to date 2013-2014: April-December 2013 average.

[4] Results to date: as at December 31, 2013.

[5] ICI Explora was launched on March 28, 2012 and a free preview period was offered until July 2, 2012. Results to date for 2012–2013 were consequently not available.

[6] Revenue for ICI ARTV is reported at 100% although CBC/Radio-Canada owns 85%. Includes revenue from LPIF, a fund reported by the CRTC to support local programming. Amounts reflect the phase out of the fund over three years ending August 31, 2014. Results to date 2013-2014: as at December 31, 2013.

2. Capability to Deliver Results

Our capability to execute our strategy and achieve planned results depends upon our people and other significant resources described below.

2.1 People and Leadership

Outstanding Employer Award

CBC/Radio-Canada was a recipient of The Learning Partnership's 2013 Canada's Outstanding Employer Award – one of 10 companies selected out of 75,000 employers who invited Grade 9 students into their workplaces for Take Our Kids to Work day. This award recognizes CBC/Radio-Canada's ongoing support and dedication to education, internships and early career exploration. It's also the third consecutive year the public broadcaster has received this award; CBC Maritimes won in 2011 and 2012.

On November 6, in Newfoundland and Labrador, Nova Scotia, Prince Edward Island, New Brunswick, Ontario and British Columbia, students spent the day at their public broadcaster. To help them plan their future career path and discover more about their public broadcaster, students were invited to visit newsrooms and control rooms, sit in on live tapings, learn about the use of social media, experience the world of post-production and much more.

Award-Winning Training

CBC's training hit the big-time in December. English Services Training's e-Learning course *Audio Skills* won the prize for innovation from New York City's Summit Awards and was also a finalist for a Digi Award in Toronto. *Audio Skills* is a thought provoking series of learning modules that explore how to use audio artfully. It is one of many learning tools created specifically for CBC/Radio-Canada employees to foster their professional development.

Welcoming New Employees

Since December, all new, permanent CBC/Radio-Canada employees have been offered a personalized, one-on-one information session as soon as they join the Corporation. This meeting covers the tools and information portals available to all CBCers – ensuring newcomers know where to find the information they need in their new work environment.

Respect Workshops – Participation Update

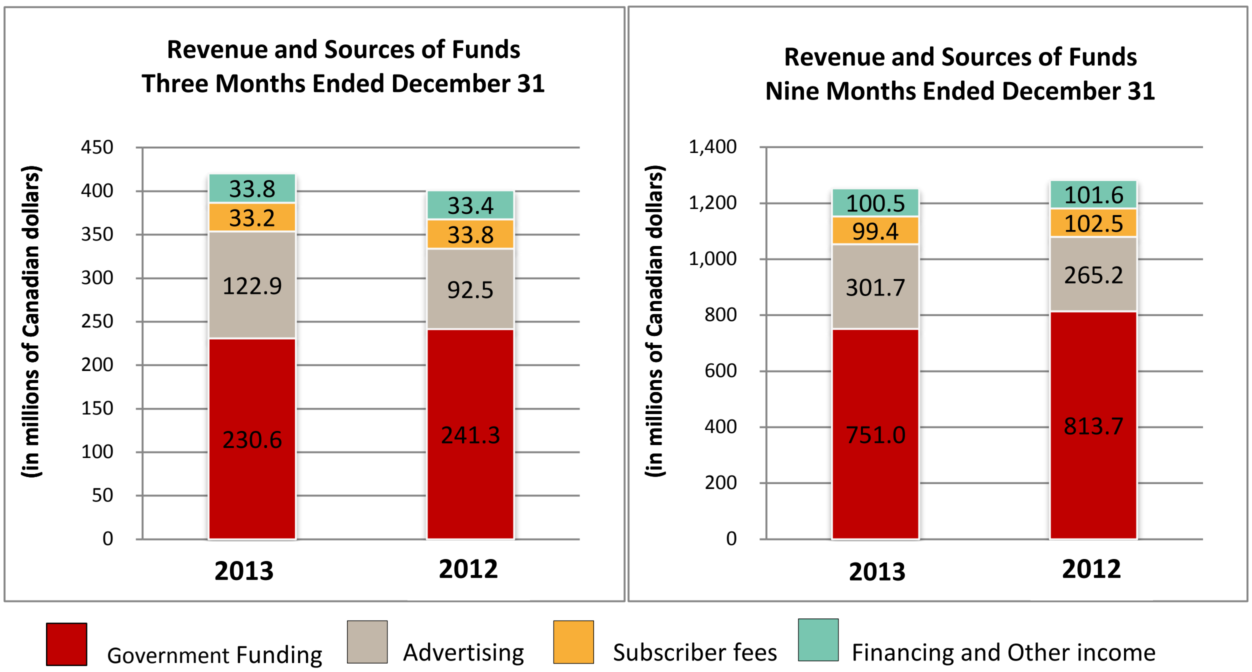
Since September, 425 employees have participated in the new series of Respect Workshops. Led by the joint union and management Working Group on Employee Health Care (WGEHC), these workshops empower our employees to nurture better relationships, recognize and talk through their differences, and treat one another with dignity, civility and respect. More workshops are scheduled for 2014.

Ratification of CMG Collective Agreement

On January 31, 2014, Canadian Media Guild (CMG) members ratified a collective agreement with CBC/Radio-Canada, providing for wage increases of 1.5% in each of the first two years of the agreement, with a wage re-opener for each of the remaining years. The agreement will be in effect from April 1, 2014 to March 31, 2019.

2.2 Resource Capacity

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



For quarter-over-quarter and year-to-date variance analysis, see Section 3, Results and Outlook.

Government Funding

For the third quarter of 2013–2014, government funding was approximately 55% of total revenue and sources of funds. This included $26.7 million of amortization of deferred capital funding.

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

A freeze of salary funding has also been confirmed by the government in its most recent Economic Update for fiscal years 2014–2015 and 2015–2016. This means that any salary inflation provided to CBC/Radio-Canada employees will have to be managed through cost reductions in other areas. Each 0.5% of salary increases given to employees will result in $5 million of additional costs to the Corporation.

Advertising Revenue

We generate revenue by selling advertising on our conventional and specialty television broadcasts, on Radio 2 and Espace musique and on other platforms. In the third quarter of 2013–2014, advertising accounted for approximately 29% of our total revenue and sources of funds. The proportion of our advertising revenue to our total revenue and sources of funds will decrease following the end of CBC's contract with the NHL in June 2014.

Advertising revenue in the third quarter is normally higher than in the second quarter, reflecting the seasonality of the broadcast schedule.

Subscriber Fees

Our specialty services, CBC News Network, *documentary*, ICI Explora, ICI ARTV and ICI RDI, generated approximately 8% of total revenue and sources of funds in the third quarter of 2013–2014 through subscriber fees.

Financing and Other Income

Financing and other income includes contributions from the Local Programming Improvement Fund (LPIF) and funds received from the Canadian Media Fund (CMF). It also includes income from activities such as program sales, rental of mobile broadcasting vehicles to external parties, rental of real estate assets, leasing of space at our transmission sites and merchandising. These sources of income collectively accounted for approximately 8% of total revenue and sources of funds in the third quarter of 2013–2014. Included in these funds were $3.8 million for this quarter ($22.2 million year-to-date) of contributions from the LPIF, which will be eliminated on August 31, 2014.

Borrowing Authority

The *Broadcasting Act*, section 46.1, confers on CBC/Radio-Canada the authority to borrow up to $220.0 million, or such greater amount as may be authorized by Parliament, subject to approval of the Minister of Finance. Section 54. (3.1) of the *Act* requires that our borrowing plan be included in our corporate plan for the approval of the Minister of Finance.

In June 2013, the Minister provided us with approval in principle of up to $25.0 million borrowing in aggregate during 2013–2014. Guidelines established by the Department of Finance limit our borrowing activities to short-term initiatives with a payback period of six years or less. Borrowing to meet working capital purposes is prohibited.

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

3. Results and Outlook

3.1 Results

Summary – Net Results

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2013	2012 (revised[1])	% change	2013	2012 (revised[1])	% change
Revenue	189,897	159,680	18.9	501,616	469,355	6.9
Expenses	(460,893)	(434,868)	(6.0)	(1,315,372)	(1,367,563)	3.8
Government funding	230,585	241,285	(4.4)	750,959	813,710	(7.7)
Results before non-operating items	**(40,411)**	**(33,903)**	**(19.2)**	**(62,797)**	**(84,498)**	**25.7**
Non-operating items	(286)	19,354	(101.5)	(2,560)	18,230	(114.0)
Net results for the period	**(40,697)**	**(14,549)**	**(179.7)**	**(65,357)**	**(66,268)**	**1.4**
Results on a current operating basis[2]	**(15,841)**	**(10,095)**	**(56.9)**	**(6,988)**	**(25,160)**	**72.2**

[1] The amounts for 2012 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 2C, Adoption of New and Revised International Financial Reporting Standards of the condensed interim consolidated financial statements for more details.

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

Results under IFRS and on a Current Operating Basis were lower than the same quarter last year.

IFRS Results

In the third quarter, revenue increased by $30.2 million (18.9%) and expenses were higher by $26.0 million (6.0%), largely because the third quarter included advertising revenue, and the associated production costs, from broadcasting live professional hockey on *Hockey Night in Canada* (*HNIC*). During last season's NHL lockout, we did not generate *HNIC* advertising revenue or incur *HNIC* production costs in the third quarter. On a year-to-date basis, the revenue increase of $32.3 million (6.9%) also reflected the return of NHL hockey.

