#CREATINGCONNECTIONS

ANNUAL REPORT 2014-2015

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.

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- Annual Review on Parts IV, V and VI of the *Official Languages Act* to Treasury Board of Canada Secretariat
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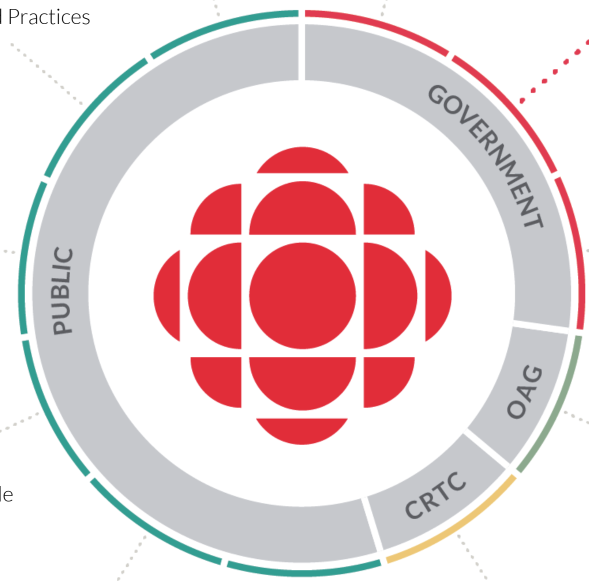
- Journalistic Standards and Practices
- Code of Conduct



TRANSPARENCY & ACCOUNTABILITY BULLETIN

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  - Reports for all of the Corporation's television stations eligible for the Local Programming Improvement Fund (LPIF)
  - New media reporting requirements
- Official Language Minority Communities (OLMCs) reports: annual reporting covering measures taken to meet the needs of OLMCs; the results of surveys on OLMCs' perception of how well CBC/Radio-Canada services reflect their needs and realities; and reports on all programs that are produced in OLMCs and/or reflect these communities in their content

Message from the Chair

For almost 80 years, Canadians have turned to CBC/Radio-Canada as a trusted source of news, entertainment and education. The world and its technology have evolved since we first joined the airwaves, and the public broadcaster has worked to evolve with it through the years.

Over the past few years, however, broadcasting and media consumption patterns have been changing at an unprecedented pace. Although live television is still the most popular viewing format, Canadians are also accessing content on new platforms: 90% of them have a home Internet connection, 85% watch online video, and 68% listen to streaming audio. Nearly half of Canadians own a tablet and 66% have a smartphone. Online TV viewing is now commonplace for 46% of the country's audiences, while smart TVs and Netflix-style services are gaining ground.

Both the CBC/Radio-Canada Board of Directors and management team agreed that maintaining the status quo was not an option. Our new strategy, *A space for us all*, is based upon a realistic yet imaginative assessment of our future, and will strive to continue to earn the passionate audiences that Canada's national public broadcaster has enjoyed for decades. We know that the face of broadcasting is changing and our role is to lead that change, enabling Canadians to access the content they want, when and how they want it. At the same time, we will continue to be a platform that develops and promotes Canadian talent and original productions, ensuring that they are accessed here and where possible around the world.

Our content and services strategy mirrors the changing media habits of Canadians and will be made possible by shrinking our infrastructure footprint, transforming our people and culture and increasing our financial sustainability. The major overriding objective for the President and CEO and the Senior Management Team in the next five years may be described by the term "One Company." Specifically this means bringing CBC and Radio-Canada closer together, working to avoid duplication, share resources and produce the best content possible for Canadians, while ensuring our content remains distinctive and tailored to the needs of both French-speaking and English-speaking audiences.

That said, change is never easy and the first year of any transformation plan can be particularly challenging. In order to position the Corporation for success, our management team has made many tough decisions, including modifications to the size of our workforce. These alterations are essential for CBC/Radio-Canada to continue to be the public broadcaster that Canadians can count on at any time, on any platform.

In closing, I would like to thank my fellow directors, senior management and indeed all members of the CBC/Radio-Canada team for their unwavering support of public broadcasting in this country. Together, we will guide CBC/Radio-Canada through 2020 and beyond.

Rémi Racine
Chair, Board of Directors

Message from the President and CEO

Constant, borderless digital connectivity is already changing the way we relate to the world and to each other. We can now reach tens of millions through a single Facebook post! To rise to its full potential, CBC/Radio-Canada needs to evolve – not just to survive, but to thrive in the era beyond traditional broadcasting. The entire Canadian ecosystem needs to change if it is to meet our country's needs in the future.

There are numerous examples of that change all around us. Since the launch of our own strategy in June 2014, we've seen many private actors in the media industry, including Bell Media, Rogers, Shaw Communications, Star Media Group, Transcontinental, V, Musique Plus, Quebecor, Corus and Postmedia announce layoffs or restructurings of their own. Private conventional TV networks have been trying to adjust and have been sounding the alarm that the Canadian broadcasting system needs to evolve.

On the regulatory front, the decisions of the Canadian Radio-television and Telecommunications Commission (CRTC) in the context of *Let's Talk TV: A Conversation with Canadians*, will require adjustments from all players. One of the decisions – often referred to as the "pick-and-pay" model – constitutes a major shake-up to the television market. The impact on CBC/Radio-Canada is discussed further in the Corporation Highlights section of this Annual Report.

Around the world, we're seeing that change is also the watchword in media, including with international public broadcasters. In March 2015, the British Broadcasting Corporation (BBC)'s Managing Director, Lord Tony Hall, laid out the BBC's plan to play in, as he calls it, the "Internet age," saying he needs to "reinvent the BBC once more," and that it's at "a crossroads." The Australian Broadcasting Corporation (ABC) is rethinking the services it should and can provide, including its regional approach and the number of stations it can operate, in the face of a $477 million funding reduction. Switzerland held a June 14 referendum to transform their current licensing fee model to one in which all households and businesses pay a universal fee. Norway has announced they are eliminating FM radio by 2017, replaced by digital offerings. And in France, the government has endorsed a report calling for a total revamp of the framework that has delivered public service television over the past four decades.

None of this is change for change's sake. It is a redefinition of relevance in a world where the voices are getting more numerous and noisy.

And while we share many commonalities with our international colleagues, here in Canada we are working towards a very specific relevance: ensuring Canadians have a space in the media universe to call their own. As Canada's only national public broadcaster, we aim to be at the heart of this space.

At the core of our strategy, *A space for us all*, is the goal of being an organization that continuously adapts to the needs of Canadians. But within that is the knowledge that not everyone is shifting at the same pace or time. That's why we are not abandoning traditional platforms. At the same time, we are making the choices that will allow us to maintain our existing services while investing in emerging platforms now and for the future.

A lot has been and will continue to be said about CBC/Radio-Canada and its transformation. Some publicly question our strategic decisions and worry they will impact our ability to deliver on our mandate. I deeply respect those concerns. After all, the future of public broadcasting is, in fact, at stake. But that is precisely why we have taken the measures we have: to ensure a thriving public broadcaster now and in the future. Viability is the focal point of our concerns. I am convinced that we are on the right path.

The fact that several thousands have taken to the streets and made their voices heard over the last months speaks to the key role CBC/Radio-Canada plays in our society and in people's daily lives. I believe the public broadcaster is uniquely positioned to bring us closer together and to celebrate our stories, our successes and our diversity like never before. It's at critical moments in our history that we shine brightest. I am confident that CBC/Radio-Canada is and will continue to be the public space at the heart of our conversations and experiences.

H. Lacroix

Hubert T. Lacroix
President and CEO

Year in Review

FINANCIAL HIGHLIGHTS

Revenue and sources of funds for fiscal years

GOVERNMENT FUNDING	ADVERTISING REVENUE	SUBSCRIBER FEES	FINANCING & OTHER INCOME
2015: $1.04 billion 2014: $1.09 billion	**2015: $333 million** 2014: $491 million	**2015: $133 million** 2014: $133 million	**2015: $134 million** 2014: $143 million
5%	32%	FLAT	6%

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Revenue	600,135	767,830	(21.8)
Expenses	(1,722,292)	(1,873,717)	(8.1)
Government funding	1,036,096	1,090,898	(5.0)
Results before non-operating items	(86,061)	(14,989)	N/M
Net results under IFRS for the year	(47,391)	(17,953)	N/M
Results on a Current Operating Basis[1]	19,224	46,429	(58.6)

N/M = not meaningful

[1] 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 Results in section 4.1.

RESULTS UNDER IFRS AND ON A CURRENT OPERATING BASIS

Results under International Financial Reporting Standards (IFRS) and on a Current Operating Basis this year reflect the cost reductions we have made in response to lower advertising revenues and lower government funding. In addition, our prior year results also included revenue and operating expenses from our coverage of the Sochi 2014 Winter Olympics and a full season of hockey:

- Revenue was lower by $167.7 million (21.8%) this year reflecting lower advertising revenue from major sporting events. While our revenue this year benefited from broadcasting the 2014 FIFA World Cup Brazil, last year's revenue included advertising from both the Sochi 2014 Olympic Winter Games and a complete season of *Hockey Night in Canada* (HNIC). The end of our contract with the NHL has also resulted in a decrease, in operating expenses as we no longer pay the associated programming costs. Revenue was also affected this year by lower contributions received from the Local Programming Improvement Fund (LPIF), as the fund was phased out on August 31, 2014.
- This year's expenses decreased by $151.4 million (8.1%), due to both lower broadcasting rights and production costs with less major sports coverage this year as mentioned above, and as a result of our successful cost-reduction initiatives. These decreases were somewhat offset by severance costs associated with workforce reduction announcements made in the first, third and fourth quarters of the year. These cost-reduction initiatives have allowed us to complete balanced financial planning for next year, which includes new strategic investments in accordance with the objectives of our strategic plan, *A space for us all*.
- Government funding recognized for accounting purposes decreased by $54.8 million (5.0%), reflecting decreases in government appropriations received and lower amounts of capital funding recognized.
- Results on a Current Operating Basis for the year were $19.2 million. This excludes items that do not generate or require funds from operations, the most significant being $45.8 million charged for non-cash pension expenses. Further details reconciling net results to Results on a Current Operating Basis are provided in Results and Outlook, section 4.

