4. Results and Outlook

4.1 Results

The selected information presented below has been derived from, and should be read in conjunction with, the audited consolidated financial statements presented starting on page 74.

Summary – Net Results

	For the year ended March 31		
(in thousands of dollars)	**2013**	**2012**	**% change**
Revenue	646,065	688,964	(6.2)
Expenses	(1,778,522)	(1,840,769)	3.4
Government funding	1,154,850	1,162,317	(0.6)
Net results before non-operating items	**22,393**	**10,512**	**113.0**
Non-operating items:			
Net gain (loss) on disposal of property and equipment	12,314	(517)	N/M
Gain on business divestitures	7,185	-	N/A
Dilution gain from merger transaction	-	25,775	N/M
Dividend income from merger transaction	-	5,094	N/M
Non-operating items	**19,499**	**30,352**	**(35.8)**
Net results for the year	**41,892**	**40,864**	**2.5**

N/A = Not applicable
N/M = Not meaningful

Our net results before non-operating items for 2012−2013 were $22.4 million, an increase of $11.9 million when compared to the previous fiscal year. Revenue decreased by $42.9 million (6.2 per cent), expenditures were reduced by $62.2 million (3.4 per cent) and government funding recognized in income decreased by $7.5 million (0.6 per cent).

Income from non-operating items of $19.5 million mainly resulted from completing several of the initiatives planned to help reduce costs. A net gain of $12.3 million was realized from the sale of property and equipment, including real estate sites at former transmission sites in Calgary and Edmonton. Additionally, a gain on business divestitures of $7.2 million was realized during the year. This amount includes a gain of $6.3 million on the sale of the **bold** specialty channel.

The following pages provide further detail and explanation of these financial results.

Revenue

	For the year ended March 31		
(in thousands of dollars)	**2013**	**2012**	**% change**
Advertising			
English Services	200,575	250,796	(20.0)
French Services	129,835	124,929	3.9
	330,410	375,725	(12.1)
Specialty services			
CBC News Network	86,554	84,437	2.5
RDI	55,343	56,022	(1.2)
bold	4,004	4,047	(1.1)
Explora	1,799	-	N/A
documentary	6,215	5,644	10.1
ARTV	17,076	17,604	(3.0)
	170,991	167,754	1.9
Financing and other income			
English Services	55,835	57,145	(2.3)
French Services	45,327	46,750	(3.0)
Corporate Services	43,502	41,590	4.6
	144,664	145,485	(0.6)
TOTAL	**646,065**	**688,964**	**(6.2)**

N/A = Not applicable

The following paragraphs describe the key movements in our significant revenue streams.

Advertising

English Services advertising revenue decreased by $50.2 million (20 per cent). This primarily reflected the impact of the NHL lockout this year which shortened the regular season schedule broadcast on *Hockey Night In Canada*. In comparison, 2011–2012 benefited from strong playoff hockey revenue when the Vancouver Canucks reached the Stanley Cup finals.

Advertising revenue for French Services increased by $4.9 million (3.9 per cent) in 2012–2013 compared to the previous year. All platforms experienced revenue growth this year, with the main network and web and mobility platforms achieving the highest levels of growth. Increases in advertising minutes combined with better management of inventory and the development of brand integration initiatives were the main factors contributing to the growth.

Specialty Services

Specialty Services revenue increased by $3.2 million (1.9 per cent) compared to the previous fiscal year.

CBC News Network is widely available across Canada, currently in 11.3 million cable and satellite homes. The year-over-year revenue growth of $2.1 million (2.5 per cent) was mainly due to higher advertising revenue resulting from the strong audience levels.

Our new Radio-Canada specialty service, Explora, generated $0.7 million in advertising revenue and $1.1 million in subscriber revenue since its launch on March 28, 2012. This new channel was distributed free of charge during its first quarter of operation.

Financing and other income

Financing and other income decreased by $0.8 million (0.6 per cent) this year.