As well, new revenue generating initiatives helped offset decreasing Local Programming Improvement Fund (LPIF) contributions as the Fund is phased out. Year-to-date expenses were lower by $52.2 million (3.8%) due to lower operating costs and spending reductions as a result of restructuring after Federal Budget 2012. Higher costs in the third quarter this year from broadcasting *HNIC* were more than offset on a year-to-date basis by cost-reduction initiatives following Federal Budget 2012.

Government funding recognized for accounting purposes was $10.7 million lower in the third quarter compared to the same period last year. This reflects the matching of operating funding recognized in income with our quarterly budgetary costs. In addition, lower capital funding was recognized in the current year compared to last year as a result of the shutdown of our analogue TV assets.

Net results reflected a loss of $40.7 million for the quarter; the year-to-date loss was $65.4 million. These were lower in the third quarter when compared to the same period last year because non-operating items in 2012 were mostly attributed to a gain on the sale of transmission sites in Calgary and Edmonton. Included in net results are items that do not currently generate or require funds from operations, as explained below.

Reconciliation of Net Results under IFRS to Results on a Current Operating Basis

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

Adjustments include the elimination of non-cash pension and other employee future benefit costs, which represent the excess of the IFRS expense over the actual cash contribution for the period. Adjustments are also made for the depreciation and amortization of capital assets and the amortization of deferred capital funding because these are non-cash items. Year-to-date adjustments were lower in the current year than in 2012–2013 because last year included higher depreciation, decommissioning and capital funding due to the accelerated shutdown of analogue TV assets, the cessation of RCI shortwave and other cost reduction initiatives. 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.

Beginning April 1, 2013, CBC/Radio-Canada was required to implement a revised accounting standard (IAS 19R – *Employee Benefits*). This new standard means that more non-cash pension-related expenses, which used to be presented in "Other Comprehensive Income (Loss)", are now included in the "Net results for the period" within expenses.

(in thousands of Canadian dollars)	**For the three months ended December 31**			**For the nine months ended December 31**		
	2013	**2012** (revised[1])	**% change**	**2013**	**2012** (revised[1])	**% change**
Net results for the period	**(40,697)**	**(14,549)**	**(179.7)**	**(65,357)**	**(66,268)**	**1.4**
Items not generating or requiring funds from operations						
Employee future benefits	12,558	10,283	(22.1)	44,175	39,510	(11.8)
Depreciation and decommissioning expenses	31,468	33,611	6.4	94,864	140,865	32.7
Amortization of deferred capital funding	(26,715)	(28,809)	7.3	(82,265)	(120,802)	31.9
Other	7,545	(10,631)	171.0	1,595	(18,465)	108.6
Results on a current operating basis	**(15,841)**	**(10,095)**	**(56.9)**	**(6,988)**	**(25,160)**	**72.2**

[1] The amounts for 2012 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 2C, Adoption of New and Revised International Financial Reporting Standards of the condensed interim consolidated financial statements for more details.

Summary – Total Comprehensive Income (Loss)

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2013	2012 (revised[1])	% change	2013	2012 (revised[1])	% change
Net results for the period	**(40,697)**	**(14,549)**	**(179.7)**	**(65,357)**	**(66,268)**	**1.4**
Other comprehensive income (loss)	111,649	206,725	(46.0)	256,968	(56,922)	551.4
Total comprehensive income (loss) for the period	**70,952**	**192,176**	**(63.1)**	**191,611**	**(123,190)**	**255.5**

[1] The amounts for 2012 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 2C, Adoption of New and Revised International Financial Reporting Standards of the condensed interim consolidated financial statements for more details.

In addition to pension costs included in net results, quarterly remeasurements of the Corporation's pension and other future employee benefit plans resulted in other comprehensive income of $111.6 million this quarter and $257.0 million year-to-date. In all periods presented above, other comprehensive income (loss) resulted from non-cash remeasurements due to changes in actuarial assumptions and returns on plan assets, as well as a non-cash adjustment arising from the adoption of new mortality assumptions.

Impact of Revised Pension Accounting Standard

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

Under the revised standard, net results for the quarter ended December 31, 2013 include pension expense of $33.8 million and year-to-date results include pension expense of $101.0 million. This compares to the same periods in 2012–2013 which included pension expense of $31.5 million and $94.6 million, respectively. The adoption of the revised standard resulted in net results presented for the quarter ended December 31, 2012 being reduced by $23.2 million, with a corresponding increase in other comprehensive income of $23.2 million. On a year-to-date basis, the revision of the standard results in a reduction in net results presented for the prior year of $69.6 million, with a corresponding increase in other comprehensive income.

For further information please refer to Note 2C – *Significant Accounting Policies* in the unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2013.

Revenue

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2013	2012	% change	2013	2012	% change
Advertising						
English Services	78,689	47,427	65.9	192,408	158,319	21.5
French Services	44,258	45,040	(1.7)	109,301	106,923	2.2
	122,947	92,467	33.0	301,709	265,242	13.7
Subscriber fees						
English Services	18,620	19,734	(5.6)	56,162	59,112	(5.0)
French Services	14,535	14,111	3.0	43,256	43,354	(0.2)
	33,155	33,845	(2.0)	99,418	102,466	(3.0)
Financing and other income						
English Services	13,328	13,227	0.8	40,334	42,664	(5.5)
French Services	10,216	12,252	(16.6)	29,992	34,810	(13.8)
Corporate Services	10,251	7,889	29.9	30,163	24,173	24.8
	33,795	33,368	1.3	100,489	101,647	(1.1)
TOTAL	**189,897**	**159,680**	**18.9**	**501,616**	**469,355**	**6.9**

The following paragraphs explain the revenue increase of $30.2 million (18.9%) in the third quarter of 2013–2014 and of $32.3 million (6.9%) for the first nine months of the fiscal year, compared to the same periods last year.

Advertising

Advertising revenue was higher by $30.5 million (33.0%) in the third quarter and by $36.5 million (13.7%) on a year-to-date basis, primarily as a result of the absence, in the comparative period, of live hockey games on the CBC broadcasting schedule. Advertising revenue during the quarter was otherwise lower for both French and English Services due to a weakening advertising market.

In the third quarter, English Services' advertising revenue increased by $31.3 million (65.9%) mainly as a result of the broadcast of 31 regular season NHL hockey games; none had been aired in the third quarter last year due to the NHL lockout. On a year-to-date basis, the increase of $34.1 million (21.5%) was also due to a revised hockey schedule in the spring of 2013, resulting in the broadcast of seven additional *HNIC* regular season games and of three fewer playoff games compared to the same period in 2012–2013.

For French Services, the slight decrease in advertising revenue of $0.8 million (1.7%) was due to some softness in the overall advertising market in the final months of 2013. The year-to-date increase of $2.4 million (2.2%) was the result of new revenue-generating initiatives such as branded content.

Subscriber fees

Subscriber fees decreased by $0.7 million (2.0%) in the third quarter and by $3.0 million (3.0%) on a year-to-date basis compared to the same periods last year. This decrease was mostly attributable to the sale of **bold** on March 25, 2013, partly offset by higher revenue from ICI Explora following its launch in March 2012.

Financing and other income

Financing and other income was higher by $0.4 million (1.3%) in the third quarter and lower by $1.2 million (1.1%) for the first nine months compared to the same periods last year.

LPIF contributions decreased by $1.7 million (44.6%) for English Services and by $2.0 million (53.2%) for French Services during the third quarter. However, English Services saw its other revenue, mainly from the rental of mobile broadcasting vehicles, increased as a result of the end of the NHL hockey lockout.

On a year-to-date basis, the decrease of $2.3 million (5.5%) for English Services and of $4.8 million (13.8%) for French Services was mostly attributable to reduced LPIF contributions.

Corporate Services' increases of $2.4 million (29.9%) during the third quarter and of $6.0 million (24.8%) for the first nine months of the fiscal year were mainly due to higher space rental revenue in Toronto, consistent with our plan to reduce the Corporation's real estate footprint.

Operating Expenses

(in thousands of Canadian dollars)	**For the three months ended December 31**			**For the nine months ended December 31**		
	2013	**2012** (revised[1])	**% change**	**2013**	**2012** (revised[1])	**% change**
Television, radio and new media services						
English Services	245,214	215,197	13.9	717,434	703,299	2.0
French Services	187,251	190,399	(1.7)	513,587	537,006	(4.4)
	432,465	405,596	6.6	1,231,021	1,240,305	(0.7)
Transmission, distribution and collection	18,163	18,572	(2.2)	53,057	94,034	(43.6)
Corporate management	2,858	2,784	2.7	8,125	8,469	(4.1)
Payments to private stations	503	625	(19.5)	1,771	1,897	(6.6)
Finance costs	7,678	7,903	(2.8)	23,245	23,856	(2.6)
Share of profit in associate	(774)	(612)	26.5	(1,847)	(998)	85.1
TOTAL	**460,893**	**434,868**	**6.0**	**1,315,372**	**1,367,563**	**(3.8)**

[1] The amounts for 2012 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 2C, Adoption of New and Revised International Financial Reporting Standards of the condensed interim consolidated financial statements for more details.

The following paragraphs explain the third quarter increase in operating expenses of $26.0 million (6.0%) and the year-to-date decrease of $52.2 million (3.8%) compared to the same periods last year.

Television, radio and new media services

The $30.0 million (13.9%) increase in English Services' expenditures compared to the third quarter last year was mainly due to programming costs following the return of *HNIC* after the NHL lockout last year. On a year-to-date basis, the impact of savings initiatives, the end of the *Jeopardy!* and *Wheel of Fortune* contract and the sale of **bold** helped to offset higher costs from airing hockey this year, limiting the year-to-date expenditure increase for English Services to $14.1 million (2.0%).