2014 FIFA World Cup Brazil

STRATEGIC HIGHLIGHTS

LOOKING BACK: A SUMMARY OF OUR ACHIEVEMENTS UNDER *2015: EVERYONE, EVERY WAY*

More distinctly Canadian. More regional. More digital.

2015: Everyone, Every way has guided CBC/Radio-Canada's strategic direction since 2011. As we transition into our new strategic plan, here are a few of the achievements of *Strategy 2015* across the Corporation.

More Canadian:

During *Strategy 2015*, fulfilling our obligations to Canadians under the 1991 *Broadcasting Act* has been top of mind. Canadians agree we succeeded.

Throughout the implementation of *Strategy 2015*, Anglophones and Francophones continued to believe that CBC/Radio-Canada met its mandate by giving English Services and French Services high average scores – ranging from 7.2 to 8.4 out of 10 – for the four aspects that measure our mandate.

CBC/Radio-Canada's radio and television programming is:

- Available on new platforms
- Informative
- Enlightening
- Entertaining

Source: Mission Metrics Survey, TNS Canadian Facts.

Both Anglophones and Francophones consistently felt that CBC and Radio-Canada:

- Delivered high quality and distinctive content
- Reflected and drew Canadians together
- Reflected a diversity of opinions and covered major issues in a fair and balanced way

Since 2010-2011, the majority of indicators measuring these aspects consistently received high scores of over 7 points on a 10-point scale basis.

Source: Mission Metrics Survey, TNS Canadian Facts.

We exceeded Canadian content expectations

Both CBC Television and ICI Radio-Canada Télé have exceeded the Canadian Radio-television and Telecommunications Commission (CRTC)'s commitments in all years covered by *Strategy 2015*.

90%
Canadian content in prime time

Source: CRTC

More Regional:

We enhanced the quality of the service we delivered to the regions. For example, French Services extended its news coverage to seven days a week, all day long, and enhanced its level of service across digital, radio and TV through initiatives such as adding new *Téléjournal* editions during the week-end. English Services expanded TV local coverage during the supper hour and in late night, expanded local radio weekend news coverage, and shored up digital resources for more uniform digital offerings in local communities.

We created new models of integrated multiplatform or digital-based production centres that enhanced our service level and improved production efficiencies, including in the following locations:

- Est du Québec
- Estrie
- Hamilton
- Kamloops
- Kitchener-Waterloo
- Mauricie
- Saguenay
- Saskatoon

In fact, during *Strategy 2015*, we reduced our real estate portfolio's footprint by 10%.

Source: Real Estate Services, CBC/Radio-Canada.

We expanded our digital regional offerings and are now in 34 communities through our two flagship websites: CBC.ca and ICI Radio-Canada.ca.

More Digital:

We added six new services, with an emphasis on digital:

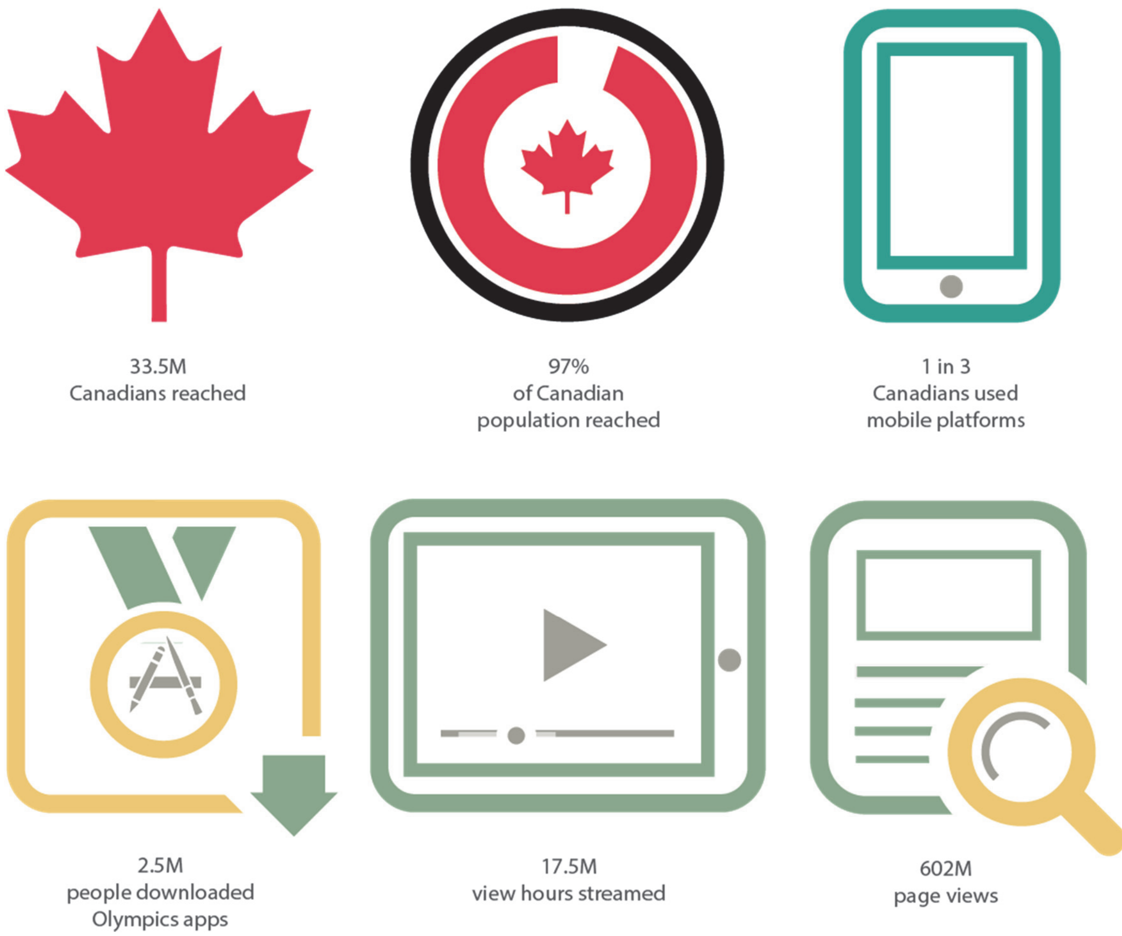
- CBC Music
- Curio.ca
- ICI EXPLORA
- ICI Musique and ICIMusique.ca
- ICI Tou.tv and Extra package
- RCInet.ca

In addition, we have been gradually upgrading regional digital services over the past several years to provide Canadians with more news that mattered directly to them.

Note: As part of *Strategy 2015*, we sold the **bold** specialty service because it no longer fit with the direction of the Corporation.

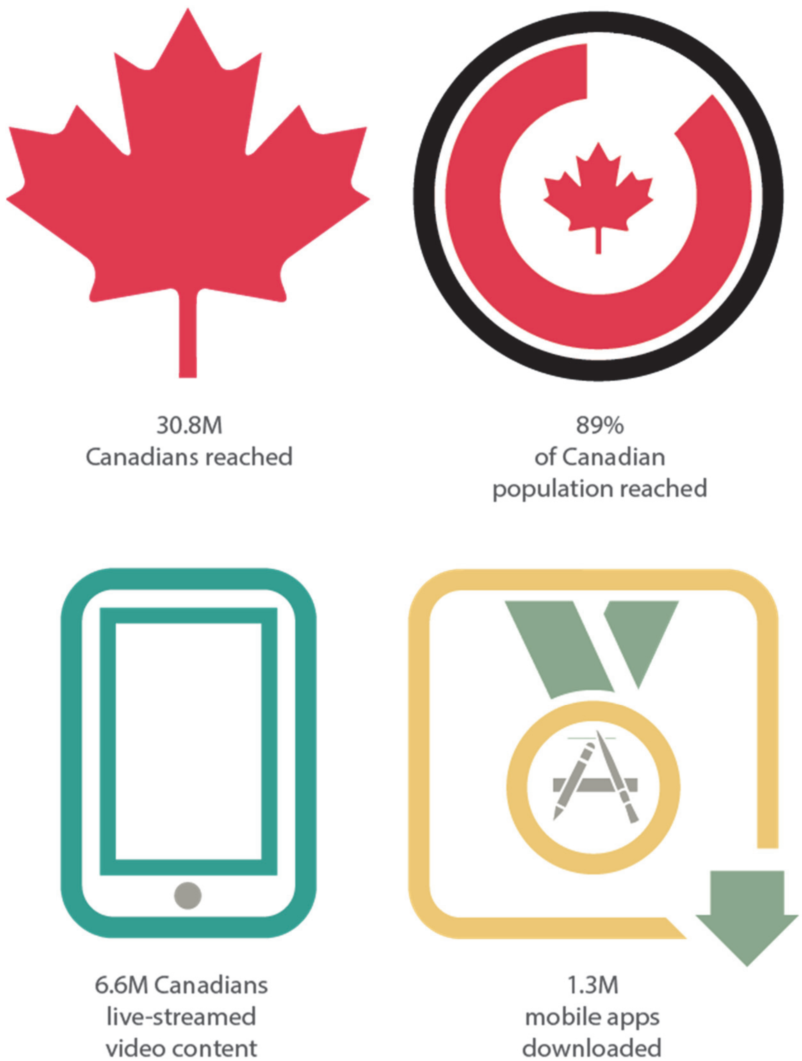
Over the course of *Strategy 2015*, we enhanced our ability to deliver special, multiplatform signature events of significance to Canadians, such as:

Sochi 2014 Olympic Winter Games



Source: Numeris (BBM Canada) and Adobe SiteCatalyst.

2014 FIFA World Cup Brazil



Source: Numeris (BBM Canada), Apple and Google.

We forged new partnerships to strengthen our content offering to Canadians.

Over the last five years, CBC and Radio-Canada signed several agreements with high-profile partners to make sure that our content is available on a wide range of new screens (Microsoft, Samsung, LG) and platforms (Netflix, iTunes, Google Play, etc.) used by Canadians across the country. Furthermore, we developed innovative content business models, such as the subscription video-on-demand platforms Curio.ca and ICI Tou.tv Extra. We also used strategic partnerships to enhance our services, such as the CBC-Pelmorex partnership on national weather.