In English Services, the decrease was mostly due to a reduction of $4.1 million in LPIF contributions due to the lower rate effective September 1, 2012. This was partly offset by increased revenue of $3.0 million from the Canada Media Fund.

For French Services, the decrease was also attributable to a $4.1 million reduction in LPIF contributions, partly offset by increased revenue from facility rentals, content sales, commercial productions and from the Canada Media Fund.

Corporate Services' revenue increased by $1.9 million in 2012–2013 compared to last fiscal year. Several miscellaneous sources of income increased, including revenue from a new lease agreement at the Toronto Broadcasting Centre and increased interest income recognized during the year.

Operating Expenses

	For the year ended March 31		
(in thousands of dollars)	**2013**	**2012**	**% change**
Television, radio and new media services			
English Services	854,396	916,437	(6.8)
French Services	647,456	664,032	(2.5)
	1,501,852	1,580,469	(5.0)
Specialty services			
CBC News Network	64,971	68,991	(5.8)
RDI	41,565	43,594	(4.7)
bold	2,387	3,906	(38.9)
Explora	3,918	-	N/A
documentary	3,489	3,625	(3.8)
ARTV	13,822	14,112	(2.1)
	130,152	134,228	(3.0)
Other operating expenses			
Transmission, distribution and collection	103,465	78,449	31.9
Corporate management	10,391	11,423	(9.0)
Payments to private stations	2,527	2,766	(8.6)
Finance costs	31,836	33,455	(4.8)
Share of profit in associate	(1,701)	(21)	N/M
TOTAL	**1,778,522**	**1,840,769**	**(3.4)**

N/A = Not applicable
N/M = Not meaningful

The following paragraphs describe the key movements in our significant expenditure streams.

Television, radio and new media services

English Services' expenses decreased by $62.0 million (6.8 per cent) compared to last year. The decrease was mainly due to lower hockey production and rights costs as a result of the NHL lockout and also to other reductions in programming spending, in particular the non-renewal of the *Wheel of Fortune* and *Jeopardy!*.

French Services' expenditures were down $16.6 million (2.5 per cent) compared to 2011−2012. The decrease was mainly due to the implementation of initiatives to manage the federal funding reductions and from decreased LPIF contributions. This has resulted in lower television and radio programming costs and to lower programming costs following the transformation of Radio Canada International from a shortwave service to a web offering.

Both English and French Services costs improvements were partly offset by one-time severance costs associated with the elimination of positions following Federal Budget 2012.

Specialty Services

CBC News Network expenses decreased from last year by $4.0 million (5.8 per cent). This reduction was primarily due to efficiencies realized in the processes used by the organization to gather news.

RDI expenses were also lower than last year by $2.0 million (4.7 per cent). This was mainly due to lower programming costs this year following federal funding reductions.

As a result of the sale of **bold**, there were no program acquisitions and reduced program amortization this year, resulting in overall cost decreases for the specialty channel of $1.5 million (38.9 per cent).

These overall decreases in expenditures were partially offset by new costs incurred following the launch of our new Radio-Canada specialty service, Explora, at the end of March 2012.

Other operating expenses

The expenditure increase of $25.0 million (31.9 per cent) in Transmission, distribution and collection was due primarily to the cessation of the shortwave transmission of RCI programming and the acceleration of the shutdown of the remaining analogue TV transmitters. This resulted in one-time depreciation, impairment charges and the recognition of decommissioning costs, all of which were partly offset by savings realized from the cessation of these activities.

Corporate management expenses were lower by $1.0 million (9.0 per cent) as a result of cost savings initiatives including reduced management salary, travel, office and consulting costs.

Finance costs decreased by $1.6 million (4.8 per cent), reflecting the decreasing interest portion of financing leases, mostly for the Toronto Broadcasting Centre and satellite leases.

The current year’s share of profit in associate reflects our holding of Sirius Class B shares.