French Services' expenses decreased $3.1 million (1.7%) in the third quarter, due mainly to initiatives that reduced programming costs and Radio Canada International (RCI) operating costs. On a year-to-date basis, expenses decreased $23.4 million (4.4%) as a result of reduced funding for programming and operations after Federal Budget 2012 and reduced LPIF funding.

Other operating expenses

Transmission, distribution and collection costs decreased by $0.4 million (2.2 %) for the third quarter and by $41.0 million (43.6%) on a year-to-date basis compared to the same periods last year. This was mainly the result of two cost reduction initiatives: the accelerated shutdown of our remaining analogue TV transmitters and the end of shortwave transmission of RCI programming, resulting in additional depreciation and the recognition of decommissioning costs last year. These initiatives will decrease our ongoing operating costs.

Government Funding

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2013	**2012**	**% change**	**2013**	**2012**	**% change**
Parliamentary appropriations for operating expenditures	202,870	211,810	(4.2)	665,694	690,242	(3.6)
Parliamentary appropriations for working capital	1,000	666	50.2	3,000	2,666	12.5
Amortization of deferred capital funding	26,715	28,809	(7.3)	82,265	120,802	(31.9)
TOTAL	**230,585**	**241,285**	**(4.4)**	**750,959**	**813,710**	**(7.7)**

Parliamentary appropriations for operating expenditures decreased by $8.9 million (4.2%) in the third quarter compared to the same period last year and by $24.5 million (3.6%) on a year-to-date basis. Parliamentary appropriations are recognized based on expected needs according to forecasted revenues and expenditures for the period.

By fiscal year-end 2013–2014, parliamentary appropriations are expected to decrease by $23.9 million compared to 2012–2013. This reflects a decrease of $41.8 million, our share of the funding reductions announced by the federal government in Federal Budget 2012, partly offset by salary inflation funding for the year 2013–2014, received for the first time since 2009–2010.

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

Non-Operating Items

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2013	2012	% change	2013	2012	% change
(Loss) gain on disposal of property and equipment	(286)	18,491	(101.5)	(2,560)	17,367	(114.7)
Gain on sale of warrants	-	863	(100.0)	-	863	(100.0)
Non-operating items	**(286)**	**19,354**	**(101.5)**	**(2,560)**	**18,230**	**(114.0)**

Non-operating losses of $0.3 million for the quarter and $2.6 million year-to-date resulted from equipment disposals as the Corporation replaces old technology. The prior year results also included similar losses from refreshing equipment. However, there was an overall non-operating gain in the three and nine-months ended December 31, 2012 due to $18.5 million of gains recognized for the disposal of transmission sites in Calgary and Edmonton. These properties were previously used for transmitting English radio signals. We have relocated these radio transmissions to lower-cost locations.

Total Comprehensive Income (Loss)

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2013	2012 (revised[1])	% change	2013	2012 (revised[1])	% change
Net results for the period	**(40,697)**	**(14,549)**	**(179.7)**	**(65,357)**	**(66,268)**	**1.4**
Other comprehensive income (loss)						
Remeasurements of defined benefit plans	111,649	206,725	(46.0)	256,968	(56,922)	551.4
Total comprehensive income (loss) for the period	**70,952**	**192,176**	**(63.1)**	**191,611**	**(123,190)**	**255.5**

[1] The amounts for 2012 have been revised as a result of the adoption of the revised accounting standard on pensions. See Note 2C, Adoption of New and Revised International Financial Reporting Standards of the condensed interim consolidated financial statements for more details.

Total other comprehensive income recognized this quarter was $111.6 million, compared to $206.7 million in the third quarter of last year. These amounts are driven by significant non-cash fluctuations in our pension plan's obligations and assets that occur when actual results or interest rates differ from our actuarial assumptions. We recognize these movements immediately in other comprehensive income each reporting period. During the current quarter, we also recognized a non-cash adjustment related to changes in mortality assumptions.

This quarter’s $111.6 million of other comprehensive income was driven by a higher return on plan assets than that used in our assumptions, combined with a 0.25 percentage point increase in the discount rate. In addition, we recognized a non-cash charge resulting from the above change in mortality assumptions of $200.7 million. For the same period last year, the $206.7 million in other comprehensive income was also driven by a 0.25 percentage point increase in the discount rate and a slightly higher return on plan assets than used in our assumptions.

3.2 Financial Condition, Cash Flow and Liquidity

Our cash flows from operating, investing and financing activities for the third quarter ended December 31, 2013 are summarized in the following table. Our cash balance on December 31, 2013 was $34.6 million, compared to $51.5 million on March 31, 2013.

Cash Position

(in thousands of Canadian dollars)	For the three months ended December 31			For the nine months ended December 31		
	2013	**2012**	**% change**	**2013**	**2012**	**% change**
Cash - beginning of the period	**81,647**	**48,497**	**68.4**	**51,459**	**64,277**	**(19.9)**
Cash (used in) from operating activities	(22,373)	22,345	(200.1)	1,099	17,319	(93.7)
Cash used in financing activities	(26,059)	(25,747)	(1.2)	(55,328)	(54,882)	(0.8)
Cash from investing activities	1,411	14,300	(90.1)	37,396	32,681	14.4
Net change	(47,021)	10,898	(531.5)	(16,833)	(4,882)	(244.8)
Cash - end of the period	**34,626**	**59,395**	**(41.7)**	**34,626**	**59,395**	**(41.7)**

Cash (used in) from operating activities

Cash used in operating activities was $22.4 million this quarter, compared to cash generated from operating activities of $22.3 million in the third quarter last year. On a year-to-date basis cash from operations is $1.1 million, compared to $17.3 million last year. These changes were primarily the result of normal fluctuations in working capital and in the timing of government appropriations received for use in our business.

Cash used in financing activities

Cash outflows for financing activities were consistent with last year in both the third quarter and on a year-to-date basis. Cash used of $26.1 million in the third quarter and $55.3 million on a year-to-date basis was for interest, semi-annual repayments of the Toronto Broadcasting Centre bonds, payments of notes payable and to meet our obligations under finance leases.

Cash from investing activities

Investing activities generated cash of $1.4 million this quarter, compared to $14.3 million in the third quarter of last year. Last year's amount included $20.4 million of proceeds for the disposal of surplus property and equipment, consistent with our financial plan. These proceeds on disposal were partially offset by a higher amount of capital funding received in the third quarter this year relative to the third quarter last year. On a year-to-date basis, the higher cash generated of $37.4 million this year relative to $32.7 million last year resulted from receiving capital funding before we acquired the corresponding property, equipment and intangible assets. This was partially offset by the higher cash generated from disposals of surplus property and equipment last year.

3.3 Outlook and Risk Update

In the third quarter, we continued to implement the second year of our three-year financial plan announced on April 4, 2012 following Federal Budget 2012, in which our appropriation was reduced by $115 million over three years. The financial plan continues to be closely monitored and adjusted as required to continue to allow us to meet two key objectives: (i) maintain our capacity to fulfill our mandate under the *Broadcasting Act*, and (ii) continue to drive Strategy 2015 by delivering high-quality Canadian programming, enhancing our regional presence and local impact, and investing more in digital platforms. Nonetheless, we face significant financial challenges ahead.

CBC's broadcast and digital rights contract with the NHL ends in June 2014. On November 25, 2013, the Corporation reached an agreement with Rogers Communications Inc. (Rogers) for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey, following the deal reached by Rogers with the NHL for Canadian hockey rights, beginning with the 2014–2015 hockey season. Under this arrangement, we will continue to broadcast *HNIC*, a Canadian cultural icon, but will no longer pay rights costs or retain the associated advertising revenue for the next four years. In addition, we will provide production resources for the hockey games aired on CBC and will retain ownership of the *HNIC* brand; however, editorial control will be transferred to Rogers. This will result in staff reductions, which have not yet been determined; however, the impact would have been much greater if CBC had lost hockey entirely.

CBC conventional television advertising revenues on programming other than hockey are under pressure from a softening in the overall advertising market and lower than expected audience performance in the key 25-54 year-old demographic.

Advertising revenues from Radio 2 and Espace musique have been lower than anticipated and subscriber revenue growth is at risk given changing trends in traditional television subscriptions.

Finally, in its Economic Update on November 12, 2013, the Government confirmed that it is reintroducing a salary inflation funding freeze for fiscal years 2014–2015 and 2015–2016. This means that any salary inflation provided to CBC/Radio-Canada employees will have to be managed through cost reductions in other areas.

These financial challenges will be addressed through the upcoming fiscal year business planning and budget process and will be a key focus of the Corporation's strategic plan for beyond 2015.

Upcoming CRTC policy reviews, such as its *Let's Talk TV* and its Targeted Commercial Radio Review may lead to regulatory changes that affect our television and/or radio operations and advertising revenues.

Several collective agreements must be re-negotiated in 2014. On January 31, 2014, CBC/Radio-Canada and the Canadian Media Guild (CMG) ratified a collective agreement that will take the parties to 2019. The five-year agreement will come into effect on April 1, 2014. Successful negotiations with our unions strengthen our business, brand and labour relations.

On August 1, 2012, the International Olympic Committee announced that we had been awarded the Canadian broadcast rights for the Sochi 2014 Olympic Winter Games and the Rio 2016 Olympic Summer Games. This will significantly increase both revenue and expenses in 2013–2014 and 2016–2017; we expect to at least break even on this premier international sporting property.

We expect our real estate portfolio to generate more revenue as we rent out vacant space in some of our buildings. We also expect to reduce our total cost of occupancy and real estate risk by selling and exiting some buildings that we own to become tenants in more cost efficient premises. We continue to prepare space at the Toronto Broadcasting Centre for a new tenant that will be leasing approximately 168,000 square feet. We are also preparing to move in 2015 from two owned buildings in Halifax into one rented facility. In June 2013, we initiated a Request for Proposals for redevelopment of our Montreal facility; proponents will submit their bids in the next fiscal year.