With the intent to continue developing partnerships that increase access to CBC/Radio-Canada content and reduce our infrastructure costs, both media revenue teams are now consolidated as one Media Solutions service. This means that we are better able to adapt to market realities and meet our business partners' needs.

LOOKING AHEAD: OUR NEW STRATEGIC PLAN

CBC/Radio-Canada's strategy, *A space for us all*, will give us the agility and financial stability needed to navigate a rapidly evolving media environment. By ensuring our relevance in the digital sphere, the plan aims to put the public broadcaster at the heart of our conversations and experiences as Canadians, while continuing to deliver for our biggest audiences: those who use traditional platforms. The strategy will position CBC/Radio-Canada to thrive now, as well as in an age beyond traditional broadcasting.

The new plan is built on the successes of our previous strategy – *2015: Everyone, Every way* – through which we committed to becoming more Canadian, more regional and more digital by 2015. Having largely achieved those goals, we now need to move faster and further, to ensure the public broadcaster's relevance in an environment where digital is changing everything about broadcasting. These changes range from how content is delivered and consumed, to rethinking how Canadian broadcasters earn revenue and ensuring the continued investment in Canadian programming.

We are in the midst of a very challenging and always complex transition to the future. To guide our way, we have set out the following mission and vision statements, rooted in the *Broadcasting Act* that enshrines our mandate:

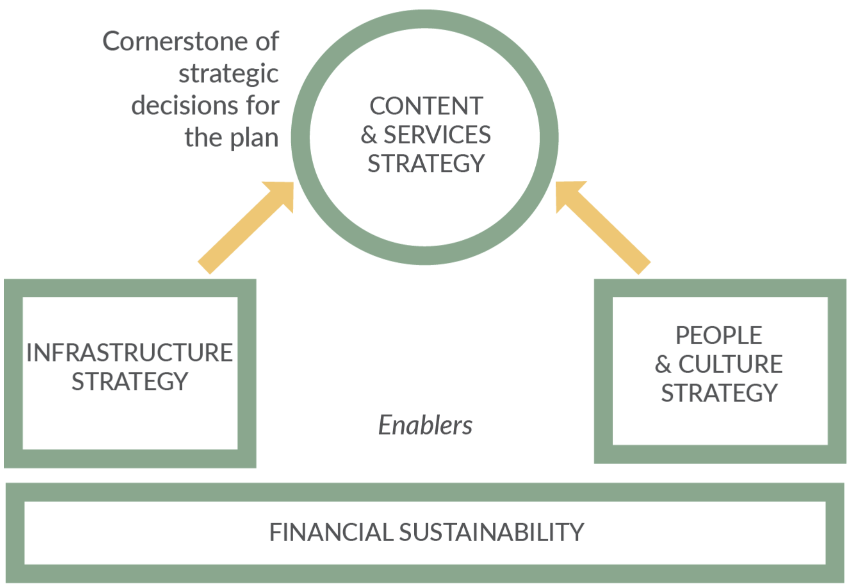
Mission:

CBC/Radio-Canada expresses Canadian culture and enriches the life of all Canadians, through a wide range of content that informs, enlightens and entertains.

Vision:

In 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians.

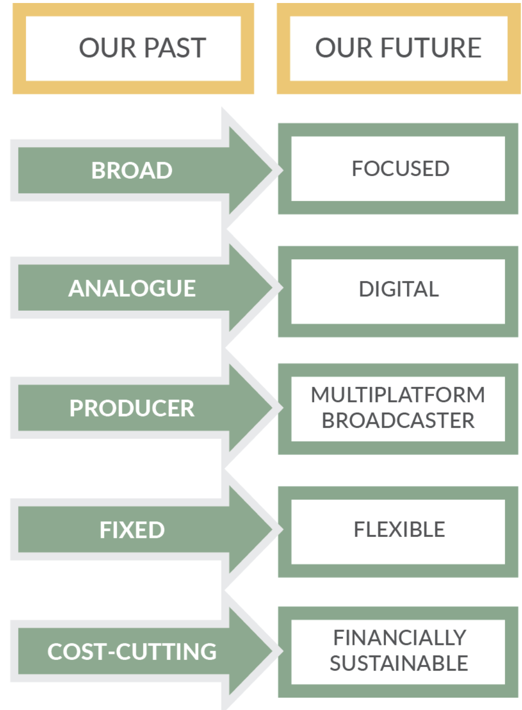
Our mission and vision will be achieved through a relentless focus on great, distinctive content and services that mirror Canadians' changing media consumption habits. That laser focus will be enabled by strategies to reduce infrastructure, transform our people and culture, and increase our financial stability.



The strategic plan sets out four objectives to position us for the future:

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

The plan's three report cards (Mandate and Vision, Strategy, and Media-Line) will be published in our key corporate documents such as the Annual Report and the Corporate Plan Summary, as well as on our corporate website. The framework for the Strategy report card, approved by the Board in March 2015, is outlined below. The final Strategy report card, including results and targets, will be published in the fall on our corporate website.



A SPACE FOR US ALL REPORT CARD

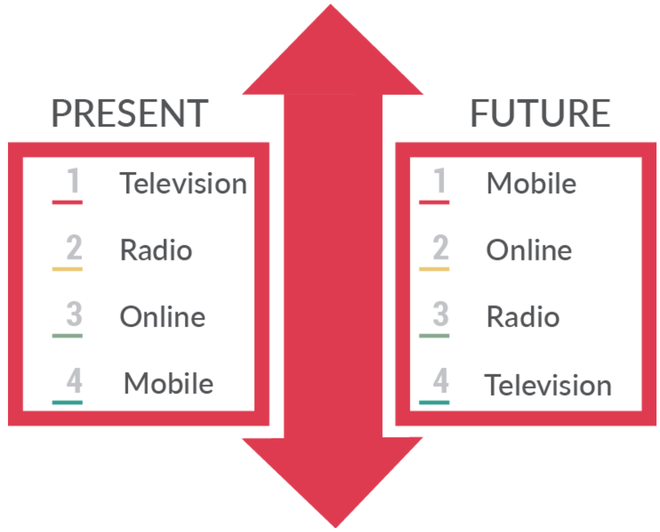
INDICATOR	TYPE OF DATA	SOURCE OF DATA
Audience/Market		
1. CBC/Radio-Canada is very important to me personally	Perception	Independent Survey
2. CBC/Radio-Canada's programming reflects diversity of opinions and objectivity	Perception	Independent Survey
3. Digital reach of CBC/Radio-Canada	Ratings	comScore
4. Monthly digital interactions with CBC/Radio-Canada	Ratings	comScore
5. Overall time spent with CBC/Radio-Canada	Ratings	Numeris and Internal Server Data
Infrastructure		
6. Reduced real estate footprint	Output	Internal Data
People		
7. Employee engagement	Perception	Independent Survey
8. Employee diversity	Output	Internal Data
Finance		
9. Achieve cost-reduction target	Financial	Internal Data
10. Achieve investment fund target	Financial	Internal Data

Our progress to date

The following are just a few examples of the numerous projects we are monitoring as we commence our new strategy:

- Reviewing the overall organizational design of the Corporation;
- Establishing a small, flexible Olympic Business Unit to support the 2018 and 2020 Olympic Games; and
- Implementing digital employee training in the regions.

An important element of the new plan is our local strategy – announced first in December 2014 and further clarified in March 2015. As part of bringing Canadians the content they want, how and when they want it, we are continuing to increase our local touchpoints with Canadians in their communities by offering a continuous local news and information service via mobile, web, radio and television. New services, new positions, and more digital and news throughout the day: these are all changes that will help us serve and be relevant to Canadians today and into the future. More on this can be found in People and Leadership, section 3.2.



Les enfants de la télé, André Robitaille and Édith Cochrane, ICI Radio-Canada Télé

PROGRAMMING HIGHLIGHTS

Guided by our outgoing strategic plan, *2015: Everyone, Every way*, CBC/Radio-Canada delivered a wide range of successful programming over the past year. This plan had three key thrusts:

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

In addition to delivering on the last year of our five-year plan, we also started making progress towards our new strategic plan, *A space for us all*, which will enable us to become more present and more relevant, as well as sustainable for future generations. A summary of the progress made under *Strategy 2015* is discussed in the Strategic Highlights section above.

ENGLISH SERVICES

Chris Elliott, Dan Levy, Annie Murphy, Eugene Levy and Catherine O'Hara at the gala premiere red carpet for Schitt's Creek, CBC Television

Delivering on Canadian programming

Providing Canadian audiences with distinctive and compelling Canadian programming continued to be our driving focus this year, consistent with *Strategy 2015*.

CBC Television held 6 of the top 10 Canadian entertainment programs (excluding News, Sports and Specials) during the regular season, up one spot over last year's ranking. Several new shows premiering this year made a strong debut: *The Book of Negroes* with an audience of 1.9 million, *Schitt's Creek* at 1.6 million, *Ascension* at 1.1 million and *X Company* at 1.1 million.[1]

6 of top 10 Canadian entertainment programs in 2014-2015:[1]

- *Dragons' Den*
- *Heartland*
- *Murdoch Mysteries*
- *Rick Mercer Report*
- *Schitt's Creek*
- *The Book of Negroes*

CBC Radio once again achieved record results, even exceeding last year's record high, with a CBC Radio One and CBC Radio 2 combined fall share of 18.1%. CBC Radio One alone achieved an all-time high fall share of 14.2% and CBC Radio 2 contributed to a successful result by garnering a 4.0% share, the highest in over 10 years and since programming changes to this service were introduced in 2008.

CBC Radio once again presented *Canada Reads* in March 2015. The four-day competition, hosted by Wab Kinew, saw Kim Thuy's novel *Ru* named as "the one book to break barriers," with the support of celebrity advocate Cameron Bailey.