Government Funding

	For the year ended March 31		
(in thousands of dollars)	**2013**	**2012**	**% change**
Parliamentary appropriations for operating expenditures	999,484	1,028,047	(2.8)
Parliamentary appropriations for working capital	4,000	4,000	N/A
Amortization of deferred capital funding	151,366	130,270	16.2
TOTAL	**1,154,850**	**1,162,317**	**(0.6)**

N/A = Not applicable

Parliamentary appropriations for operating expenditures decreased by $28.6 million (2.8 per cent) compared to 2011−2012. Most of this decrease, $27.8 million, represents the initial phase of an overall reduction of $115.0 million per annum that is being phased in over three years as part of Federal Budget 2012.

Capital funding received is recorded as deferred capital funding. It is amortized and recognized as revenue over the same periods as the related property, equipment, equipment under capital lease, and intangible assets are used in CBC/Radio-Canada's operations. The increase of $21.1 million over last year (16.2 per cent) was mainly due to accelerated depreciation triggered by the shutdown of analogue TV and shortwave assets.

Non-Operating Items

	For the year ended March 31		
(in thousands of dollars)	**2013**	**2012**	**% change**
Net gain (loss) on disposal of property and equipment	12,314	(517)	N/M
Gain on business divestitures	7,185	-	N/A
Dilution gain from merger transaction	-	25,775	N/M
Dividend income from merger transaction	-	5,094	N/M
Non-operating items	**19,499**	**30,352**	**(35.8)**

N/A = Not applicable
N/M = Not meaningful

An overall net gain of $12.3 million on the disposal of property and equipment this year was achieved largely from successful real estate transactions. Gains on the sale of real estate assets totalled $19.5 million, with significant sales during the year including transmission sites in Calgary and Edmonton. These gains were partially offset by non-operating losses recorded on asset disposals as we continue to invest in new transmission and technical equipment. This will allow us to expand our digital presence in 2013−2014 as part of Strategy 2015.

A gain on business divestitures of $7.2 million was mainly due to completing the disposition of the **bold** specialty channel to Blue Ant Media as announced during the first quarter of 2012−2013. Additionally, we recognized a gain of $0.9 million during the year for selling a share warrant we held with Stingray Digital Group Inc. This warrant related to the 2007 transaction pertaining to the CBC's Galaxie pay audio undertaking.

Other non-operating items in 2011−2012 were mostly attributed to a non-cash dilution gain and dividend income from the merger transaction of Sirius Canada/CSR, in which we are invested.

Total Comprehensive Income (Loss)

	For the year ended March 31		
(in thousands of dollars)	**2013**	**2012**	**% change**
Net results for the year	**41,892**	**40,864**	**2.5**
Other comprehensive loss			
Actuarial losses on defined benefit plans	(52,522)	(301,815)	82.6
Net unrealized gain on available-for-sale financial assets	-	94	N/M
Reclassification to income of net unrealized gain on available-for-sale financial assets realized on merger transaction	-	(5,094)	N/M
Total other comprehensive loss	(52,522)	(306,815)	82.9
Total comprehensive loss for the year	**(10,630)**	**(265,951)**	**96.0**

N/M = Not meaningful

The total other comprehensive loss recognized in 2012−2013 was $52.5 million, compared to a loss of $306.8 million in the previous year, mostly due to fluctuations in our pension plan's obligations and assets. These values fluctuate significantly when actual results or interest rates differ from actuarial assumptions. Actuarial gains and losses are immediately recognized in other comprehensive income in each reporting period.

The $52.5 million of actuarial losses on defined benefit plans this year was due mainly to a decrease in the discount rate applied to the pension obligation from 4.25 per cent to 4.00 per cent, due to declining yields on long-term high quality Canadian corporate bonds, contributing to actuarial losses of $212.9 million. This was partially offset by:

- a $156.3 million actuarial gain arising from a higher than expected actual return on plan assets (9.1 per cent actual vs. 6.0 per cent expected);
- a $4.1 million actuarial gain due to the plan experience and a change in assumptions used in determining the obligation on other non-pension post-employment benefits.

