

# CONSOLIDATED BALANCE SHEET

As at March 31

	2011 (thousands of dollars)	2010
<b>ASSETS</b>		
<b>Current</b>		
Cash	59,001	50,003
Accounts receivable	173,390	194,512
Programming (NOTE 4)	163,658	178,243
Merchandising inventory	1,089	1,703
Prepaid expenses	138,361	148,215
Asset held for sale (NOTE 5)	154	–
	<b>535,653</b>	<b>572,676</b>
<b>Long-term</b>		
Property and equipment (NOTE 5)	925,775	925,812
Intangible assets (NOTE 6)	39,687	47,725
Long-term receivables	–	10,090
Equipment under capital lease (NOTE 7)	7,704	–
Deferred charges and other long-term assets	3,003	16,467
Long-term investments (NOTE 8)	17	7,260
	<b>976,186</b>	<b>1,007,354</b>
<b>TOTAL ASSETS</b>	<b>1,511,839</b>	<b>1,580,030</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (NOTE 9)	151,220	176,497
Pension plans and employee-related liabilities (NOTE 10)	144,703	130,899
Bonds payable (NOTE 13)	19,642	19,223
Financial guarantee (NOTE 14)	9,811	10,419
Financial liability related to the monetization of receivables (NOTE 15)	10,337	10,174
Obligation under capital lease (NOTE 16)	1,540	–
Deferred revenues	3,825	2,185
Derivative financial instruments (NOTE 27)	715	297
	<b>341,793</b>	<b>349,694</b>
<b>Long-term</b>		
Long-term investments (NOTE 8)	1,417	1,417
Deferred revenues	2,726	2,303
Pension plans and employee-related liabilities (NOTE 10)	411,350	412,732
Bonds payable (NOTE 13)	299,237	309,179
Financial liability related to the monetization of receivables (NOTE 15)	–	10,221
Obligation under capital lease (NOTE 16)	6,263	–
Deferred capital funding (NOTE 17)	609,428	632,221
	<b>1,330,421</b>	<b>1,368,073</b>
<b>EQUITY</b>		
Equity attributable to the Corporation	(162,638)	(138,017)
Non-controlling interests	2,263	280
	<b>(160,375)</b>	<b>(137,737)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,511,839</b>	<b>1,580,030</b>

Commitments and contingencies (NOTES 19 AND 20)

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

APPROVED BY THE  
BOARD OF DIRECTORS:

  
DIRECTOR


  
DIRECTOR

# CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

For the year ended March 31

	2011 (thousands of dollars)	2010
<b>REVENUES</b>		
Advertising	367,700	309,234
Specialty services (NOTE 21)	152,971	148,635
Other income (NOTE 22)	127,771	101,792
Financing income	1,506	7,053
	<b>649,948</b>	<b>566,714</b>
<b>EXPENSES</b>		
Television, radio and new media services costs	1,476,778	1,448,203
Specialty services (NOTE 21)	133,273	120,994
Amortization of property and equipment	112,656	110,063
Amortization of intangible assets	17,887	17,617
Transmission, distribution and collection	54,573	52,368
Corporate management	12,804	12,216
Payments to private stations	3,018	3,697
Finance costs	23,557	24,195
Loss from investments in entities subject to significant influence	5,000	–
	<b>1,839,546</b>	<b>1,789,353</b>
<b>Operating loss before Government funding, non-operating revenues and taxes</b>	<b>(1,189,598)</b>	<b>(1,222,639)</b>
<b>GOVERNMENT FUNDING</b>		
Parliamentary appropriation for operating expenditures (NOTE 23)	1,031,581	1,017,587
Parliamentary appropriation for working capital (NOTE 23)	4,000	4,000
Amortization of deferred capital funding (NOTE 17)	124,357	121,086
	<b>1,159,938</b>	<b>1,142,673</b>
<b>Net results before non-operating revenues and taxes</b>	<b>(29,660)</b>	<b>(79,966)</b>
<b>NON-OPERATING REVENUES</b>		
Gain on the sale of receivables	–	5,240
Galaxie non-operating revenues	–	16,326
	<b>–</b>	<b>21,566</b>
<b>Net results before taxes</b>	<b>(29,660)</b>	<b>(58,400)</b>
<b>TAXES</b>		
Recovery of income and large corporations taxes (NOTE 24)	–	101
	<b>–</b>	<b>101</b>
<b>Net results for the year</b>	<b>(29,660)</b>	<b>(58,299)</b>
<b>Other comprehensive income</b>		
Net unrealized gain on available-for-sale financial assets	5,000	–
<b>Total comprehensive income (loss) for the year</b>	<b>(24,660)</b>	<b>(58,299)</b>
Net results attributable to:		
The Corporation	(29,621)	(58,260)
Non-controlling interests	(39)	(39)
	<b>(29,660)</b>	<b>(58,299)</b>
Total comprehensive income (loss) attributable to:		
The Corporation	(24,621)	(58,260)
Non-controlling interests	(39)	(39)
	<b>(24,660)</b>	<b>(58,299)</b>