CBC/Radio-Canada is currently developing a strategic roadmap that will take it beyond 2015 to 2020. This is important considering the Corporation's limited financial flexibility in an environment in which traditional television is losing audiences to specialty television and other platforms, technology evolution, loss of professional hockey rights, and industry consolidation and fragmentation.

A full discussion of risks and mitigation strategies is included in our 2012–2013 Annual Report, supplemented by a discussion of changes to key risks in our quarterly reports, when applicable.

4. Financial Reporting Disclosure

4.1 Critical Accounting Estimates and Future Accounting Standards

Future Changes in Accounting Standards

For a description of future changes in accounting standards, see Note 2 of the condensed interim consolidated financial statements.

Critical Changes in Accounting Estimates

During the quarter, mortality assumptions were updated to reflect the Corporation's own pension plan experience. The impact of these changes on the pension obligation has been reflected in this quarter's financial statements. Refer to Note 10 of the condensed interim consolidated financial statements for more details.

4.2 Transactions with Related Parties

The Corporation, through the normal course of business, is involved in transactions with related parties. See Note 17 of the condensed interim consolidated financial statements.

5. Statement of Management Responsibility by Senior Officials

Management is responsible for the preparation and fair presentation of these condensed 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 condensed 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 condensed consolidated quarterly financial statements.

Based on our knowledge, these unaudited condensed 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 condensed consolidated quarterly financial statements.

Hubert T. Lacroix,

President and Chief Executive Officer

Suzanne Morris,

Vice-President and Chief Financial Officer

Ottawa, Canada

February 26, 2014

CBC Radio-Canada

Condensed Interim Consolidated Statement of Financial Position (unaudited)

(in thousands of Canadian dollars)	December 31, 2013	March 31, 2013 (revised - NOTE 2C)
ASSETS		
Current		
Cash	34,626	51,459
Trade and other receivables (NOTE 3)	197,366	184,470
Programming (NOTE 4)	190,127	145,379
Merchandising inventory	307	755
Prepaid expenses (NOTE 5)	121,760	137,563
Promissory notes receivable	2,269	2,154
Investment in finance lease	2,522	2,387
Derivative financial instruments (NOTE 18)	341	629
Assets classified as held for sale (NOTE 6)	5,413	1,801
	554,731	**526,597**
Long-term		
Property and equipment (NOTE 6)	951,112	997,710
Intangible assets (NOTE 7)	19,947	17,563
Assets under finance lease	36,214	41,374
Pension plan (NOTE 10)	3,891	-
Promissory notes receivable	46,548	48,250
Investment in finance lease	50,798	52,706
Deferred charges	21,423	9,509
Investment in associates (NOTE 8)	113	3,490
	1,130,046	**1,170,602**
TOTAL ASSETS	**1,684,777**	**1,697,199**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (NOTE 9)	78,547	96,213
Provisions (NOTE 11)	53,234	51,296
Pension plans and employee-related liabilities (NOTE 10)	128,201	135,593
Bonds payable	15,886	20,578
Obligations under finance leases	11,569	10,906
Notes payable	6,811	7,960
Deferred revenues	13,602	8,982
Deferred appropriations for operating expenditures (NOTE 13)	54,853	-
Option liability	1,875	1,875
	364,578	**333,403**
Long-term		
Deferred revenues	16,400	9,039
Pension plans and employee-related liabilities (NOTE 10)	134,687	343,605
Bonds payable	264,599	277,008
Obligations under finance leases	36,685	44,447
Notes payable	106,908	113,049
Deferred capital funding (NOTE 13)	518,583	525,696
	1,077,862	**1,312,844**
Equity		
Retained earnings	241,840	50,392
Total equity attributable to the Corporation	**241,840**	**50,392**
Non-controlling interests	**497**	**560**
TOTAL EQUITY	**242,337**	**50,952**
TOTAL LIABILITIES AND EQUITY	**1,684,777**	**1,697,199**

Commitments (NOTE 16)

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

Condensed Interim Consolidated Statement of Income (Loss) (unaudited)

(in thousands of Canadian dollars)	Three months ended December 31		Nine months ended December 31	
	2013	**2012**	**2013**	**2012**
		(revised - NOTE 2C)		**(revised - NOTE 2C)**
REVENUE (NOTE 12)				
Advertising	122,947	92,467	301,709	265,242
Subscriber fees	33,155	33,845	99,418	102,466
Other income	31,616	31,289	93,854	95,058
Financing income	2,179	2,079	6,635	6,589
	189,897	**159,680**	**501,616**	**469,355**
EXPENSES				
Television, radio and new media services costs	432,465	405,596	1,231,021	1,240,305
Transmission, distribution and collection	18,163	18,572	53,057	94,034
Corporate management	2,858	2,784	8,125	8,469
Payments to private stations	503	625	1,771	1,897
Finance costs	7,678	7,903	23,245	23,856
Share of profit in associate	(774)	(612)	(1,847)	(998)
	460,893	**434,868**	**1,315,372**	**1,367,563**
Operating loss before Government funding and non-operating items	**(270,996)**	**(275,188)**	**(813,756)**	**(898,208)**
GOVERNMENT FUNDING (NOTE 13)				
Parliamentary appropriation for operating expenditures	202,870	211,810	665,694	690,242
Parliamentary appropriation for working capital	1,000	666	3,000	2,666
Amortization of deferred capital funding	26,715	28,809	82,265	120,802
	230,585	**241,285**	**750,959**	**813,710**
Results before non-operating items	**(40,411)**	**(33,903)**	**(62,797)**	**(84,498)**
NON-OPERATING ITEMS				
(Loss) gain on disposal of property and equipment	(286)	18,491	(2,560)	17,367
Gain on sale of warrants	-	863	-	863
	(286)	**19,354**	**(2,560)**	**18,230**
Net results for the period	**(40,697)**	**(14,549)**	**(65,357)**	**(66,268)**
Net results attributable to:				
The Corporation	(40,782)	(14,630)	(65,520)	(66,453)
Non-controlling interests	85	81	163	185
	(40,697)	(14,549)	(65,357)	(66,268)

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

Condensed Interim Consolidated Statement of Comprehensive Income (Loss) (unaudited)

(in thousands of Canadian dollars)	Three months ended December 31		Nine months ended December 31	
	2013	**2012**	**2013**	**2012**
		(revised - NOTE 2C)		**(revised - NOTE 2C)**
COMPREHENSIVE INCOME (LOSS)				
Net results for the period	(40,697)	(14,549)	(65,357)	(66,268)
Other comprehensive income (loss) - not subsequently reclassified to net results				
Remeasurements of defined benefit plans	111,649	206,725	256,968	(56,922)
Total comprehensive income (loss) for the period	**70,952**	**192,176**	**191,611**	**(123,190)**
Total comprehensive income (loss) attributable to:				
The Corporation	70,867	192,095	191,448	(123,375)
Non-controlling interests	85	81	163	185
	70,952	192,176	191,611	(123,190)

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

Condensed Interim Consolidated Statement of Changes in Equity (unaudited)

(in thousands of Canadian dollars)

Three months ended December 31, 2013	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at September 30, 2013	170,973	412	171,385
Changes in period			
Net results for the period	(40,782)	85	(40,697)
Remeasurements of defined benefit plans	111,649	-	111,649
Total comprehensive income for the period	70,867	85	70,952
Balance at December 31, 2013	**241,840**	**497**	**242,337**

Three months ended December 31, 2012	Deficit and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at September 30, 2012, as previously reported	(254,474)	460	(254,014)
Change resulting from the retrospective application of a revised accounting standard (revised - NOTE 2C)	306	-	306
Changes in period			
Net results for the period (revised - NOTE 2C)	(14,630)	81	(14,549)
Remeasurements of defined benefit plans (revised - NOTE 2C)	206,725	-	206,725
Total comprehensive income for the period	192,095	81	192,176
Balance at December 31, 2012	**(62,073)**	**541**	**(61,532)**

(in thousands of Canadian dollars)

Nine months ended December 31, 2013	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2013, as previously reported	50,162	560	50,722
Change resulting from the retrospective application of a revised accounting standard (revised - NOTE 2C)	230	-	230
Changes in period			
Net results for the period	(65,520)	163	(65,357)
Remeasurements of defined benefit plans	256,968	-	256,968
Total comprehensive income for the period	191,448	163	191,611
Distributions to non-controlling interests	-	(226)	(226)
Balance at December 31, 2013	**241,840**	**497**	**242,337**

Nine months ended December 31, 2012	Deficit and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2012, as previously reported	60,996	356	61,352
Change resulting from the retrospective application of a revised accounting standard (revised - NOTE 2C)	306	-	306
Changes in period			
Net results for the period (revised - NOTE 2C)	(66,453)	185	(66,268)
Remeasurements of defined benefit plans (revised - NOTE 2C)	(56,922)	-	(56,922)
Total comprehensive (loss) income for the period	(123,375)	185	(123,190)
Balance at December 31, 2012	**(62,073)**	**541**	**(61,532)**

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

Condensed Interim Consolidated Statement of Cash Flows (unaudited)