We expect that macroeconomic factors will continue to have an impact on discount rates and asset returns used in determining the actuarial gains and losses during 2013−2014. Consequently, values will continue to fluctuate significantly.

In addition, our 2011−2012 results included a loss of $5.1 million resulting from the non-cash reclassification to income of amounts from the Sirius merger transaction.

Further information on our pension plan is provided in Note 16 to our financial statements.

4.2 Financial condition, cash flow and liquidity

Our main sources of liquidity are parliamentary appropriations for operating, capital and working capital requirements, and commercial activities such as advertising. As a result of Federal Budget 2012, we will see our annual appropriations reduced by $115.0 million over three years, with an initial reduction of $27.8 million confirmed for 2012−2013. This will grow to a $69.6 million reduction scheduled for 2013−2014 prior to the full reduction of $115.0 million in 2014−2015. Additionally, $47.1 million in funding from LPIF will be phased out by August 31, 2014.

In response to these reductions, and to one-time restructuring costs and additional financial pressures inherent in funding the business and pursuing Strategy 2015, we have implemented a $200 million financial plan that will allow us to continue to match our planned operating expenses with available financial resources. This plan includes sourcing new television and radio advertising to partially offset the reduction in government appropriations, combined with reducing operating and capital requirements through various cost reduction initiatives. However, these pressures will result in a decrease of certain programming.

Our cash flows from operating, investing and financing activities for 2012−2013 are summarized in the following table. Our cash balance at March 31, 2013 was $51.5 million, compared to $64.3 million at March 31, 2012.

Cash Position

	For the year ended March 31		
(in thousands of dollars)	**2013**	**2012**	**% change**
Cash - beginning of year	**64,277**	**63,224**	**1.7**
Cash from operating activities	4,149	19,419	(78.6)
Cash used in financing activities	(58,389)	(58,272)	(0.2)
Cash from investing activities	41,422	39,906	3.8
Net change	(12,818)	1,053	N/M
Cash - end of year	**51,459**	**64,277**	**(19.9)**

N/M = Not meaningful

Cash from operating activities

Cash received from operating activities was $4.1 million this year, a decrease of $15.3 million compared to last year. This reduction was primarily due to higher amounts of cash used this year to fund working capital.

Cash used in financing activities

Cash outflows for financing activities were consistent with 2011−2012. Cash of $58.4 million in the current year and $58.3 million in 2011−2012 was for interest, semi-annual repayments of the Toronto Broadcasting Centre bonds, payments of notes payable, and to meet obligations under finance leases.

Cash from investing activities

Investing activities generated cash of $41.4 million this year, an increase of $1.5 million compared to last year. This year we received $20.8 million from the disposal of surplus property and equipment, compared to $10.3 million of proceeds last year. In addition, this year we generated additional proceeds of $10.0 million from the sale of **bold**, resulting in an accounting gain of $6.3 million.

This increase in cash from investing activities was partially offset by $6.4 million of additional purchases of property, equipment and intangible assets relative to last year as we continue to invest in new technology. Last year's activities also included a $9.9 million return of capital on our investment in Sirius/CSR, and a $5.1 million dividend received in connection with the Sirius/CSR merger.

4.3 Seasonality and Quarterly Financial Information

The following table shows condensed financial data for the previous eight quarters. This quarterly information is unaudited, but has been prepared on the same basis as the annual consolidated financial statements. We discuss the factors that caused our results to vary over the past eight quarters throughout this management discussion and analysis.