CBC News continued to provide high-quality and original journalism on all platforms, covering key national and international news events such as the Parliament Hill and Moncton shootings, the Ebola outbreak, and D-Day and World War I commemorations. Investigative reporting continued with pieces such as "Missing and Murdered Indigenous Women" and coverage of the D-Day 70th Anniversary ceremonies on *The National*. In addition, *Marketplace* introduced more original stories suggested and told by audience members, while *the fifth estate* showcased longer-form programming by CBC News' investigative journalism team, with many of its hosts appearing on *The National*, local supper-hour news programs and local morning radio shows. Other CBC signature events in the year included Canada Day programming (Live from Parliament Hill and Canada Day in the Capital), the *Canadian Screen Awards*, the *Scotiabank Giller Prize*, the *Canadian Country Music Awards* and *Canada Reads*.

[1]Source: Numeris (BBM Canada), Infosys TV (PPM, 2 years +).

Growing our regional presence

By the end of the year, we had implemented most of the initiatives that were originally planned as part of *Strategy 2015*. Therefore, the next major service initiatives to be introduced will come with our next strategic plan, *A space for us all*, beginning in the fall of 2015.

In that context, 2014-2015 saw *The Calgary Eyeopener* morning show as the first of a new set of initiatives to be implemented of radio simultaneously broadcast on local CBC Television stations, with more morning shows to be telecast on CBC Television in the near future.

Performance in 2014-2015 for local radio morning shows continued to be favourable, with 24 of 26 morning shows ranking in the top three in their respective markets, and 14 of 26 morning shows ranking first.(2)

Looking specifically at radio morning shows recently launched to better reach Canadians in underserved areas, *Daybreak Kamloops* earned the number two spot in its market, with a 20.2% market share,(3) down one from last year but still up from the 14.6% share achieved two years ago. In Saskatchewan, the combined performance of the Saskatoon and Regina morning shows achieved the second-highest ranking in their market from 15.2% to 15.7% in one year.(4) Finally, *The Morning Edition* in Kitchener-Waterloo maintained the second rank in its market, while increasing its market share by 0.3 percentage points to 9.7%.(4)

Other local and regional programming highlights in 2014-2015 included the coverage of provincial elections in Ontario and Quebec, through a multiplatform approach that offered audiences information and analysis at their fingertips.

Regional production is a big part of our network programming, with shows ranking from *The Book of Negroes*, *Heartland*, *This Hour Has 22 Minutes* and *Strange Empire* on television, to *The 180*, *The Next Chapter*, *C'est la Vie*, *Wiretap* and *The Debaters* on radio, produced across the country.

Extending our digital reach

CBC.ca continues to see increases in the number of monthly unique visitors to its site, growing by 3 percentage points in 2014-2015 compared to the prior year (see Operational Indicators, section 2.2).

New versions of the CBC News and CBC Radio iOS Apps were released simultaneously with Apple's release of iOS 8. CBC News was the highest-ranking news app for iPad and second-highest for the iPhone during the week following the iOS 8 release. CBC News also launched a new app for Android 5.0 Lollipop, which within a month of release was the number one app in the "Top Free News and Magazine" category on Google Play in Canada.

CBC's social channels (@CBC) also continued to grow. Using a *#notweetleftbehind* approach to social engagement, the @CBC channels on Twitter, Facebook and Instagram saw more than 750,000 engagements (retweets, replies, likes, comments) throughout 2014-2015. Looking more closely at Twitter, tweets sent from @CBC (including @replies to followers) totalled more than 50,000 this year, whereas other North American broadcast networks averaged around 4,000.

Canada's Smartest Person's integrated, cross-platform experience was developed to bring new audiences to the conventional TV broadcast and create loyal viewers via a circle of engagement. Viewers were offered the experience of watching the TV show, playing along via the app and sharing their experience through social networks, all within an integrated show format. As a result, more than one million challenges were played and the app drew more than 180,000 downloads.

CBC ComedyCoup, an innovative, digital comedy accelerator/competition designed to provide programming development opportunities for original comedic productions across the country, was created by CBC, CineCoup Media and *Just For Laughs* Television. More than 250 projects were submitted to the competition, representing more than 21 hours of unique content, with audiences spending more than 9,000 hours watching videos on the website.

On CBCMusic.ca, fans voted and decided the winners for the CBC Music Awards, selecting them in 10 categories, including Artist of the Year: Céline Dion; Best Song of the Year: Arcade Fire – *Reflektor*; and Album of the Year: Serge Fiori – S/T. Moreover, the *Searchlight 2014* competition (won by Lauren Mann and the Fairly Odd Folk of Brooks, Alberta) saw the CBC Music site increase page-view traffic by 18% over last year's *Searchlight* edition.

CBCMusic.ca and ICIMusique.ca partnered to produce *Piano Hero*, a competition for Canadian amateur classical pianists, with Calgary's Thomas Yu selected as the winner. This competition saw 250 submissions, generating more than 86,000 votes from the public and 703,000 video views.

With a new emphasis on digital, which will certainly continue under *A space for us all*, we have more opportunities to engage Canadians in the creation of their own content. For example, in March 2015, CBC Montreal held CBC/Radio-Canada's first-ever hackathon (#HackingCBCMt). The event brought together nearly 50 developers, designers and engaged media consumers who worked with CBC Montreal journalists, as well as members of the public via social media, to generate ideas for making an even more open, accessible public broadcaster.

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(2)Source: Fall Diary 2014 and Numeris data (BBM Canada)
(3)Source: Fall Diary 2014.
(4)Source: Numeris (BBM Canada), Infosys TV (PPM, 2 years +).

FRENCH SERVICES

More Distinctive: Delivering quality, innovative and engaging content

In 2014-2015, we continued our leadership in the Canadian French-language broadcasting market. In a rapidly changing multiplatform, multiscreen environment, we maintained focus on providing Francophones across the country with quality Canadian content, when and how they want it.

19-2 – ICI Radio-Canada Télé

ICI Radio-Canada Télé saw a number of successful prime-time shows continue to draw average weekly audiences of over one million viewers.[5] The edgy *Unité 9* did even better than last season, with an average of 2.1 million viewers.[5] And the comedic year-end review *Bye Bye 2014* broke its own record set in 2013, with 3.94 million viewers tuning into ICI Radio-Canada Télé on New Year's Eve 2014.[5]

2014-2015 programs averaging more than 1 million viewers per episode:[5]

- *19-2*
- *Les enfants de la télé*
- *Les pêcheurs*
- *Mémoires vives*
- *Tout le monde en parle*

ICI Radio-Canada Télé audiences can now access a host of original interactive offerings and web/mobile experiences tied into TV programs such as *30 vies* (enhanced app with video), *Les Parent* (blogs posted by the series' three kids), *Les pêcheurs* (humorous fishing e-zine for iPad), and *Nouvelle adresse* (iPhone and Android mobile app and webseries). Moreover, as part of Season 3 of *Unité 9*, 13 videos, providing a snapshot of life in Canada's female prisons, were posted on ICI Radio-Canada.ca in January 2015.

News and Current Affairs continued its in-depth transformation, accelerating the shift to digital. *Le téléjournal* aired more exclusive content and feature segments, while strengthening its presence on digital platforms and social networks. A number of multiplatform initiatives were developed to explore topical social issues such as retirement, the middle class and oil prices. The News team also produced a range of original and innovative digital content (e.g. *Jérusalem, une poudrière devenue religieuse*, *La maladie de Lyme – Un visiteur qui est là pour de bon*, *Montréal peut-elle s'inspirer de Philadelphie?*). Finally, our special week dedicated to foreign correspondents in early January 2015 captivated audiences with multiplatform programming and multiple opportunities for interaction between viewers and our seasoned reporters.

With partnerships becoming even more essential to delivering the best possible content, we joined forces in October 2014 with FOX International Channels to enrich our lineup of National Geographic programming. The agreement will give ICI EXPLORA and the educational platform Curio.ca access to National Geographic's catalogue. In March 2015, we pooled our expertise with ARTE France to coproduce and broadcast programming, exchange web content between our digital platforms, and provide exposure to each other's film productions.

The efforts initiated in 2013 to keep our radio offerings fresh and relevant are continuing to pay off. Over the year, ICI Radio-Canada Première and ICI Musique achieved a combined audience share of 21.4%, coming close to matching the record from 2013 of 21.5% despite the persistent decrease in the French-language market's overall listenership.[6]

Once again, we participated in several cultural events that received coverage on our various platforms. A couple of examples include: the 16th Blue Metropolis Montreal International Literary Festival (where ICI Radio-Canada Première and CBC Radio One staged the *Série littéraire Radio-Canada / CBC Blue Literary Series* for festival goers) and the 33rd Rendez-vous du cinéma québécois (where a new episode of *Nouvelle adresse* was previewed for audiences, followed by a panel discussion with the show's production team on ICI Radio-Canada Première).

[5] Source: Numeris (BBM Canada), Portable People Meter (PPM), Quebec Francophones, 2 years +.
[6] Source: Numeris (BBM Canada), diaries, average of spring and fall 2014 surveys, Francophones, 12 years +.

More Regional: Enhancing our presence

Our regional news teams covered the tragedies in Moncton, Saint-Jean-sur-Richelieu and Ottawa so that audiences across Canada and around the world could follow developments as they were happening, proving once again the effectiveness of the multiplatform news production model adopted in regional centres.

Over the past year, our regional stations delivered comprehensive, innovative multiplatform coverage of the provincial elections in Quebec, Ontario and New Brunswick, as well as the municipal elections in Manitoba, Ontario and British Columbia. Our websites and mobile apps provided a variety of digital content, allowing users to get the most out of the election coverage, including access via a personalized interface and interactive results maps.

On Quebec Election Day, April 7, 2014, ICI Radio-Canada.ca recorded the highest traffic in its history, with nearly 1.2 million site visits, of which 34% came from a tablet or mobile device.(7) In addition, the popular online Vote Compass, which allows voters to match their own priorities to those of the different parties, was used almost half a million times during the Quebec election campaign.(8) On May 27, 2014, the Toronto and Ottawa stations teamed up with TFO, Ontario's French-language educational channel, to produce their first Ontario election debate in French.