(in thousands of Canadian dollars)	Three months ended December 31 2013	2012 (revised - NOTE 2C)	Nine months ended December 31 2013	2012 (revised - NOTE 2C)
CASH FLOWS FROM (USED IN)				
OPERATING ACTIVITIES				
Net results for the period	(40,697)	(14,549)	(65,357)	(66,268)
Adjustments for:				
Loss (gain) on disposal of property and equipment	286	(18,491)	2,560	(17,367)
Interest revenue	(2,179)	(2,079)	(6,635)	(6,589)
Finance costs	7,678	7,903	23,245	23,856
Change in fair value of financial instruments designated as at fair value through profit and loss	113	(260)	288	(242)
Depreciation of property and equipment	28,635	28,052	86,149	116,391
Amortization of intangible assets	1,629	4,243	4,987	12,808
Depreciation of assets under finance lease	2,130	2,041	6,254	6,041
Gain on sale of warrants	-	(863)	-	(863)
Share of profit in associate	(774)	(612)	(1,847)	(998)
Change in deferred charges	(1,037)	1,043	(11,914)	(12,454)
Amortization of deferred capital funding (NOTE 13)	(26,715)	(28,809)	(82,265)	(120,802)
Change in deferred appropriations for operating expenditures	20,829	73,724	54,853	73,724
Change in deferred revenues [long-term]	6,735	1,096	6,698	1,306
Change in pension plans and employee-related liabilities [current]	7,956	6,932	11,293	8,036
Change in pension plans and employee-related liabilities [long-term]	12,553	10,279	44,159	39,496
Accretion of promissory notes receivable	(5)	(4)	(14)	(13)
Movements in working capital (NOTE 15)	(39,510)	(47,301)	(71,355)	(38,743)
	(22,373)	**22,345**	**1,099**	**17,319**
FINANCING ACTIVITIES				
Repayment of obligation under finance lease	(2,785)	(2,548)	(8,191)	(7,542)
Repayment of bonds	(5,869)	(5,451)	(11,525)	(10,704)
Repayment of notes	(2,998)	(2,863)	(5,928)	(5,660)
Distributions to non-controlling interests	(226)	-	(226)	-
Interest paid	(14,181)	(14,885)	(29,458)	(30,976)
	(26,059)	**(25,747)**	**(55,328)**	**(54,882)**
INVESTING ACTIVITIES				
Parliamentary appropriations for capital funding (NOTE 13)	23,999	16,000	75,152	65,568
Acquisition of property and equipment	(26,119)	(23,974)	(47,124)	(59,296)
Acquisition of intangible assets	(2,149)	(2,324)	(7,511)	(5,108)
Proceeds from disposal of property and equipment	415	20,410	1,542	20,620
Collection of promissory notes receivable	536	500	1,580	1,473
Collection of finance lease receivables	568	529	1,675	1,561
Proceeds from sale of warrants	-	863	-	863
Dividends received	1,875	-	5,223	-
Interest received	2,286	2,296	6,859	7,000
	1,411	**14,300**	**37,396**	**32,681**
Change in cash	**(47,021)**	**10,898**	**(16,833)**	**(4,882)**
Cash, beginning of the period	**81,647**	**48,497**	**51,459**	**64,277**
Cash, end of the period	**34,626**	**59,395**	**34,626**	**59,395**

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, 2013 (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 new media services in both official languages, delivering predominantly and distinct Canadian programming to reflect Canada and its regions to national and regional audiences.

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

These condensed interim consolidated financial statements have been authorized for issuance by the Board of Directors on February 26, 2014.

2. Significant Accounting Policies

A. Statement of Compliance

The Corporation has prepared these condensed interim consolidated financial statements in accordance with Section 131.1 of the *Financial Administration Act* and International Accounting Standards 34 *Interim Financial Reporting* (IAS 34).

B. Basis of Preparation

Section 131.1 of the *Financial Administration Act* requires that most parent Crown Corporations prepare and make public quarterly financial reports in compliance with the Treasury Board Standard on *Quarterly Financial Reports for Crown Corporations*. These condensed interim consolidated financial statements have not been audited or reviewed by the Corporation's external auditor.

These interim consolidated financial statements are presented on a condensed basis as permitted by IAS 34 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, 2013. Accordingly, they should be read in conjunction with the audited annual consolidated financial statements for the year ended March 31, 2013. 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 changes in accounting policies discussed in Notes 2C and 2D.

2. Significant Accounting Policies (Continued)

Key Sources of Estimation Uncertainty and Critical Judgments

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

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

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

Key estimates:

- The Corporation has revised the mortality assumptions used in the measurement of its benefit pension plan obligation following a mortality survey that it conducted on its own pension plan experience. The effect of the revised assumptions, as further discussed in Note 10, is to increase the amount of the obligation due to the increased life expectancy of plan members.
- The Corporation is no longer required to estimate the expected return on pension plan assets due to the adoption of the amendments to IAS 19 *Employee Benefits*, as discussed in Note 2C.

Key judgments:

- The Corporation consolidates the CBC Monetization Trust and the Broadcast Centre Trust, as it judges that it controls these investees, as defined in IFRS 10 *Consolidated Financial Statements*. While the judgments and disclosures regarding these investees have changed as a result of adopting IFRS 10, there was no impact on the Corporation's consolidated financial statements, as disclosed in Note 2C, as these entities were consolidated under the previous standards as well.

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, 2013. These new standards and amendments affected amounts reported, the presentation of balances or related disclosure in the condensed interim consolidated financial statements as at and for the period ended December 31, 2013 as follows:

Amendments to IAS 19 Employee Benefits (IAS 19 R)

IAS 19 *Employee Benefits* was amended in June 2011 to eliminate the option to defer the recognition of gains and losses, to amend the presentation of changes in the defined benefit pension obligation and plan assets on the statement of income (loss) and the statement of comprehensive income (loss), to require the net interest to be calculated by using a high quality corporate bond yield, as well as to improve disclosure about the risks arising from defined benefit plans.

2. Significant Accounting Policies (Continued)

The impact of adopting these amendments primarily results from changes to the computation of net interest income on pension plan assets, which is now based on the same discount rate used to measure the pension obligation as opposed to the expected return on plan assets historically used under the previous standard. Also contributing to the impact on the Corporation's net results, albeit to a lesser extent is the new requirement to record all administrative fees, other than those incurred for managing plan assets, immediately in the statement of income (loss). For additional details on the nature of these amendments, refer to Note 2 to the Corporation's year-end audited financial statements.

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

Consolidated statement of income (loss)

(in thousands of Canadian dollars)	**Three months ended December 31, 2012**		
	As previously reported	**IAS 19 R effects**	**Revised**
REVENUE	159,680	-	159,680
EXPENSES			
Television, radio and new media service costs	383,308	22,288	405,596
Transmission, distribution and collection	17,876	696	18,572
Corporate management	2,552	232	2,784
Payments to private stations	625	-	625
Finance costs	7,903	-	7,903
Share of profit in associate	(612)	-	(612)
	411,652	23,216	434,868
GOVERNMENT FUNDING	241,285	-	241,285
NON-OPERATING ITEMS	19,354	-	19,354
NET RESULTS FOR THE PERIOD	**8,667**	**(23,216)**	**(14,549)**

2. Significant Accounting Policies (Continued)

Consolidated statement of income (loss)

(in thousands of Canadian dollars)	Nine months ended December 31, 2012		
	As previously reported	**IAS 19 R effects**	**Revised**
REVENUE	469,355	-	469,355
EXPENSES			
Television, radio and new media service costs	1,173,441	66,864	1,240,305
Transmission, distribution and collection	91,946	2,088	94,034
Corporate management	7,773	696	8,469
Payments to private stations	1,897	-	1,897
Finance costs	23,856	-	23,856
Share of profit in associate	(998)	-	(998)
	1,297,915	69,648	1,367,563
GOVERNMENT FUNDING	813,710	-	813,710
NON-OPERATING ITEMS	18,230	-	18,230
NET RESULTS FOR THE PERIOD	**3,380**	**(69,648)**	**(66,268)**

Consolidated statement of comprehensive income (loss)

(in thousands of Canadian dollars)	Three months ended December 31, 2012		
	As previously reported	**IAS 19 R effects**	**Revised**
COMPREHENSIVE INCOME			
Net results for the period	8,667	(23,216)	(14,549)
Other comprehensive income - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	183,509	23,216	206,725
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**192,176**	**-**	**192,176**

2. Significant Accounting Policies (Continued)

Consolidated statement of comprehensive income (loss)

(in thousands of Canadian dollars)	Nine months ended December 31, 2012		
	As previously reported	**IAS 19 R effects**	**Revised**
COMPREHENSIVE INCOME (LOSS)			
Net results for the period	3,380	(69,648)	(66,268)
Other comprehensive loss - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	(126,570)	69,648	(56,922)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(123,190)**	**-**	**(123,190)**

Consolidated statement of financial position – impacted accounts

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

IFRS 13 Fair Value Measurement

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

The Corporation has applied this standard on a prospective basis, effective April 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in IFRS 13 in comparative information provided for periods before the initial application of this Standard. In accordance with these transitional provisions, the Corporation has not made new disclosures required by IFRS 13 for the 2012 comparative period (please see Note 18 for the current period disclosures). Other than the additional disclosures, the application of IFRS 13 has not resulted in any impact on the Corporation's condensed interim consolidated financial statements.

2. Significant Accounting Policies (Continued)

Amendments to IAS 1 Presentation of financial statements

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

Other Standards Adopted

The following new standards and amendments were adopted effective April 1, 2013. Their adoption did not have a significant impact on the condensed interim consolidated financial statements:

- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IAS 28 *Investments in Associates and Joint Ventures*
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Transition Guidance*
- Annual Improvements to IFRSs 2009−2011 Cycle Issued in May 2012

For additional details on the nature of these amendments, refer to Note 2 to the Corporation’s annual consolidated financial statements.

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

On May 28, 2013, the Canadian Radio-television Telecommunications Commission (CRTC) rendered its decision on the Corporation’s licence renewal application. As part of this decision, the requirement to account for the Corporation’s wholly-owned specialty services: CBC News Network and Réseau de l’information de Radio-Canada (collectively, the Specialties) on an incremental cost basis was lifted for the broadcast year beginning September 1, 2013.