	For the year ended March 31, 2013					For the year ended March 31, 2012				
(in thousands of dollars)	**Q1**	**Q2**	**Q3**	**Q4**	**Total**	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
Revenue	182,705	126,970	159,679	176,711	646,065	180,145	128,076	195,967	184,776	688,964
Expenses	(501,434)	(384,829)	(411,651)	(480,608)	(1,778,522)	(471,615)	(389,573)	(467,535)	(512,046)	(1,840,769)
Government funding	303,048	269,377	241,285	341,140	1,154,850	277,882	291,008	269,855	323,572	1,162,317
Net results before non-operating items	**(15,681)**	**11,518**	**(10,687)**	**37,243**	**22,393**	**(13,588)**	**29,511**	**(1,713)**	**(3,698)**	**10,512**
Non-operating items	(496)	(628)	19,354	1,269	19,499	42,864	(13,439)	9,563	(8,636)	30,352
Net results for the period	**(16,177)**	**10,890**	**8,667**	**38,512**	**41,892**	**29,276**	**16,072**	**7,850**	**(12,334)**	**40,864**

Our operating results are subject to seasonal fluctuations that materially impact quarter-to-quarter operating results. Excluding government appropriations, approximately 55 per cent of the Corporation's funds come from advertising revenue that tends to follow a seasonal pattern, with the second quarter of each financial year typically being the lowest because the summer season attracts fewer viewers. This can be seen in the quarterly results above. Advertising revenue also varies according to market and general economic conditions and the programming schedule. Lower revenues for the third and fourth quarters of 2012−2013 were primarily due to the impact on advertising revenue of the NHL lockout and other programming reductions in accordance with our cost-reduction initiatives.

Expenses also tend to follow a seasonal pattern because they are influenced by the programming schedule. As the table above shows, expenses were relatively lower in the second quarters of 2012−2013 and 2011−2012. Operating expenses tend to be higher in the fourth quarter as the Corporation incurs costs preparing for the fall broadcasting season and completes project deliverables due by the end of the fiscal year. High expenses in the first quarter of 2012−2013 were mostly attributable to one-time restructuring initiatives associated with cost reductions following Federal Budget 2012 and other financial pressures. Comparatively lower expenses in the third and fourth quarters of 2012−2013 are consistent with these cost reduction measures implemented, and were also due to the NHL lock-out which reduced our required costs of programming.

Government funding is recognized in the Corporation's income based on budgeted net expenses for the quarter. Monthly and quarterly budgets are established from the annual budget approved by the Board of Directors at the beginning of each year and reflect expected appropriation funding for the year and seasonal impacts on expenditures and self-generated revenue.

Other factors may impact net results from quarter to quarter. These may include items such as finance costs on borrowings, foreign exchange gains or losses, changes to the fair value of derivative financial instruments, asset impairments and sales. When appropriate, these are recorded as non-operating items. As indicated in the table above, the Corporation recorded higher levels of non-operating gains and losses in 2011−2012 compared to 2012−2013, due largely to acquisition and financing activities related to Sirius Canada/CSR, in which the Corporation is invested.

4.4 Outlook

In 2012−2013, we started to implement the three-year financial plan announced on April 4, 2012 following the Federal Budget 2012 appropriation reductions of $115 million. The financial plan is being 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, there are significant challenges ahead.

We are looking at our real estate portfolio to generate more revenues as we seek to exit some buildings that we own to become tenants in more efficient and less-costly premises or to rent out vacant space in other buildings. During 2012−2013, we signed a long-term lease to rent vacant space of approximately 168,000 square feet at the Toronto Broadcasting Centre, and plans are underway to move from two owned buildings in Halifax into one rented facility. As for the Montreal facility, we have initiated a Request for Proposals to consider redevelopment options.

The success of the plan will also depend heavily on the strength of the advertising market and our overall revenue performance. On May 28, 2013, the CRTC announced its decision to allow limited advertising on CBC Radio 2 and Espace musique. We are currently assessing the impact of this decision.

We developed budget measures to deal with the CRTC's decision to gradually eliminate the LPIF by August 31, 2014. Strategy 2015 has been adjusted to reflect the end of this funding while minimizing the impact on programming and protecting the strategy's core elements. Some of the LPIF funded improvements to services will be maintained. However, given the magnitude of the reduction, other priorities will be affected such as: English Services' local service extension strategy, the cross-cultural programming fund and French Services' non-news programming in the regions.