Since fall 2014, we have started expanding our multiscreen offering in all regions by developing new regional websites that are fully accessible on mobile devices. Regional teams were behind the interactive web projects *Le dernier voyage de l'Empress of Ireland en 20 questions*, which became the worldwide go-to reference on the 100th anniversary of the sinking of this ship, and *Mon enfant, mon héros - Un succès collectif*, on young Canadians who had followed an unusual path. The ICI Manitoba team also produced its first webseries, *Tire-toi une bûche*, for the 46th annual Festival du Voyageur in Winnipeg.

Finally, we delivered multiplatform coverage of major sports and cultural events for the country's Francophones, particularly those in minority-language communities, including the 2014 World Acadian Congress and the 2015 Rendez-vous de la Francophonie.

More Digital: Reaching our audiences on multiple platforms

Interactive web/mobile apps and original digital productions are key components of our digital strategy, and they earned respect in the industry in 2014-2015. At the 29th Prix Gémeaux, we garnered six awards for digital productions, including two for the apps developed for *Océania* on ICI EXPLORA, and *Qu'est-ce qu'on mange pour souper?* on ICI Radio-Canada Télé. The e-book *Sur les traces de Kerouac*, designed to provide companion content (photos, videos, etc.) for the radio series of the same name on ICI Radio-Canada Première, has now become a digital cultural product in its own right.

To help make our wide range of content more easily available, we are experimenting with new multiplatform distribution channels. Three all-new episodes from the winter 2015 season of *Nouvelle adresse* premiered on ICI Tou.tv in December 2014. Given the enthusiastic public response, each subsequent episode was also posted on ICI Tou.tv's Extra service one week before its broadcast on ICI Radio-Canada Télé. In this same spirit of increased availability, our content licensing strategy is also evolving to reflect new audience consumption patterns. The approach is getting results – iTunes named *Série noire* the best French-language series of 2014.

ICI Tou.tv continued to enhance its free offerings with original, exclusive webseries. For example, on March 30 and 31, 2015, ICI Tou.tv streamed the first five video capsules (of a total 30) of season two of the hit series *Camille raconte* and the first six episodes of the new comedy *7$ par jour* (of a total 12).

In specialty services, the ICI RDI all-news channel celebrated its 20th anniversary on January 1, 2015, with a series of specials. To get closer to audiences, *RDI Économie* partnered once again with École des sciences de la gestion de l'UQAM (ESG UQAM) to organize a special day and live broadcast on March 30, 2015, where Canadians could ask tax experts for advice on filling out their tax returns.

ICI ARTV's multiplatform offering was strengthened with an eye to innovation. For instance, the popular shows *ARTVstudio* and *C'est juste de la TV* incorporated more exclusive web content, interactive features, online videos and more. In the summer, viewers were encouraged to watch the pilot of the new TV comedy show *PaparaGilles* on ICI.ARTV.ca and submit ideas for improving it before the official launch in the fall. Lastly, ICI ARTV continued to support the next generation of artistic talent by launching the series *Rendez-vous* (public art), *Les contemporains* (visual arts), and *Danser!*

Capitalizing on a rapidly growing subscriber base, ICI EXPLORA set out in 2014-2015 to expand its program offering and raise its profile in the market. To this end, in fall 2014, audiences were treated to three original new productions: *Le monde de demain*, *Génie extrême* and *Planète techno*. To promote them, the ICI EXPLORA team scheduled a "futuristic weekend" over Thanksgiving, airing four episodes in four nights of *Le monde de demain* and two episodes of *Planète techno* shot in Tokyo.

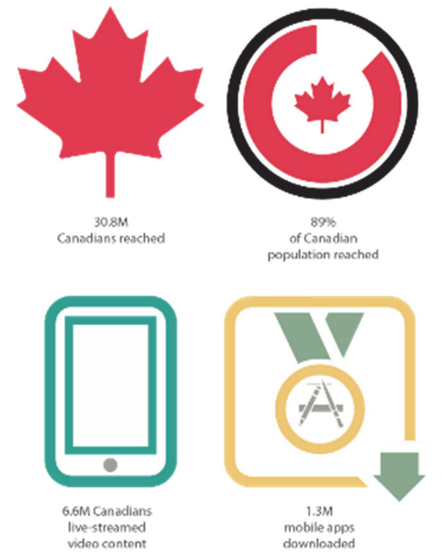
Once again, CBC/Radio-Canada was involved in celebrating Black History Month in February 2015. To highlight the occasion, the Radio Canada International (RCI) microsite RCInet.ca/histoiredesnoirs became a go-to destination for a wide range of multiplatform content. Over the past year, RCInet.ca also produced a number of in-depth features, including *Finding Refuge in Canada* and a blog on Cuba documenting the thaw in relations with the United States, which was updated by Radio-Canada's foreign correspondents.

On February 25, 2015, RCI celebrated its 70th anniversary. After decades of broadcasting its content on shortwave and satellite, RCI began a digital transition in 2012 to become a multilingual web service (RCInet.ca is available in English, French, Spanish, Arabic, and Mandarin). For this special anniversary, RCI invited audiences to share stories, anecdotes, photos, audio recordings and articles that spoke to the shift in RCI's services, along with their role and relevance.

(7)Source: Adobe Omniture SiteCatalyst.
(8)Source: ICI Radio-Canada.ca

CORPORATE HIGHLIGHTS

2014 FIFA WORLD CUP BRAZIL



This fiscal year, CBC and Radio-Canada together delivered a total of 11 signature events, each offering a uniquely Canadian perspective on a major event from the Canadian landscape. The largest and most complex of these was the June and July 2014 coverage of 2014 FIFA World Cup Brazil, an event of global interest and increasing relevance to Canadians across the country.

A combination of multiplatform coverage and successful partnerships with Sportsnet and TVA Sports allowed for all 64 matches to be streamed online, live and on demand, via websites and mobile apps, as well as to be watched on TV.

OLYMPIC PARTNERSHIP CONTINUES IN 2018 AND 2020

In October 2014, the Corporation announced that it would be the Official Broadcaster of the PyeongChang 2018 Olympic Winter Games and the Tokyo 2020 Olympic Games. As lead broadcaster, CBC/Radio-Canada will be working with broadcast partner Bell Media, along with Rogers Media, to deliver the best in multiplatform Olympic coverage for Canadians across the country. This partnership is an example of the kind of cooperation that will increasingly be a key part of the Corporation's business strategy for major multiplatform events in a fiscally responsible way. These games will follow our broadcasting of the Rio 2016 Olympic Games next summer.

2015-2016 BUDGET

At the end of March 2015, the Board of Directors approved a balanced budget for 2015-2016. As planned, this budget allows for significant reinvestments in our English and French TV, radio and digital services programming schedules.

LET'S TALK TV: A CONVERSATION WITH CANADIANS

In October 2013, the CRTC launched *Let's Talk TV: A Conversation with Canadians*, a discussion about the future of Canada's television system. Following almost a year of public consultations, a CBC/Radio-Canada delegation attended the public hearing in September 2014 and submitted comments and a proposal for changes to the regulatory regime for television services in Canada.

A total of seven decisions, documented in hundreds of pages, were handed down between November 2014 and March 2015. In some cases, the CRTC agreed with our recommendations, highlighted in the Corporation's Second Quarter Financial Report 2014-2015 (pg 10); in others, it did not. The most pertinent of those decisions for CBC/Radio-Canada are mandated entry-level basic service; the removal of genre protections for specialty and pay services; and the decision that conventional broadcasters must continue to provide over-the-air television service until such time as the CRTC indicates otherwise. The decisions can be reviewed, in full, on the CRTC website or via a comprehensive summary posted on our corporate website.

CONSULTATIONS WITH OFFICIAL LANGUAGE MINORITY COMMUNITIES

As part of our current conditions of licence, we are required to hold at least biennial consultations with official language minority communities in Atlantic and Western Canada, Ontario, Quebec, and the North. Edmonton was the hosting town for Radio-Canada's first consultation, held in spring 2014, for the Western part of the country. In October 2014, Radio-Canada held its second formal consultation in Sudbury for the Ontario region, the report for which will be filed with the CRTC in November 2015. Meanwhile, the first formal consultation for CBC in Montreal, Quebec, was held in February 2015.

OPTIMIZING OUR REAL ESTATE FOOTPRINT

Reducing our real estate footprint – both owned and leased – while maintaining our regional presence, continues to be of key importance. For example, in November 2014, we moved from two owned properties in Halifax into one rented building that offers state-of-the-art broadcasting facilities in a far more space-efficient location. In the second quarter, we also confirmed the sale of our Windsor property, in which we will now lease some space as a tenant – representing a 53% space reduction. In addition, in Grand Falls, we consolidated our activities under a single, leased location that better meets our needs and are currently in the process of selling this building.

ACQUISITION OF ARTV

As of March 31, 2015, Radio-Canada became the sole owner of ARTV after buying out ARTE's 15% share of the company. This move is consistent with its ongoing multiplatform strategy and the co-production partnership agreement signed in March 2015 between Radio-Canada and ARTE France.

REPORT ON WORKPLACE INVESTIGATION REGARDING JIAN GHOMESHI

On April 16, 2015, we released the findings of the third-party investigator Janice Rubin B.A., LL.B, who completed an internal review of allegations of improprieties in the workplace by former radio host Jian Ghomeshi. We accept the general conclusions of the report. It includes nine recommendations and we will take the necessary steps to implement as many of those as we can, as quickly as possible. This is addressed more fully in People and Leadership, section 3.2.

Management Discussion and Analysis

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 parliamentary appropriations remain consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Outlook* and *Risk Management and Key Risk Table* sections 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 IFRS. It is therefore unlikely to be comparable to similar measures presented by other companies. Refer to the Results section for further details.

1. CORE BUSINESS STRATEGY

1.1 MANDATE

We are Canada's national public broadcaster and we are guided by the *Broadcasting Act*.

The *Broadcasting Act* states that "... the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

CBC/Radio-Canada serves the public interest through its programming that should:

- Be predominantly and distinctively Canadian and reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;
- Actively contribute to the flow and exchange of cultural expression;
- Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities;
- Strive to be of equivalent quality in English and French;
- Contribute to a shared national consciousness and identity;
- Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and
- Reflect the multicultural and multiracial nature of Canada."