Beginning with this quarterly report, and for all future quarterly and annual reporting, the Corporation no longer presents the expenses attributable to the Specialties on a separate line in its consolidated statement of income (loss). Instead, the costs incurred by the Specialties are presented by function, which is consistent with the Corporation’s other operations. Similarly, the revenue generated by the Specialties is presented as either Advertising, Subscriber fees, Other income or Financing income, depending on their nature.

2. Significant Accounting Policies (Continued)

E. Future Accounting Changes

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

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

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009 and amended in October 2010, is part of a multi-phase project to replace current IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has adopted an approach based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets and liabilities. At the current time, some of these phases have been completed and are available for early adoption. In November 2013, the IASB delayed the effective date of IFRS 9 to annual periods beginning on or after January 1, 2017.

IFRIC 21 Levies

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

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

Amendments to IAS 36 Impairment of Assets

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

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 was amended in December 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. The Corporation has concluded these amendments will have no impact when adopted by the Corporation on April 1, 2014.

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

The Annual Improvements to IFRSs 2010-2012 Cycle and the Annual Improvements to IFRS 2011-2013 Cycle included a number of amendments to various IFRSs. The Corporation does not expect these amendments to impact its consolidated financial statements when adopted by the Corporation on April 1, 2014.

3. Trade and Other Receivables

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Trade receivables	185,313	171,542
Allowance for doubtful accounts	(4,316)	(3,627)
Other	16,369	16,555
	197,366	**184,470**

Credit terms average 30 days. The Corporation recognizes an allowance for doubtful accounts for receivables where there is objective evidence of impairment. Objective evidence of impairment could include the Corporation's past experience of collecting payments, an increase in the number of delayed payments past the average credit terms as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

Trade receivables disclosed above include amounts (see Note 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.

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

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

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

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

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
31 - 60 days	44,819	37,359
61 - 90 days	35,777	17,392
Over 90 days	18,610	22,594
Total	**99,206**	**77,345**

3. Trade and Other Receivables (Continued)

B. Movement in Allowance for Doubtful Accounts

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Opening balance	(3,627)	(1,979)
Amounts written off during the period as uncollectible	257	536
Impairment losses reversed	522	384
Increase in allowance for new impairments	(1,468)	(2,568)
Balance, end of period	**(4,316)**	**(3,627)**

4. Programming

A. Programming by Category

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Programs completed	79,217	80,015
Programs in process of production	88,505	38,978
Broadcast rights available for broadcast	22,405	26,386
	190,127	**145,379**

B. Movement in Programming

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Opening balance	145,379	166,104
Additions	826,499	1,041,480
Programs broadcast	(781,751)	(1,062,205)
Balance, end of period	**190,127**	**145,379**

Programming includes amounts for television programs including specialty services.

The programming write-offs for the three months ended December 31, 2013, amount to $0.5 million (2012 – $0.8 million) and the nine months ended December 31, 2013 amount to $2.9 million (2012 - $2.4 million). Programming write-offs are mainly due to terminated projects, programs not telecasted in the past two years, programming not suitable for telecast or pilots not progressing into a series.

5. Prepaid expenses

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Programming rights	95,040	105,605
Service agreements	26,720	31,958
	121,760	**137,563**

6. Property and Equipment

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Cost	2,177,983	2,211,297
Accumulated depreciation	(1,226,871)	(1,213,587)
	951,112	**997,710**

(in thousands of Canadian dollars)	**Land**	**Buildings**	**Leasehold improvements**	**Technical equipment**	**Other**	**Uncompleted capital projects**	**Total**
Cost at March 31, 2013	179,207	542,901	52,866	1,274,106	138,738	23,479	**2,211,297**
Additions	-	-	-	8,438	1,648	37,038	**47,124**
Transfers (refer to Note 7)	-	5,885	367	23,109	2,863	(32,084)	**140**
Assets classified as held for sale	(3,371)	(901)	-	-	-	-	**(4,272)**
Disposals and write-offs	-	(1,624)	(158)	(68,941)	(5,577)	(6)	**(76,306)**
Cost at December 31, 2013	**175,836**	**546,261**	**53,075**	**1,236,712**	**137,672**	**28,427**	**2,177,983**
Accumulated depreciation at March 31, 2013	-	(146,971)	(23,910)	(940,444)	(102,262)	-	**(1,213,587)**
Depreciation for the period	-	(26,103)	(2,282)	(48,489)	(9,275)	-	**(86,149)**
Reverse depreciation on assets classified as held for sale	-	433	-	-	-	-	**433**
Reverse depreciation on disposals	-	1,123	158	65,643	5,508	-	**72,432**
Accumulated depreciation at December 31, 2013	-	**(171,518)**	**(26,034)**	**(923,290)**	**(106,029)**	-	**(1,226,871)**
Net carrying amount at December 31, 2013	**175,836**	**374,743**	**27,041**	**313,422**	**31,643**	**28,427**	**951,112**

6. Property and Equipment (Continued)

(in thousands of Canadian dollars)	**Land**	**Buildings**	**Leasehold improvements**	**Technical equipment**	**Other**	**Uncompleted capital projects**	**Total**
Cost at March 31, 2012	181,200	525,009	46,888	1,287,700	139,325	35,000	**2,215,122**
Additions	-	18,737	3,794	54,143	9,111	18,998	**104,783**
Transfers (refer to Note 7)	4	11,463	2,748	14,198	1,891	(30,473)	**(169)**
Assets classified as held for sale	(980)	(5,837)	-	(3,469)	(2,367)	-	**(12,653)**
Disposals and write-offs	(1,017)	(6,471)	(564)	(78,466)	(9,222)	(46)	**(95,786)**
Cost at March 31, 2013	**179,207**	**542,901**	**52,866**	**1,274,106**	**138,738**	**23,479**	**2,211,297**
Accumulated depreciation at March 31, 2012	-	(118,928)	(21,249)	(926,896)	(100,061)	-	**(1,167,134)**
Depreciation for the year	-	(35,761)	(3,011)	(92,208)	(13,476)	-	**(144,456)**
Reverse depreciation on asset classified as held for sale	-	5,297	-	3,423	2,366	-	**11,086**
Reverse depreciation on disposals	-	2,421	350	75,237	8,909	-	**86,917**
Accumulated depreciation at March 31, 2013	**-**	**(146,971)**	**(23,910)**	**(940,444)**	**(102,262)**	**-**	**(1,213,587)**
Net carrying amount at March 31, 2013	**179,207**	**395,930**	**28,956**	**333,662**	**36,476**	**23,479**	**997,710**

The contractual commitments for the acquisition of property and equipment are $27.2 million as at December 31, 2013 (March 31, 2013 – $8.3 million).

B. Impairment and Other Charges

There were no indicators of impairment during the three and nine month periods ended December 31, 2013 and as such, no impairment expense was recorded.

During the first quarter of last year, a charge of $6.5 million was recorded in relation to the cessation of shortwave transmission of RCI programming; no charge was recorded in the third quarter of last year. Additional depreciation expenses of $26.0 million for the nine month period ended December 31, 2012, was recorded in the Corporation’s Statement of Income (Loss) related to the accelerated shutdown of the remaining analogue television transmitters.

An additional charge of $0.4 million was recorded in the second quarter of 2012—2013 to fully write-down a mobile unit which is no longer in useable condition.

6. Property and Equipment (Continued)

C. Assets Classified as Held For Sale

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

With the increased requirements for high-definition broadcasting, the Corporation no longer utilizes one of its standard-definition mobile units. As such, the Corporation has listed this unit for sale. This mobile unit has a net carrying amount of $0.2 million at December 31, 2013 (March 31, 2013 – $0.2 million).

As part of the Corporation's financial plan, it has developed a strategy to reduce ownership in land and buildings. As part of this initiative, the following properties are the most significant assets classified as held for sale for accounting purposes:

- A property located in Iqaluit, Nunavut, with a carrying amount of $0.5 million as at December 31, 2013 (March 31, 2013 – $0.5 million).
- A building and a parcel of land in Halifax, Nova Scotia, with the intention of consolidating local media operations for English and French Services by integrating all Radio, TV and New Media facilities into a new leased location. This property has a net carrying amount of $3.4 million as at December 31, 2013.
- A building and a parcel of land in Matane, Quebec, following the consolidation of operations into a new leased facility. This property has a net carrying amount of $0.4 million as at December 31, 2013.

The Corporation has also classified as held for sale 47 transmission sites (March 31, 2013 – 57 transmission sites) no longer required following the end of TV analogue transmission. These sites have a net carrying amount of $0.8 million as at December 31, 2013 (March 31, 2013 – $1.0 million) and are expected to be sold on a site by site basis.