Now that Strategy 2015 is well underway, we are looking "Beyond 2015". We've started reflecting on what the national public broadcaster will be in the future.

Cost containment measures announced in Federal Budget 2010 included the elimination of salary inflation funding from 2010−2011 through to 2012−2013. This freeze is now over and CBC/Radio-Canada is expecting this funding to resume in 2013−2014, although this has not yet been confirmed by Treasury Board.

CBC's broadcast and digital rights contract with the NHL ends in June 2014. We are now pursuing renewal negotiations.

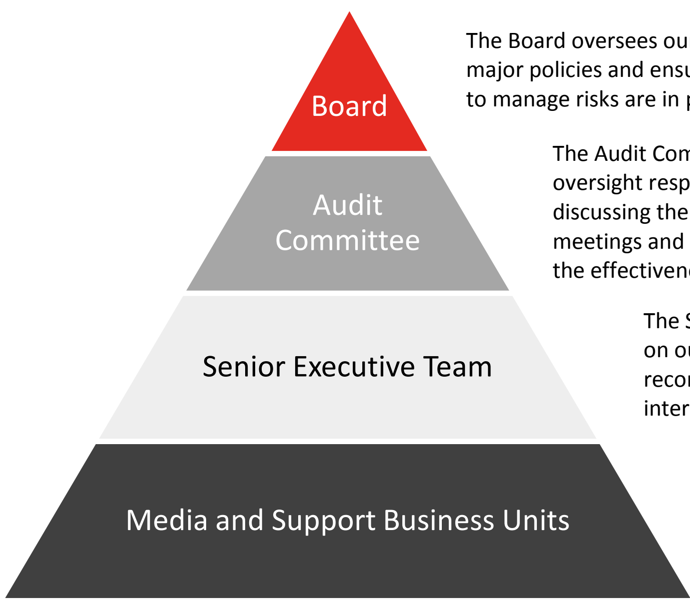
A number of collective agreements must be re-negotiated between 2013 and 2014. The successful negotiation of settlements with unions has important economic, brand and labour relations impacts.

On August 1st, 2012, the International Olympic Committee announced that CBC/Radio-Canada had been awarded the Canadian broadcast rights for the Sochi February 2014 Olympic Winter Games and the Rio August 2016 Olympic Summer Games. This will significantly increase both revenues and expenses in 2013−2014 and in 2016−2017. We expect to at least breakeven on these events.

4.5 Risk Management and Key Risk Table

As Canada's national public broadcaster, CBC/Radio-Canada occupies an important place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, we must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. As a public broadcaster with a statutory mandate to serve all Canadians, we also face unique public expectations, financial challenges and risks.

Our Risk Management Program is part of an enterprise-wide approach integrated into business processes. Responsibility for risk management is shared among our Board of Directors, the Board's Audit Committee, the Senior Executive Team and operational units.



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

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

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

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

Internal Audit plans its audits in accordance with the results of the risk assessment process and provides assurance that major risks are covered on a rotational basis by the annual audit plan.

The following table discusses the key risks faced by CBC/Radio-Canada during fiscal 2012−2013 and the ongoing impact into 2013−2014.