In addition to this domestic mandate, we are also required by section 46(2) of the *Act* to provide an international service, Radio Canada International (RCI). In keeping with that requirement, RCInet.ca is available in five languages: English, French, Spanish, Arabic and Mandarin.

Our vision is to be the recognized leader in expressing Canadian culture and to enrich the democratic life of all Canadians.

In establishing and operating our broadcasting activities, we are expected to comply with licensing and other regulatory requirements established by the Canadian Radio-television and Telecommunications Commission (CRTC), as well as any requirements under the *Radiocommunication Act* that may apply to our use of the radiocommunication spectrum.

ICI Acadie

1.2 OPERATIONS

As of March 2015, we employed 6,659 permanent full-time equivalent employees (FTEs),[9] 158 temporary FTEs and 623 contract FTEs.

Our head office is located in Ottawa, with main network operations in Toronto and Montreal. We originate local programming from 27 television stations, 88 radio stations and one digital station. We have two main television networks – one in English and one in French – five specialty television channels and four Canada-wide radio networks, two in each official language. We integrate content across multiple websites. Internationally, CBC/Radio-Canada has nine permanent foreign bureaus.

CBC/RADIO-CANADA'S STATIONS AND AFFILIATES

This map denotes the locations of our CRTC-licensed and affiliated radio and television stations across Canada, as well as our designated digital station. Note that digital services are also offered in the other stations, as a matter of course. The map does not include our various news bureaus and newsgathering locations.

[9]Effective this fiscal year, the tracking of Full Time Equivalent (FTE) positions includes: the base positions of employees on leave for fewer than two years; all unique secondary assignments; all long-term contract positions of more than 13 weeks; all unique long-term temporary employees; and all long-term vacancies in the positions listed above. Part-time employees are counted as a portion of a FTE.

1.3 CURRENT SERVICES

As of March 31, 2015, we delivered 30 unique services across television, radio, digital and other platforms. As Canada's public broadcaster, we are proud to offer Canadians services in both of Canada's official languages, and in eight Aboriginal languages (Dogrib, Inuktitut, Inuvialuktun, Chipewyan, North Slavey, South Slavey, Gwich'in, and Cree) via CBC North, as well as in Mandarin, Arabic, and Spanish via Radio Canada International (RCI).

TELEVISION

ICI RADIO-CANADA TÉLÉ

From news, entertainment and drama series, to galas and current affairs programs, ICI Radio-Canada Télé delivers high-quality, distinctive programming. Through its ongoing commitment to innovation and creativity, the network's reach extends to all regions of Quebec and across Canada.

ICI RDI

ICI RDI is French Canada's top continuous news source. Viewers turn to ICI RDI to see, hear and understand the latest news stories happening at home and abroad.

ICI ARTV

ICI ARTV offers a broad range of high-quality cultural content. Our viewers include arts enthusiasts, as well as fans of popular television programs.

ICI EXPLORA

ICI EXPLORA, Radio-Canada's new French-language specialty channel, brings together the best content on science, the environment, nature and health.

CBC

Canada's leading 24-hour English-language television network of ground-breaking news, information, sports, and entertainment programming; produced by, for and about Canadians, for more than 60 years.

CBC news network

CBC News Network is Canada's number one news network, anchored by leading Canadian journalists. It is the destination for breaking news, live event coverage, in-depth news and current affairs programming, 24 hours a day, seven days a week.

documentary

Provocative and compelling, *documentary* delivers the best in Canadian and international docs, films and series – 24 hours a day. Available by subscription.

CBC Radio-Canada

CBC News Express/RDI Express

A bilingual news and information service that is available in five large Canadian airports, to serve over 62 million travellers annually.

TV5MONDE

The premier worldwide French-language television network, TV5MONDE encompasses 10 broadcast partners across the globe and creates a space dedicated to public expression. It airs programming that increases awareness of the diversity of cultures and points of view.

RADIO

From coast to coast to coast, ICI Radio-Canada Première is Canada's commercial-free French-language talk radio network, providing a wide range of programming with a focus on news and current affairs, the arts, and social issues. Engaged in the community and open to the world, ICI Radio-Canada Première strives to be bold, inquisitive, people-oriented, and always close to its listeners. Also available on SiriusXM Channel 170.

ICI Musique airs a predominantly Canadian lineup of music and cultural programming that aims to connect with listeners, to be a musical companion in tune with their daily lives. Dynamic hosts present a variety of musical genres, from classical, jazz and vocal, to world and new music.

100 per cent French-language vocal music channel, playing the top Quebec and Francophone artists from around the world via SiriusXM Channel 163.

100 percent Canadian French-language country/folk music. Listen to the biggest country hits, plus emerging artists from the new country/folk scene via SiriusXM Channel 166.

Canada's English-language information service offering local, national and international news, documentaries and current affairs and arts programming on radio and SiriusXM Channel 169. Commercial-free and reflecting a uniquely Canadian perspective on the world.

Music, music, music – a music mix you won't hear anywhere else! Listen to classical, jazz, world beat, pop and more. It's an English-language network, with music that speaks to all.

If it's new, you'll find it here. Catch "the next big thing" on this English-language showcase of emerging, commercial-free Canadian music, available online, via podcast, and on SiriusXM Channel 162.

CBC Music Sonica features non-stop adult alternative bands from Canada and beyond, combining new rock sounds of today with a sprinkling of Canadian heritage artists; available via SiriusXM Channel 171.

DIGITAL

Canada's leading French-language on-demand web television site, featuring content from leading national and international producers and broadcasters. ICI Tou.tv offers a wide selection of TV series, variety shows, documentaries and newsmagazines – wherever and whenever viewers want them. Available via subscription (free of charge to Telus and Rogers customers), the Extra experience gives users access to an even richer and more diverse selection of content, all in HD quality.

ICI Musique, Radio-Canada's music destination, delivers a diverse, dynamic range of musical and editorial content. On the web at ICIMusique.ca, and on mobile, users can enjoy the artists, heard-it-here-firsts, and new experiences that have become the hallmarks of ICI Musique.

From constantly updated news and information, to unique digital media and in-depth reports, ICI Radio-Canada.ca offers an unparalleled wealth and variety of content in French. As one of the country's most popular French-language media sites, ICI Radio-Canada.ca is also the go-to place for live and catch-up streaming of Radio-Canada TV and radio content.

One of Canada's most popular and comprehensive English-language media websites, with up-to-the-minute news and information; streaming audio and video; sports highlights; web-only interactive features; multimedia archives, and much more.

CBCNews.ca is Canada's home for breaking and in-depth reporting of local, national and international news, offering streaming audio and video, web-only interactive features, and more. It's Canada's meeting place to discuss the stories that matter, wherever you are.

CBCSports.ca provides the latest in Canadian and international breaking news and special reports from the world of sports, as well as access to live streaming of major events, including CBC's *Hockey Night in Canada*.

CBC Music is Canada's free digital music service. Simple and easy to navigate, CBC Music gives Canadians access to 50 web radio stations; 12 genre-based music communities plus CBC Radio 2 and CBC Radio 3; the most up-to-date music news by Canada's top music journalists; plus hundreds of concerts, playlists and more.

CBCBooks.ca features all of CBC's rich literary content across all platforms. It's an online meeting place where literary enthusiasts can find the books they want to read, connect with other readers, and keep up on all of CBC's major literary programs such as Canada Reads.

Curio.ca gives teachers and students streaming access to the best in educational content from CBC and Radio-Canada. The site features TV and radio documentaries, news reports, archival material, stock shots and more. Over 3,000 programs and resources that you can access with a single subscription!

Canadian voices have been extending across the planet since 1945 with this commercial-free international radio service, now broadcasting information and cultural programs in five languages via the Internet.

OTHER SERVICES

kids'CBC

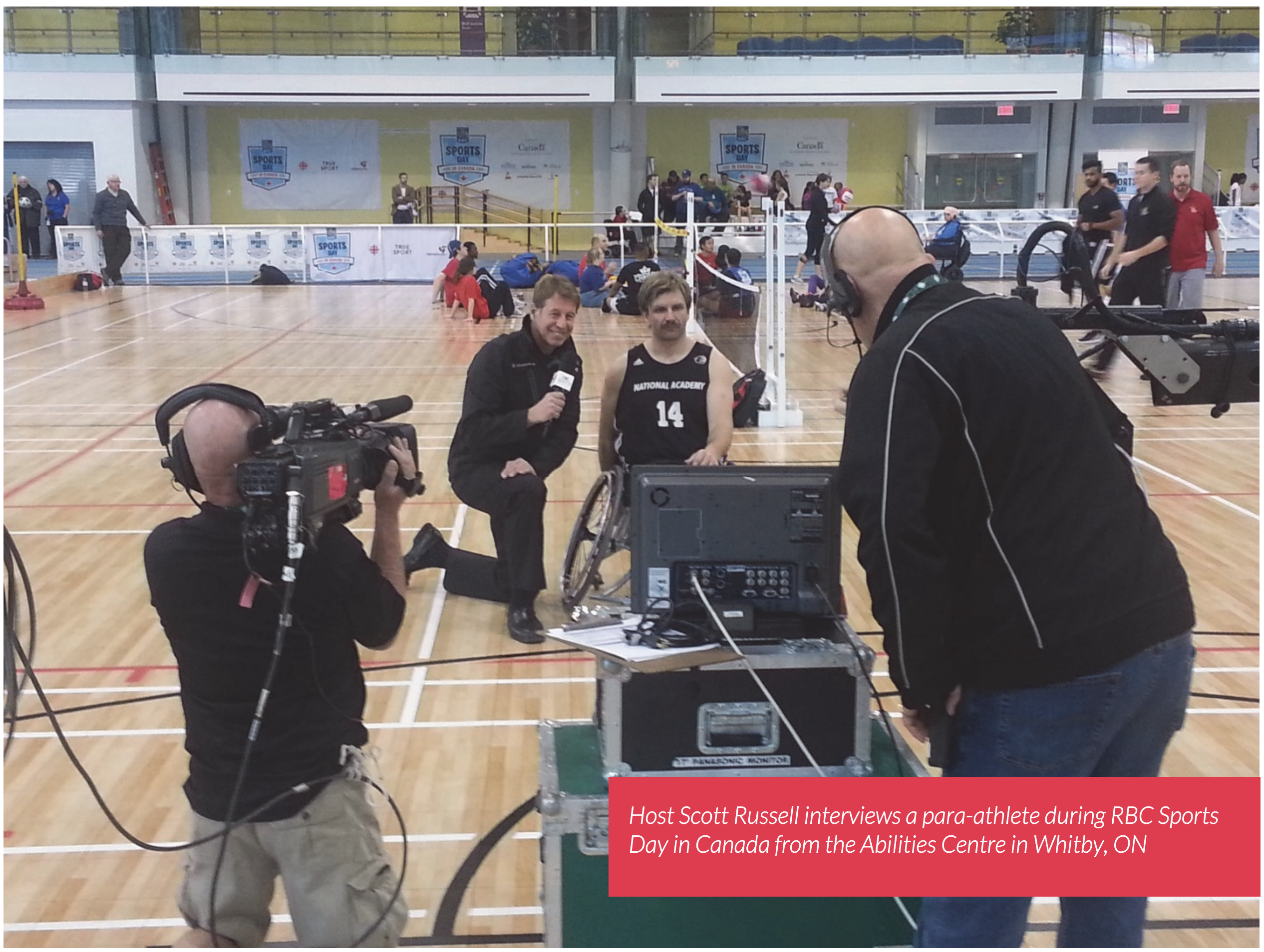
100 per cent commercial-free, safe and entertaining content for children and youth.