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

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

For the year ended March 31

	2011	2010
	(thousands of dollars)	
<b>Retained earnings (deficit)</b>		
Balance, beginning of the year	(138,017)	(79,757)
Net results for the year attributable to the Corporation	(29,621)	(58,260)
<b>Retained earnings (deficit), end of the year (NOTE 18)</b>	<b>(167,638)</b>	<b>(138,017)</b>
<b>Accumulated other comprehensive income</b>		
Accumulated other comprehensive income, beginning of the year	–	–
Other comprehensive income for the year	5,000	–
<b>Accumulated other comprehensive income, end of the year</b>	<b>5,000</b>	<b>–</b>
<b>Equity attributable to the Corporation</b>	<b>(162,638)</b>	<b>(138,017)</b>
<b>Non-controlling interests</b>	<b>2,263</b>	<b>280</b>
<b>Total equity</b>	<b>(160,375)</b>	<b>(137,737)</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31

	2011	2010
	(thousands of dollars)	
<b>CASH FLOWS FROM (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net results for the year	(29,660)	(58,299)
Items not involving cash:		
Loss (gain) on disposal of property and equipment	2,754	(1,355)
Gain on the sale of receivables	–	(5,240)
Change from fair value of financial instruments	(190)	4,689
Amortization of property and equipment	113,024	110,063
Amortization of intangible assets	17,887	17,617
Loss (gain) on investments in entities subject to significant influence	4,808	(440)
Amortization of deferred charges	13,464	12,145
Amortization of deferred capital funding	(124,357)	(121,086)
Change in deferred revenues [long-term]	423	(8,180)
Change in long-term receivables	(410)	(669)
Change in pension plans and employee-related liabilities [current]	(2,878)	108
Change in pension plans and employee-related liabilities [long-term]	(1,382)	18,758
Change in non-controlling interests	2,022	40
Net change in non-cash working capital balances (NOTE 25)	49,278	(94,918)
	<b>44,783</b>	<b>(126,767)</b>
<b>FINANCING ACTIVITIES</b>		
Parliamentary appropriations (NOTE 23):		
Capital funding	101,564	117,929
Issuance and repayment of financial liability related to the monetization of receivables	(10,221)	10,221
Repayment of obligation under capital lease	(269)	–
Repayment of bonds payable	(9,233)	(8,575)
	<b>81,841</b>	<b>119,575</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(116,794)	(105,178)
Acquisition of intangible assets	(9,849)	(4,620)
Purchase of long-term investments	(2,750)	(255)
Capital recovery from notes receivable	–	1,193
Capital recovery from net investment in sales-type leases	–	1,265
Capital recovery sale of Galaxie	10,500	10,500
Deferred charges relating to programming rights	–	(14,393)
Proceeds from disposal of property and equipment	1,267	1,911
Proceeds from sale of receivables	–	133,612
	<b>(117,626)</b>	<b>24,035</b>
<b>Change in cash</b>	<b>8,998</b>	<b>16,843</b>
<b>Cash, beginning of year</b>	<b>50,003</b>	<b>33,160</b>
<b>Cash, end of year</b>	<b>59,001</b>	<b>50,003</b>
Supplementary information:		
Interest paid	23,828	24,464
Income tax paid (received)	–	(101)
Acquisition of equipment by means of a capital lease	8,052	–

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