Key Risks	Risk Mitigation	Future Impact
1. Regulatory Issues		
A. Licence Renewal		
The CRTC decision was issued on May 28, 2013. The decision establishes our ability to generate new revenue by adding advertising and sponsorships to CBC Radio 2 and Espace musique. The decision is for a temporary period of three years and the maximum advertising minutes allowed of four minutes per hour are less than those we requested. This initiative is part of our plan to address the Budget 2012 funding reduction of $115 million.	Review impacts of conditions of licence and address as required.	We will need to request approval from CRTC to continue advertising on Radio 2 and Espace musique beyond August 31, 2016. Other budget measures will need to be implemented if radio advertising revenue targets cannot be achieved.
B. Music Rights, Royalties and Tariffs		
Renewal of key music rights deals with copyright holders may impact revenues and our service strategy.	Continue active and proactive relationship building with all music rights holders to renew on mutually acceptable terms.	Continue with identified strategies into 2013−2014.
Copyright collectives are seeking new or increased tariffs on music performing and music reproduction rights. Royalty payment methods must take into account that the business model is shifting toward multiplatform delivery of works.	Continue to negotiate with collectives. Review, assess and apply changes brought forth by the new Copyright Act and its impact on tariffs, where applicable.	
C. Terms of Trade with Independent Television Producers		
Negotiations on terms of trade (rights, contribution, other business terms) for CBC with Canadian Media Production Association (CMPA) and Radio-Canada with Association des Producteurs de Films et de Télévision du Québec (APFTQ) regarding independently produced programming continue into 2013−2014. The terms of trade will affect the cost of independent programs. The CRTC licence renewal decision has imposed a deadline of May 28, 2014 to finalise the negotiation of terms of trade contracts.	Continue negotiating the terms of trade contracts to benefit the interests of both CBC/Radio-Canada and independent producers.	Continue with identified strategies into 2013−2014.

<table>
<tr><th>Key Risks</th><th>Risk Mitigation</th><th>Future Impact</th></tr>
<tr><td>D. Canada Media Fund (CMF)

There are two sources of risk: (1) CMF rule changes or changes to how the CMF allocates funds to broadcaster performance envelopes could result in narrower program rights and/or higher contributions required from CBC/Radio-Canada; and (2) the overall CMF pool is dependent on the overall profitability of Broadcast Distribution Undertakings (BDUs) that contribute up to 5 per cent of their gross revenues to the fund.</td><td>Proactively advance our position with the CMF, including participation in the CMF National Focus Group.</td><td>CBC/Radio-Canada's 2013–2014 CMF allocation is $7.6 million lower than last year's allocation, due to changes in allocation factors and a reduced overall CMF pool. Contingency plans have been implemented to offset the financial impact, but this will lead to reduced Canadian programming on our television schedule.</td></tr>
<tr><td>E. Bill C-461 (Reforms to Access and Privacy Laws)

A private member's bill has been tabled in Parliament that would impact CBC/Radio-Canada. Bill C-461 includes two key elements:

(1) An amendment to the Privacy Act that would remove privacy protections on individual salary information for those who earn more than a specified salary per year. The release of the exact salary of individuals could negatively impact the Corporation in a highly competitive business environment; and

(2) An amendment to the Access to Information Act and the Privacy Act to modify the current protections for "journalistic, creative or programming activities" would introduce uncertainty around the rules governing access to our journalistic, creative and programming material.</td><td>Continue to share our views with the Standing Committee on Access to Information, Privacy and Ethics.

Continue to produce and distribute the Transparency and Accountability Bulletin, which provides updates on progress we are making in managing Access to Information (ATI) requests.

Continue to manage the information published on the corporate website's Proactive Disclosure section. Facilitate access to existing information on the corporate website.

Continue to invest in improving the management and processing of ATI requests.</td><td>Develop, amend and/or implement processes to comply with any new regulatory requirements.</td></tr>
<tr><td>F. Channel Carriage

CBC/Radio-Canada is the only major television broadcaster in Canada without distribution affiliations. There is a concern that carriage terms offered by Broadcast Distribution Undertakings (BDUs) will favour their own associated specialty services at the expense of our specialty services. Risks to the Corporation include BDUs dropping our existing television services that are not mandatory carriage, delaying the launch of new specialty services or decreased revenue from BDUs for carrying our specialty television services.</td><td>Strategic discussions with BDUs focusing on overall value of the programming services offered, and negotiation of long-term agreements with terms that protect or enhance current carriage and revenues.</td><td>Continue with identified strategies into 2013–2014.</td></tr>
</table>