YOUR OLYMPIC NETWORK
VOTRE DIFFUSEUR OLYMPIQUE

CBC/Radio-Canada is proud to be Canada's official Olympic broadcaster for the Rio 2016 Olympic Games, PyeongChang 2018 Olympic Winter Games and Tokyo 2020 Olympic Games.

CBC north

Bringing together the diverse communities that make up Canada's vast North, CBC North broadcasts award-winning radio and television services in English, French and eight Aboriginal languages.



Host Scott Russell interviews a para-athlete during RBC Sports Day in Canada from the Abilities Centre in Whitby, ON

1.4 BUSINESS MODEL

WHO WE ARE

As Canada's only national public broadcaster, we are unique in the Canadian media landscape. Our funds allow us to fulfill our mandate under the *Broadcasting Act*, which requires us to meet specific obligations, such as producing Canadian content locally, broadcasting throughout Canada, and engaging with our multicultural and multilingual communities. CBC/Radio-Canada currently has one of the largest broadcast infrastructures in the world.

OUR STRATEGIC CONTEXT: THE ENVIRONMENT IN WHICH WE OPERATE

As a Crown corporation, we rely on two principal sources of funds: parliamentary appropriations and self-generated revenues. In 2014-2015, approximately 63% of our budget was funded by parliamentary appropriations approved by Parliament on an annual basis. These appropriations have decreased in real-dollar terms (adjusted for inflation) over the last 25 years. The decreases reflect deficit reduction initiatives in 1995 and 2012, combined with a lack of sufficient inflation adjustments over time. This has occurred in an environment in which costs increased significantly, mostly as a result of fierce competition on certain types of programming rights and constant technology changes. Combined with a weakening advertising market – common to all conventional broadcasters – our revenues are in a downward trend just as the need for investments in digital and new media is more crucial than perhaps ever before.

The environment in which CBC/Radio-Canada operates is characterized by Canada's relatively low population density, official language responsibilities, and strong competition by private networks that rely on widely available and relatively low-cost American programming. Public per capita funding for public broadcasting in Canada also ranks 16th among 18 major Western countries. The fact is that the entire business model for the media industry is broken, most notably for conventional TV broadcasters. Declining revenues – both public and self-generated – combined with the rising cost of content and our need to innovate and invest in our own future is placing severe pressure on our finances and on our people.

These challenges are in addition to increasingly dominant global players such as Google, Facebook, and Apple which are not only revolutionizing consumption habits, but are increasingly producing and distributing their own content. Additionally, one-third of Canadians in the English market have become Netflix subscribers.[10] We are also spending more time on the web and doing so more on mobile devices. By comScore's estimates, over half of all Canadian Internet traffic is from a mobile device.

Despite these challenges, and perhaps because of them, it is more important than ever for the public broadcaster to promote Canada's culture and common values and to reflect our country's regional and cultural diversity.

A challenging economic environment

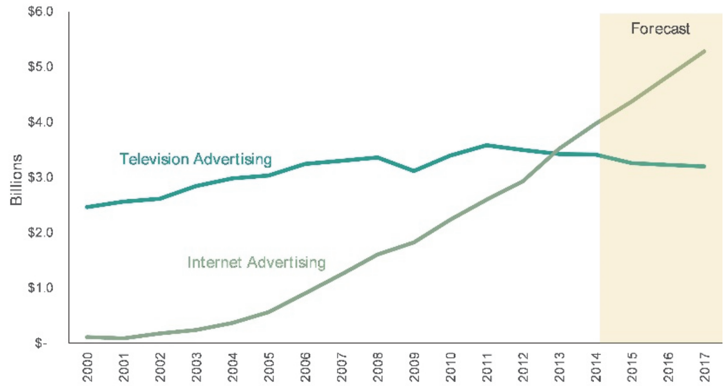
We are working to diversify our sources of revenue given the challenging economic environment in which we operate and the fundamental changes our industry is experiencing.

Advertising spending is affected by consumer confidence and economic growth. In 2014, advertisers were particularly cautious, with total Canadian advertising investments declining by 2.7% for the full year,[11] notably as a result of significant drops in fast-moving consumer goods (FMCG) advertising spending.

The marked shift in the advertising market away from television and towards digital continued in 2014-2015, resulting in a negative impact on traditional broadcasters' advertising revenue streams, including that of CBC/Radio-Canada. The following graph illustrates the rise in Internet advertising revenue relative to television in recent years.

[10] Source: Media Technology Monitor (Spring 2014)
[11] Nielsen, Global Adview Pulse Lite, Quarter 4 2014.

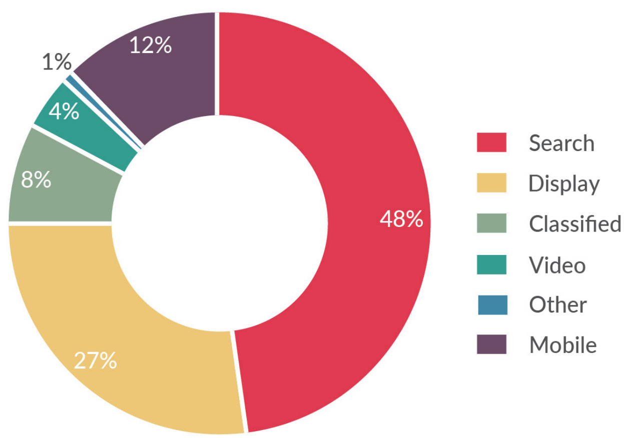
Canadian TV and Internet Advertising Revenues



Source: Statistics Canada, Interactive Advertising Bureau and Zenith Optimedia (December 2014).

The expectation is that this shift will continue and that the advertising market will become increasingly competitive due to the profound shift in how advertisers market to consumers. Traditional media companies like CBC/Radio-Canada, have limited access to Internet advertising, since nearly 60% of online advertising is in categories in which we do not compete (i.e., search, classified).

Internet Advertising Revenue by Category



Source: Interactive Advertising Bureau (September 2014).

In addition, our third-largest source of revenue is subscription revenue, which in 2014-2015 amounted to $132.8 million, or 8.1% of the Corporation's total source of funds. The traditional subscription television market is mature, and the expectation is that it will begin to decline as younger viewers increasingly shift to online viewing. In addition, the CRTC decided in March 2015 to introduce a pick-and-pay model for subscribers, which will increase the competition within the entire channel subscription sector.

Our response: Strategy

CBC/Radio-Canada's strategy, *A space for us all*, will give us the agility and financial stability needed to navigate a rapidly evolving media environment. By ensuring our relevance in the digital sphere, the plan aims to put the public broadcaster at the heart of our conversations and experiences as Canadians, while continuing to deliver for our biggest audiences: those who use traditional platforms. The strategy will position CBC/Radio-Canada to thrive now, as well as in an age beyond traditional broadcasting. See the Strategic Highlights section for more details.

1.5 BOARD AND MANAGEMENT STRUCTURE

Our Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation. The Board is composed of 12 members, including the Chair and the President and CEO, who are appointed by the Governor in Council.

The Board has six committees, as shown below:

Board of Directors

Committee	Mandate
Standing Committees on English and French Language Broadcasting	Monitors the fulfillment by the Corporation of its English and French language broadcasting responsibilities and its overall mandate.
Audit Committee	Monitors the integrity of the Corporation's financial information and reporting, the system of internal controls and risk management, and the audit process.
Human Resources and Governance Committee	Oversees matters relating to human resources and compensation strategies, corporate governance, and the conduct of Board's affairs.
Infrastructure Committee	Oversees the Corporation's infrastructure assets, including real estate, fleet and transmission holdings, and broadcasting, telecommunications and technology solutions.
Strategic Planning Committee	Oversees the Corporation's overall strategic direction with respect to the fulfillment of the Corporation's statutory mandate.
Communications and Stakeholder Relations Committee	Oversees the Corporation's significant communications and stakeholder relations strategies, policies, plans and initiatives.

BOARD ACTIVITIES AND HIGHLIGHTS

Over the course of 2014-2015, the Board of Directors and its committees met regularly to discuss and monitor the issues facing us, as well as to provide mandated oversight and governance.

As part of our goal to connect with Canadians from different regions across the country, the Board held its fall regional meeting in Montreal where we had our Annual Public Meeting.

The Board provided extensive input and direction in the development of our strategic plan, *A space for us all*, and monitored the development of an implementation plan and of key performance indicators. In addition, the Board approved organizational structure changes to ensure that we are positioned to deliver on our new strategic plan and that the operational and capital budget plans are aligned with the strategic direction.

