

Consolidated Statement of Financial Position

<i>(Canadian \$)</i>			
<i>(in thousands of dollars)</i>	March 31, 2012	March 31, 2011	April 1, 2010
ASSETS			
Current			
Cash (NOTE 6)	64,277	63,224	53,170
Trade and other receivables (NOTE 7)	177,331	173,598	194,656
Programming (NOTE 8)	166,104	163,658	178,243
Merchandising inventory	811	1,089	1,703
Prepaid expenses (NOTE 9)	113,370	138,361	148,215
Promissory notes receivable (NOTE 10)	2,158	2,023	1,897
Net investment in finance lease (NOTE 11)	2,499	2,351	2,214
Derivative financial instruments (NOTE 30)	133	-	-
Asset classified as held for sale	234	154	-
	526,917	544,458	580,098
Long-term			
Property and equipment (NOTE 12)	1,047,988	1,080,595	1,088,189
Intangible assets (NOTE 13)	28,435	39,687	47,725
Assets under finance lease (NOTE 14)	48,242	56,242	55,591
Pension plan (NOTE 17)	-	148,769	-
Long-term receivables	-	-	10,090
Promissory notes receivable (NOTE 10)	49,903	51,765	53,788
Net investment in finance lease (NOTE 11)	54,077	56,577	58,928
Deferred charges	7,806	3,003	16,467
Investment in associate (NOTE 15)	6,208	17	7,260
	1,242,659	1,436,655	1,338,038
TOTAL ASSETS	1,769,576	1,981,113	1,918,136
LIABILITIES			
Current			
Accounts payable and accrued liabilities (NOTE 16)	124,638	124,146	126,348
Provisions (NOTE 21)	39,062	35,572	55,817
Pension plans and employee-related liabilities (NOTE 17)	129,850	136,512	125,323
Bonds payable (NOTE 18)	20,093	19,642	19,223
Financial liability related to the monetization of receivables	-	10,337	10,174
Obligations under finance lease (NOTE 19)	9,945	9,343	7,300
Notes payable (NOTE 20)	7,794	7,625	6,514
Deferred revenues	3,511	3,825	2,185
Option liability (NOTE 15)	1,875	-	-
Derivative financial instruments (NOTE 30)	11	715	297
	336,779	347,717	353,181
Long-term			
Investment in associate (NOTE 15)	-	1,417	1,417
Deferred revenues	2,587	2,726	2,303
Pension plans and employee-related liabilities (NOTE 17)	333,207	210,268	329,907
Bonds payable (NOTE 18)	288,533	299,237	309,179
Financial liability related to the monetization of receivables	-	-	10,221
Obligations under finance lease (NOTE 19)	54,206	64,136	65,676
Notes payable (NOTE 20)	118,885	124,453	129,757
Deferred capital funding (NOTE 25)	574,027	602,025	632,221
	1,371,445	1,304,262	1,480,681
Equity			
Retained earnings	60,996	32,187	91,669
Accumulated other comprehensive income (loss)	-	5,000	(7,675)
Total equity attributable to the Corporation	60,996	326,871	83,994
Non-controlling interests	356	2,263	280
TOTAL EQUITY	61,352	329,134	84,274
TOTAL LIABILITIES AND EQUITY	1,769,576	1,981,113	1,918,136

Commitments (NOTE 28)

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

APPROVED BY THE
BOARD OF DIRECTORS:

Consolidated Statement of Income (Loss)

(Canadian \$)	For the year ended March 31	
(in thousands of dollars)	2012	2011
REVENUE (NOTE 22)		
Advertising	375,725	367,700
Specialty services (NOTE 23)	167,754	158,108
Other income	136,344	127,497
Financing income	9,141	9,032
	688,964	662,337
EXPENSES		
Television, radio and new media services costs	1,586,150	1,559,221
Specialty services (NOTE 23)	134,228	133,934
Transmission, distribution and collection	72,768	78,646
Corporate management	11,423	11,683
Payments to private stations	2,766	3,018
Finance costs (NOTE 24)	33,455	35,042
(Profit) loss on investment in associate	(21)	12,675
	1,840,769	1,834,219
Operating loss before Government funding and non-operating items	(1,151,805)	(1,171,882)
GOVERNMENT FUNDING (NOTE 25)		
Parliamentary appropriation for operating expenditures	1,028,047	1,031,581
Parliamentary appropriation for working capital	4,000	4,000
Amortization of deferred capital funding	130,270	131,760
	1,162,317	1,167,341
Net results before non-operating items	10,512	(4,541)
NON-OPERATING ITEMS		
Dilution gain from merger transaction (NOTE 15)	25,775	-
Dividend income from merger transaction (NOTE 15)	5,094	-
Net loss on disposal of property and equipment	(517)	(2,859)
	30,352	(2,859)
Net results for the year	40,864	(7,400)
Net results attributable to:		
The Corporation	40,940	(7,361)
Non-controlling interests	(76)	(39)
	40,864	(7,400)