Key Risks	Risk Mitigation	Future Impact
2. Renewal of NHL Professional Hockey Broadcast and Digital Rights CBC's broadcast and digital rights contract ends in June of 2014.	CBC is pursuing renewal negotiations for an NHL rights package.	Continue with identified strategies into 2013–2014.
3. Union Relations A. Section 18.1 Radio-Canada Union Consolidation A long-term strategy for more operational flexibility from our Radio-Canada unions would improve the working relationship between management and these unions and assist in the achievement of Strategy 2015.	Continue the process before the Canada Industrial Relations Board (CIRB) to review the existing structure of the French Services bargaining units with a view to consolidating the unions.	Hearings before the CIRB are continuing and a decision is expected in 2014 as to the bargaining structure.
B. Contract Expiries A number of collective agreements must be re-negotiated between 2013 and 2014. The successful negotiation of settlements with unions has important economic, brand and labour relations impacts.	Continue to reinforce business needs in terms of flexibility and ensure that collective bargaining reflects these needs. Involve unions in discussions relating to economic challenges and encourage input into managing risks. Ensure communications activities are identified and implemented with union leaders before launching business strategies and initiatives.	Identified strategies will continue into 2013–2014.

Key Risks	Risk Mitigation	Future Impact
C. Bill C-60 On April 29, 2013, the Federal Government tabled the 2013 implementation bill C-60, which includes proposals to change the collective bargaining process at Crown Corporations, including CBC/Radio-Canada. The proposals open the possibility that the Governor in Council directs Treasury Board to oversee and authorise the negotiating mandate of unionised employees as well as terms and conditions of employment of non-unionised staff.	Share our views with the Standing Committee on Finance Review and address the proposed legislation, the actual legislation and order-in-council, if enacted.	The implementation of Bill C-60 may impact negotiations with bargaining units, and may give rise to conflicts with the *Broadcasting Act* and *the Canadian Charter of Rights and Freedoms*.
4. Workforce Challenges – Training and Empowering a Skilled Workforce The proper staff skill set is necessary to meet the transformation needs of Strategy 2015. The plan's three strategic thrusts (Programming, Regional, Digital) will require a major transformation in production methods, to ensure a smooth transition to a model that's more efficient, digital, and multiplatform. Managers and employees require skill set to adapt to an accelerated pace of change.	Leverage findings from Pulse Survey to identify areas of development to enable transformation and strategic talent management. Develop and implement a change management strategy to increase the organization's and managers' capacity to lead and support change.	Identified strategies will continue into 2013–2014.
5. Infrastructure Replacements and Optimization Excess space and infrastructure affects operations and budgets.	We are accelerating our plan to reduce our overall real estate footprint. Continue with plan to reduce our overall real estate footprint by more than 800,000 square feet by 2017. In the shorter term, we will pursue the sale of some CBC/Radio-Canada-owned buildings, and shift from owner to tenant and look to lease our vacant space in the remaining buildings.	We have undertaken the next phase of our redevelopment initiative for our Montreal facility. Requests for proposals for the Maison de Radio-Canada project were issued to pre-qualified proponents in June.

Key Risks	Risk Mitigation	Future Impact
6. Budget Concerns		
A. Government Funding		
Federal Budget 2012 reduced CBC/Radio-Canada parliamentary appropriations by $115 million over three years. There is a risk that the initiatives identified to reduce costs and increase revenues will not achieve expected outcomes.	Continue to implement initiatives to reduce costs and increase revenues. Ongoing management and review of the initiative implementations to ensure expected outcomes are achieved.	Continue with identified strategies into 2013–2014.
B. Impact on Advertising Revenue		
Advertising revenue is influenced by a number of factors, including economic uncertainty, migration of ad revenue from conventional to specialty and digital services, program audience share and rating performance, competing advertising opportunities in the marketplace and disruption to programming rights agreements, such as the shortened 2012–2013 NHL season. Uncertain economic conditions compound the risks associated with the Corporation's plans to increase advertising revenue to offset some of the government funding reductions announced in Federal Budget 2012.	We are closely monitoring advertising revenue performance and have developed contingency plans.	Underachievement of advertising revenue targets may require further reduction of expenditures and changes to Strategy 2015 implementation plans.