7. Intangible Assets

The intangible assets carrying amounts are as follows:

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Cost	163,296	155,925
Accumulated amortization	(143,349)	(138,362)
	19,947	**17,563**

(in thousands of Canadian dollars)	**Internally developed software**	**Acquired software**	**Uncompleted capital projects**	**Total**
Cost at March 31, 2013	139,316	14,316	2,293	**155,925**
Additions	-	38	7,473	**7,511**
Transfers (refer to Note 6)	1,050	4,231	(5,421)	**(140)**
Cost at December 31, 2013	**140,366**	**18,585**	**4,345**	**163,296**
Accumulated amortization at March 31, 2013	(134,328)	(4,034)	-	**(138,362)**
Amortization for the period	(2,472)	(2,515)	-	**(4,987)**
Accumulated amortization at December 31, 2013	**(136,800)**	**(6,549)**	**-**	**(143,349)**
Net carrying amount as at December 31, 2013	**3,566**	**12,036**	**4,345**	**19,947**

(in thousands of Canadian dollars)	**Internally developed software**	**Acquired software**	**Uncompleted capital projects**	**Total**
Cost at March 31, 2012	138,331	10,596	1,880	**150,807**
Additions	1,236	2,542	2,191	**5,969**
Transfers (refer to Note 6)	769	1,178	(1,778)	**169**
Disposals	(1,020)	-	-	**(1,020)**
Cost at March 31, 2013	**139,316**	**14,316**	**2,293**	**155,925**
Accumulated amortization at March 31, 2012	(120,822)	(1,550)	-	**(122,372)**
Amortization for the year	(14,526)	(2,484)	-	**(17,010)**
Reverse amortization on disposals	1,020	-	-	**1,020**
Accumulated amortization at March 31, 2013	**(134,328)**	**(4,034)**	**-**	**(138,362)**
Net carrying amount as at March 31, 2013	**4,988**	**10,282**	**2,293**	**17,563**

8. Investment in Associates

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

(in thousands of Canadian dollars)	**Ownership interest as at:**		**Carrying value as at:**	
	December 31, 2013	**March 31, 2013**	**December 31, 2013**	**March 31, 2013**
Sirius - Class B shares	14%	14%	96	3,473
Other	-	-	17	17
			113	**3,490**

The Corporation holds a 14.4% equity interest and a 24.3% voting interest in Sirius XM Canada Holdings Inc. (Sirius XM) through its investment in Class B Voting Shares. This investment was obtained as part of a merger transaction involving Sirius Canada Inc. (Sirius), an investee previously accounted for under the equity method, and Canadian Satellite Radio Holdings Inc. (CSR) that closed in June 2011. Given that the Corporation's voting interest exceeds 20% and that it holds the power to participate in the financial and operating policy decisions of Sirius XM through board representation and through its ongoing business relationship with Sirius XM, the Corporation has significant influence over Sirius XM. As such, the Corporation applies equity accounting to its investment in the Sirius XM Class B shares.

On January 15, 2013, CSR officially changed its name to Sirius XM Canada Holdings Inc.

The fair value of the Corporation's investment in Sirius XM at December 31, 2013, is $176.8 million (March 31, 2013—$114.8 million) and was determined using the closing market price of Sirius XM Class A shares at December 31, 2013.

As of November 2012, Sirius XM initiated the payment of quarterly dividends. For the three and nine month periods ended December 31, 2013, the Corporation received dividends from Sirius XM of $1.9 million and $5.2 million, respectively (2012 – nil).

The following tables present the summarized financial information for Sirius XM:

(in thousands of Canadian dollars)	**Three months ended December 31**		**Nine months ended December 31**	
	2013[1]	**2012[2]**	**2013[1]**	**2012[2]**
Revenue	76,562	68,961	228,256	202,644
Net income	3,494	3,258	8,348	5,186

[1]Amounts for the three and nine month periods ended December 31, 2013, include Sirius XM results for the three and nine month periods ended November 30, 2013.

[2]Amounts for the three and nine month periods ended December 31, 2012, include results for CSR for the three and nine month periods ended November 30, 2012.

(in thousands of Canadian dollars)	**December 31, 2013[1]**	**March 31, 2013[2]**
Assets	384,802	393,010
Liabilities	384,224	369,007

[1]These amounts reflect the Sirius XM balances as at November 30, 2013.

[2]These amounts reflect the Sirius XM balances as at February 28, 2013.

There are no significant restrictions imposed on Sirius XM relating to their ability to transfer funds to their investors.

9. Accounts Payable and Accrued Liabilities

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Trade payables	30,854	34,729
Accruals	45,655	58,553
Other	2,038	2,931
	78,547	**96,213**

10. Pension Plans and Employee-Related Assets/Liabilities

Employee-related liabilities are as follows:

	Current		**Long-term**	
(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013 (revised)**	**December 31, 2013**	**March 31, 2013 (revised)**
Accrued pension benefit (asset) liability	-	-	(3,891)	193,329
Employee future benefits	-	-	134,553	150,126
Vacation pay	61,084	58,237	-	-
Workforce reduction	10,348	11,898	-	-
Salary-related liabilities	56,769	65,458	134	150
	128,201	**135,593**	**130,796**	**343,605**

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

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

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

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

10. Pension Plans and Employee-Related Assets/Liabilities (Continued)

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

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

Assumptions – annual rates	**December 31, 2013**	**March 31, 2013**
Assumptions for the calculation of pension benefit costs:		
Discount rate	4.00%	4.25%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	4.75%	4.00%
Discount rate - employee termination benefit	4.00%	3.50%
Discount rate - LTD benefit	4.00%	3.50%
Discount rate - life insurance	4.50%	3.75%
Long-term rate of compensation increase, excluding merit and promotion	1.50% in 2013 & 2.75% thereafter	1.50% in 2013 & 2.75% thereafter
Health care cost trend rate	8.00% in 2013 declining to 4.50% over 15 years	8.00% in 2013 declining to 4.50% over 15 years
Indexation of pensions in payment	1.65%	1.65%

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

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

	2013	**2012**
For earnings up to:	**$ 51,100**	**$ 50,100**
January 1 to June 30	5.53%	5.07%
July 1 to December 31	6.19%	5.53%
For incremental earnings in excess of:	**$ 51,100**	**$ 50,100**
January 1 to June 30	7.27%	6.67%
July 1 to December 31	8.14%	7.27%

10. Pension Plans and Employee-Related Assets/Liabilities (Continued)

During the quarter, the Corporation adopted mortality rate assumptions reflecting its own plan experience based on the results of an actuarial study. This study was commissioned after the Canadian Institute of Actuaries (CIA) issued a draft report on July 31, 2013 concluding that Canadians are living longer than their US counterparts. The CIA also indicated in October 2013 that the use of UP-94 tables without adjustment would only be appropriate if supported by the plan's actual credible experience. A final Canadian specific set of mortality tables and improvement scales was issued in February 2014. Historically, the Corporation used as the basis for its assumptions the UP-94 Table with generational projection using mortality projection Scale AA. During the three months ended December 31, 2013, this change in mortality assumptions based on our own plan experience has resulted in an actuarial loss of $200.7 million recorded under remeasurements in other comprehensive income, with an offsetting increase in the Corporation's non-current pension plans and employee-related liabilities. The change in mortality rate assumptions is also expected to result in increased pension expense of approximately $14.0 million in 2014–2015.

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

(in thousands of Canadian dollars)	**Three months ended December 31**		**Nine months ended December 31**	
	2013	**2012**	**2013**	**2012**
Benefits paid directly to beneficiaries	3,606	3,466	10,818	10,398
Employer regular contributions to pension benefit plans	17,606	18,477	46,036	46,777
Total cash payments for defined benefit plans	**21,212**	**21,943**	**56,854**	**57,175**

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

(in thousands of Canadian dollars)	**December 31, 2013**			**March 31, 2013 (revised)**		
	Funded pension plan	**Unfunded pension plans**	**Other post-employment plans**	**Funded pension plan**	**Unfunded pension plans**	**Other post-employment plans**
Fair value of plan assets	5,319,621	-	-	5,393,484	-	-
Benefit obligation	5,232,183	83,547	134,553	5,500,267	86,546	150,126
Net asset (liability) arising from defined benefit obligation	**87,438**	**(83,547)**	**(134,553)**	**(106,783)**	**(86,546)**	**(150,126)**

10. Pension Plans and Employee-Related Assets/Liabilities (Continued)

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

(in thousands of Canadian dollars)	**December 31, 2013**		**March 31, 2013 (revised)**	
	Pension plans	**Other post-employment plans**	**Pension plans**	**Other post-employment plans**
Opening defined benefit obligation	5,586,813	150,126	5,266,627	156,917
Current service cost	82,443	4,368	101,558	7,707
Interest cost	165,924	3,967	221,695	6,332
Contributions from employees	35,007	-	44,452	-
Remeasurements:				
Actuarial losses (gains) arising from changes in demographic assumptions	207,261	(6,519)	-	(534)
Actuarial (gains) losses arising from changes in financial assumptions	(563,173)	(6,571)	193,975	4,740
Actuarial losses (gains) arising from experience adjustments	1,764	-	18,913	(11,173)
Benefits paid	(200,309)	(10,818)	(260,407)	(13,863)
Closing defined benefit obligation	**5,315,730**[1]	**134,553**	**5,586,813**[2]	**150,126**

[1]The accrued benefit obligations for the funded plan and for the unfunded plans are $5,232,183 and $83,547 respectively.
[2]The accrued benefit obligations for the funded plan and for the unfunded plans are $5,500,267 and $86,546 respectively.

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

(in thousands of Canadian dollars)	**December 31, 2013**		**March 31, 2013 (revised)**	
	Pension plans	**Other post-employment plans**	**Pension plans**	**Other post-employment plans**
Opening fair value of plan assets	5,393,484	-	5,090,814	-
Administration fees (other than investment management fees)	(3,975)	-	(5,020)	-
Remeasurements:				
Return on plan assets	159,366	-	213,334	-
Actuarial (losses) gains arising from experience adjustments	(109,988)	-	249,121	-
Contributions from employees	35,007	-	44,452	-
Contributions from the Corporation	46,036	10,818	61,190	13,863
Benefits paid	(200,309)	(10,818)	(260,407)	(13,863)
Closing fair value of plan assets	**5,319,621**	**-**	**5,393,484**	**-**

10. Pension Plans and Employee-Related Assets/Liabilities (Continued)

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

(in thousands of Canadian dollars)	Three months ended December 31		Nine months ended December 31	
	2013	**2012**	**2013**	**2012**
Current service cost	28,937	27,317	86,811	81,950
Administration fees (other than investment management fees)	1,325	1,255	3,975	3,765
Net interest expense	56,631	57,007	169,892	171,020
Return on plan assets	(53,122)	(53,334)	(159,366)	(160,001)
Remeasurements recognized in net results	-	(715)	(282)	(2,144)
Expense recognized in net results	33,771	31,530	101,030	94,590
Plus:				
Remeasurements recognized in other comprehensive income (loss)	(111,649)	(206,725)	(256,968)	56,922
Total amounts recognized in comprehensive income (loss)	**(77,878)**	**(175,195)**	**(155,938)**	**151,512**

Retained earnings include $233.1 million of cumulative actuarial gains as at December 31, 2013 (March 31, 2013 losses – $23.9 million).