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

Consolidated Statement of Comprehensive Income (Loss)

(Canadian \$)

(in thousands of dollars)	For the year ended March 31	
	2012	2011
COMPREHENSIVE INCOME		
Net results for the year	40,864	(7,400)
Other comprehensive income (loss)		
Actuarial gains (losses) on defined benefit plans	(30,185)	237,563
Net unrealized gain on available-for-sale financial assets	94	12,675
Reclassification to income of net unrealized gain on available-for-sale financial asset arising from merger transaction	(5,094)	-
Total comprehensive income (loss) for the year	(265,951)	242,838
Total comprehensive income (loss) attributable to:		
The Corporation	(265,875)	242,877
Non-controlling interests	(76)	(39)
	(265,951)	242,838

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

Consolidated Statement of Changes in Equity

(Canadian \$)

(in thousands of dollars)	For the year ended March 31, 2012				
	Retained earnings	Total accumulated other comprehensive income	Total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2011	321,871	5,000	326,871	2,263	329,134
Changes in year					
Net results for the year	40,940	-	40,940	(76)	40,864
Actuarial losses on post-retirement benefit plans	(30,185)	-	(30,185)		(30,185)
Net unrealized gain on available-for-sale financial assets	-	94	94	-	94
Reclassification to income of net unrealized gain on available-for-sale financial asset arising from merger transaction	-	(5,094)	(5,094)	-	(5,094)
Put option related to shares held in a subsidiary	-	-	-	(1,875)	(1,875)
Issuance of shares by a subsidiary	-	-	-	44	44
Balance at March 31, 2012	60,996	-	60,996	356	61,352
(in thousands of dollars)	For the year ended March 31, 2011				
	Retained earnings	Total accumulated other comprehensive income	Total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at April 1st, 2010	91,669	(7,675)	83,994	280	84,274
Changes in year					
Net results for the year	(7,361)	-	(7,361)	(39)	(7,400)
Actuarial gains on post-retirement benefit plans	237,563	-	237,563	-	237,563
Net unrealized gain on available-for-sale financial assets	-	12,675	12,675	-	12,675
Addition through acquisition	-	-	-	2,022	2,022
Balance at March 31, 2011	321,871	5,000	326,871	2,263	329,134

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

Consolidated Statement of Cash Flows

(Canadian \$)

(in thousands of dollars)

For the year ended March 31

	2012	2011
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net results for the year	40,864	(7,400)
Adjustments for:		
Net loss on disposal of property and equipment	517	2,859
Interest revenue	(9,141)	(9,032)
Finance costs	33,455	35,042
Change in fair value of financial instruments designated as at fair value through profit and loss	(837)	418
Depreciation of property and equipment	120,389	119,730
Amortization of intangible assets	16,963	17,887
Depreciation of assets under finance lease	8,000	7,401
Reclassification to income of net unrealized gain on available-for-sale financial asset arising from merger transaction	(5,094)	-
(Profit) loss on investment in associate	(21)	12,675
Dilution gain from merger transaction	(25,775)	-
Change in deferred charges	(4,803)	13,464
Amortization of deferred capital funding	(130,270)	(131,760)
Change in long-term receivables	-	(410)
Change in deferred revenues [long-term]	(139)	423
Change in financial liability related to the monetization of receivables	(10,500)	(279)
Change in pension plan asset	148,769	88,794
Change in pension plans and employee-related liabilities [current]	(61)	(2,878)
Change in pension plans and employee-related liabilities [long-term]	(178,876)	(119,639)
Change in non-controlling interests	44	2,022
Accretion of promissory notes receivable	(194)	-
Movements in working capital (NOTE 27)	16,129	49,513
	19,419	78,830
FINANCING ACTIVITIES		
Repayment of obligation under finance lease	(9,324)	(7,569)
Repayment of bonds	(9,941)	(9,233)
Repayment of notes	(5,404)	(4,897)
Interest paid	(33,603)	(34,177)
	(58,272)	(55,876)
INVESTING ACTIVITIES		
Parliamentary appropriations for capital funding (NOTE 25)	102,272	101,564
Acquisition of property and equipment	(98,568)	(116,136)
Acquisition of intangible assets	(5,801)	(9,838)
Return of capital-investment in associate	9,855	-
Net cash outflow on investment in subsidiary	-	(2,750)
Proceeds from disposal of property and equipment	10,279	1,254
Collection of promissory notes receivable	5,079	1,722
Collection of finance lease receivables	1,958	1,825
Dividend received	5,094	-
Interest received	9,738	9,459
	39,906	(12,900)
Change in cash	1,053	10,054
Cash, beginning of the year	63,224	53,170
Cash, end of the year	64,277	63,224

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