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

(in thousands of Canadian dollars)	Three months ended December 31		Nine months ended December 31	
	2013	**2012**	**2013**	**2012**
Television, radio and new media services costs	32,282	30,296	96,989	90,900
Transmission, distribution and collection	1,117	925	3,031	2,767
Corporate management	372	309	1,010	923
Total	**33,771**	**31,530**	**101,030**	**94,590**

11. Provisions

(in thousands of Canadian dollars)					**December 31, 2013**
			Restructuring costs		
	Claims and legal proceedings	**Environmental**	**Workforce reduction**	**Decommissioning**	**Total**
Opening balance	45,408	260	1,235	4,393	51,296
Additional provisions recognized	7,717	490	-	-	8,207
Increases due to accretion	-	-	-	63	63
Provisions utilized	(1,387)	(162)	(1,235)	(2,526)	(5,310)
Reductions resulting from remeasurement or settlement without cost	(1,022)	-	-	-	(1,022)
Balance, end of period	**50,716**	**588**	**-**	**1,930**	**53,234**

A. Restructuring costs

The Corporation's restructuring provision as at December 31, 2013, consists of decommissioning work associated with the shutdown of both analogue television and shortwave transmission services. Work associated with the provision of $1.9 million (March 31, 2013 – $4.4 million) is expected to continue for the next 3 years.

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

B. Claims and legal proceedings

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some of these claims demand large monetary damages or other form of relief, and could result in significant expenditures. These claims consist mainly of real estate valuation and related municipal taxes, 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 condensed interim consolidated financial statements. At December 31, 2013, the Corporation had provisions amounting to $50.7 million (March 31, 2013 – $45.4 million) in respect of legal claims. All matters are classified as current as where estimable the Corporation expects them to be resolved within 12 months.

11. Provisions (Continued)

C. Environmental liabilities

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

D. Contingencies

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

12. Revenue

The Corporation has recognized revenue from the following sources:

(in thousands of Canadian dollars)	**Three months ended December 31**		**Nine months ended December 31**	
	2013	**2012**	**2013**	**2012**
Advertising	122,947	92,467	301,709	265,242
Subscriber fees	33,155	33,845	99,418	102,466
Building, tower, facility and service rentals	14,640	13,897	37,031	33,671
Production revenue	5,496	4,711	12,642	12,748
Digital programming	3,087	1,637	8,298	6,942
Retransmission rights	1,428	791	3,368	2,368
Program sponsorship	1,398	666	4,372	4,719
Other services	887	667	2,679	1,203
Total Rendering of services	**183,038**	**148,681**	**469,517**	**429,359**
Total Financing income	**2,179**	**2,079**	**6,635**	**6,589**
Contribution from the Local Programming Improvement Fund (LPIF)	3,811	7,450	22,242	29,816
Contra revenues other than advertising	747	1,205	2,868	3,267
Gain on foreign exchange rates	231	1	628	68
Net (loss) gain from fair value of financial instruments	(109)	264	(274)	256
Total Revenue	**189,897**	**159,680**	**501,616**	**469,355**

13. Government Funding

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

(in thousands of Canadian dollars)	**Three months ended December 31**		**Nine months ended December 31**	
	2013	**2012**	**2013**	**2012**
Operating funding	223,699	285,534	720,547	763,966
Capital funding	23,999	16,000	75,152	65,568
Working capital funding	1,000	666	3,000	2,666
	248,698	**302,200**	**798,699**	**832,200**

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

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

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

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Operating funding received during period	720,547	999,484
Less: Parliamentary appropriation for operating expenditures recognized in the Condensed Interim Consolidated Statement of Income (Loss) during period	(665,694)	(999,484)
Deferred appropriations for operating expenditures	**54,853**	-

Capital funding received is recorded as Deferred Capital Funding in the Condensed Interim Consolidated Statement of Financial Position and is amortized and recognized on the same basis and over the same periods as the related property, equipment and intangible assets.

(in thousands of Canadian dollars)	**December 31, 2013**	**March 31, 2013**
Opening balance	525,696	574,027
Government funding for capital expenditures	75,152	103,035
Amortization of deferred capital funding	(82,265)	(151,366)
Balance, end of period	**518,583**	**525,696**

14. Seasonality

Excluding government appropriations, approximately 55% 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. Subscriber-based revenue is more stable on a quarter-by-quarter basis and represents approximately 20% of the Corporation's revenue.

Operating expenses tend also to follow a seasonal pattern, as they are influenced by the programming schedule.

15. Movements in Working Capital

(in thousands of Canadian dollars)	Three months ended December 31		Nine months ended December 31	
	2013	**2012**	**2013**	**2012**
Changes in Working Capital are comprised of:				
Trade and other receivables	(50,495)	(46,284)	(12,989)	(12,633)
Programming	8,687	19,133	(44,748)	(29,330)
Merchandising inventory	(56)	63	448	(45)
Prepaid expenses	(3,949)	(4,687)	15,803	55,723
Accounts payable and accrued liabilities	5,617	(14,137)	(17,678)	(49,633)
Provisions	2,592	5,125	1,875	11,753
Deferred revenues	2,245	(425)	4,620	1,018
Pension plans and employee-related liabilities	(4,151)	(6,089)	(18,686)	(15,596)
	(39,510)	**(47,301)**	**(71,355)**	**(38,743)**

16. Commitments

The Corporation entered into commitments by renewing purchase agreements and entering into new purchase agreements. Commitments also arise because the Corporation enters into operating leases related to property, network distribution and equipment. Management estimates that these new commitments, for the quarter ended December 31, 2013, will result in future expenditures of approximately $26.6 million (2012 – $49.0 million). As at December 31, 2013, the Corporation's total commitments amounted to $796.6 million (March 31, 2013 – $786.1 million) and will span the next 46 years.

17. Related Parties

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

A. Transactions with Related Parties Excluding Government-Related Entities

(in thousands of Canadian dollars)	**Rendering of Services**			
	Three months ended December 31		**Nine months ended December 31**	
	2013	**2012**	**2013**	**2012**
Associate	765	990	2,059	2,847
Other related entities[1]	3,626	4,428	13,056	13,403
	4,391	**5,418**	**15,115**	**16,250**

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

(in thousands of Canadian dollars)	**Receipt of services**			
	Three months ended December 31		**Nine months ended December 31**	
	2013	**2012**	**2013**	**2012**
Associate	-	27	-	27
Other related entities	123	198	383	381
	123	**225**	**383**	**408**

(in thousands of Canadian dollars)	**Pension contributions**			
	Three months ended December 31		**Nine months ended December 31**	
	2013	**2012**	**2013**	**2012**
Corporate Pension Plan	17,606	18,478	46,036	46,778
	17,606	**18,478**	**46,036**	**46,778**

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

(in thousands of Canadian dollars)	**Amounts owed by related parties**	
	December 31, 2013	**March 31, 2013**
Associate	205	351
	205	**351**

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

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

17. Related Parties (Continued)

B. Other Transactions with Associate

There were no significant transactions with the Corporation's associate during the current fiscal year other than the dividends received, as discussed in Note 8.

C. Transactions with Government-Related Entities

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

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

For the three months ended December 31, 2013, the aggregate amount of the Corporation's significant transactions with other government-related entities amounted to $0.2 million of its rendering of services (2012 – $0.2 million) and $0.9 million of its purchase of goods and services (2012 – $ 0.3 million). For the nine months ended December 31, 2013, the aggregate amount of the Corporation's significant transactions with other government-related entities amounted to $1.1 million of its rendering of services (2012 – $0.8 million) and $1.9 million of its purchase of goods and services (2012 – $ 0.5 million). There were no individually significant transactions during the nine months ended December 31, 2013 (2012 – none).

18. Fair Value Measurements

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

18. Fair Value Measurements (Continued)

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

(in thousands of Canadian dollars)	**December 31, 2013**		**March 31, 2013**			
	Carrying values	**Fair values**	**Carrying values**	**Fair values**	**Method[1]**	**Note**
Financial instruments measured at fair value:						
Derivative financial asset instruments						
Forward contracts	51	51	458	458	Level 2	(a)
Stock options	290	290	171	171	Level 2	(b)
Financial instruments measured at amortized cost:						
Promissory notes receivable (long-term)	46,548	51,966	48,250	56,743	Level 2	(c)
Investment in finance lease (long-term)	50,798	57,184	52,706	62,893	Level 2	(c)
Bonds payable (long-term)	264,599	337,863	277,008	381,053	Level 2	(d)
Obligations under finance lease (long-term)	36,685	38,903	44,447	47,881	Level 2	(d)
Notes payable (long-term)	106,908	113,834	113,049	128,009	Level 2	(d)
Non-financial assets measured at amortized cost:						
Investment in associate (Sirius XM)	96	176,782	3,473	114,819	Level 1	(e)

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

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

There have been no transfers between levels during the three and nine month periods ended December 31, 2013.

(a) The fair value is based on a discounted cash flow model based on observable forward 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.

(e) The fair value is based on the closing market price of Sirius XM Class A shares at the end of the reporting quarter.