The Board also monitored our financial situation, regulatory developments, and the Ghomeshi file, in addition to providing oversight over the Maison de Radio-Canada development efforts.

On the governance front, the Board conducted a board self-assessment and revised the Terms of Reference of its Chair and those of the President and CEO, along with the Directors' Code of Conduct. It also approved bylaw amendments to the CBC Pension Plan to ensure it is aligned with the Public Service Pension Plan. The Board, for the first time and as part of the new conditions of licence tabled its response to the Ombudsmen's reports with the CRTC.

Finally, the Board also approved various significant transactions such as the purchase of ARTV's shares from ARTE France; the acquisition of broadcasting rights to the 2018 and 2020 Olympic Games and to Coronation Street; the sale of mobile production assets, and new leases at the Canadian Broadcast Centre in Toronto.

MANAGEMENT STRUCTURE

Hubert T. Lacroix

President and CEO

Responsible for overseeing the management of CBC/Radio-Canada to ensure that Canada's national public broadcaster can deliver on the various aspects of its mandate and continue to offer Canadians a broad spectrum of high-quality programming that informs, enlightens and entertains, and that is created by, for and about Canadians.

Louis Lalande

Executive Vice-President, French Services

Oversees all aspects of CBC/Radio-Canada's French-language programming services, which include, among other things, ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI EXPLORA, ICI Radio-Canada Première, RCI, ICI Radio-Canada.ca, ICI Musique and ICI Tou.tv.

Heather Conway

Executive Vice-President, English Services

Oversees all aspects of CBC/Radio-Canada's English-language programming services, which include, among other things, CBC Radio One, CBC Radio 2, CBC Television, CBC News Network, *documentary* and digital operations.

Judith Purves

Vice-President, Chief Financial Officer

In addition to being responsible for all aspects of financial management for Canada's national public broadcaster, plays an instrumental role in helping to achieve a sustainable economic model for the future of the Corporation.

Steven Guiton

Vice-President, Technology and Chief Regulatory Officer

Responsible for CBC/Radio-Canada's technology direction, for developing and implementing television and radio regulatory strategies across the Corporation pursuant to CRTC regulation and the *Broadcasting Act*, and for corporate research and analysis.

William B. Chambers

Vice-President, Brand, Communications and Corporate Affairs

Responsible for developing and implementing a single coherent corporate communication strategy for CBC/Radio-Canada; and leading internal and external communications across the Corporation. Also oversees the Government Relations group.

Monique Marcotte

Acting Vice-President, People and Culture

Responsible for delivering the Corporation's human resources services and ensuring a positive relationship between management and employees. Helps lead the "people" component of the Corporation's new five-year strategic plan, *A space for us all*, ensuring that CBC/Radio-Canada is a rewarding, progressive and diverse workplace that builds professional teams of innovative and highly skilled people dedicated to accomplishing the plan.

Sylvie Gadoury

Vice-President, Legal Services, General Counsel and Corporate Secretary

Responsible for the General Counsel's offices in Montreal, Toronto and Ottawa; the Corporate Secretariat; and for compliance with Access to Information, privacy, health, safety and environmental laws.

2. PERFORMANCE

Y a pas deux matins pareils with Yves-Gérard Méhou-Loko – ICI Radio-Canada Première, Toronto

2.1 STRATEGIC INDICATORS

MEASURING OUR SUCCESS THIS YEAR

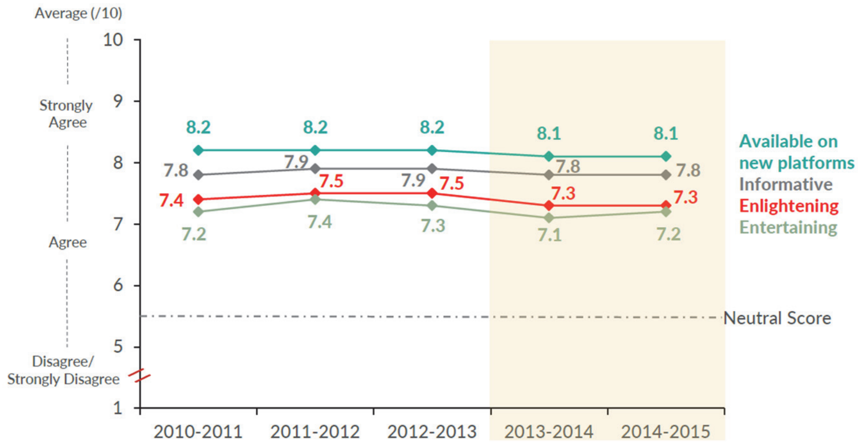
The establishment of metrics to track and assess our performance is essential to demonstrate our accountability to Canadians. For *Strategy 2015*, we have developed a report card that allows us to monitor how well our services fulfill our mandate under the 1991 *Broadcasting Act*, as well as measure the performance of our programming with respect to quality, distinctiveness, and its ability to reflect and draw Canadians together. In November 2012, we added measuring the extent to which our information programming reflected a diversity of opinions and covered major issues in a fair and balanced way. All this information is obtained from surveys conducted among representative samples of Canadians.

The following pages contain both English and French report cards for the 2014-2015 fiscal year. Management's comments focus on the significant variances between the most recent years' results (i.e., scores recorded in 2014-2015 compared to the ones obtained in 2013-2014). For comparison purposes, note that only differences of 0.2 points or greater between 2014-2015 and 2013-2014 results are statistically significant.

REPORT ON ENGLISH SERVICES

How does English Services fulfill the Corporation's mandate under the Act?(12)

CBC's English-language radio and television programming is...



Metric Definition: Average score refers to the average of the scores given by all respondents on a 10-point scale.
Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.
They are presented as follows: Decrease – Stable Increase +

Management's Comments

Anglophones continue to agree that CBC/Radio-Canada's English Services is meeting the Corporation's mandate under the 1991 *Broadcasting Act*.

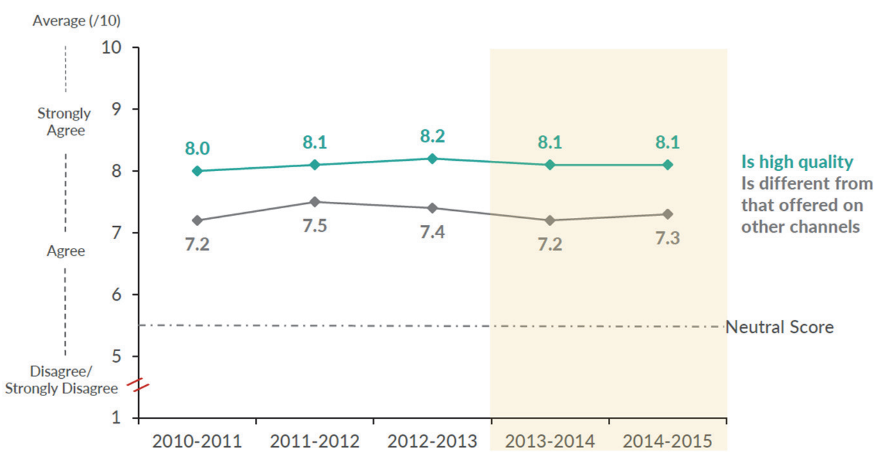
Compared to 2013-2014, all of the average perception scores measuring English Services' performance under its mandate remained stable.

Since 2010-2011, Anglophones consistently hold the highest perception of English Services' radio and television programming for being "Available on New Platforms" (8.1) and "Informative" (7.8).

How does English Services' programming fare against delivering high-quality and distinctive Canadian content?(12)

CBC's programming[1]...

Original, Innovative, Quality Canadian Content



Metric Definition: Weighted averages of the perception scores obtained by each individual service on a 10-point scale.
[1]Programming and content offered on any of our services, i.e., CBC Television, CBC News Network, **bold** (2010-2011 and 2011-2012 only), *documentary*, CBC Radio One, CBC Radio 2 and CBC.ca.
Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.
They are presented as follows: Decrease – Stable Increase +

Management's Comments

English Services has maintained its positive perception among Anglophones for offering programming that is both of high quality and different from that offered by others.

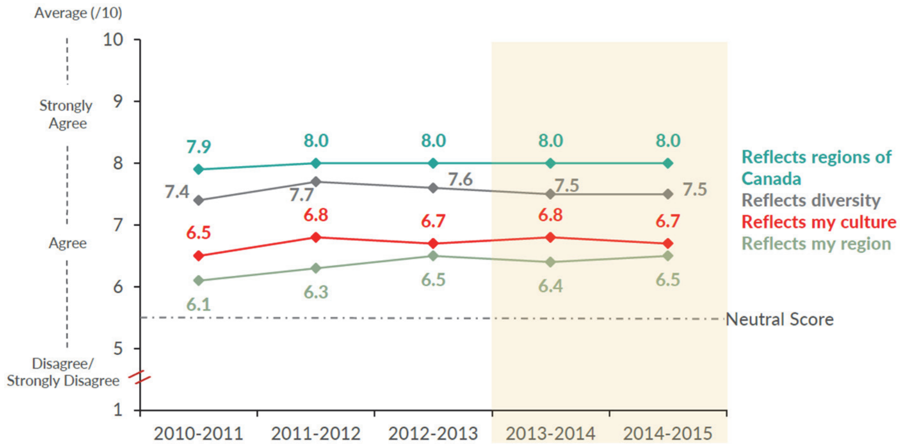
As in the past, English Services' programming and content continues to receive its highest score for being of "High Quality" (8.1).

(12)Source: TNS Canadian Facts (1,200 Anglophones per survey). Telephone surveys conducted in November and March of each year.

How does English Services' programming fare against reflecting and drawing Canadians together?[13]

CBC's programming[1]...

Reflects and Draws Canadians together



Metric Definition: Weighted averages of the perception scores obtained by each individual service on a 10-point scale.
[1]Programming and content offered on any of our services, i.e., CBC Television, CBC News Network, **bold** (2010-2011 and 2011-2012 only), *documentary*, CBC Radio One, CBC Radio 2 and CBC.ca.
Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.
They are presented as follows: **Decrease** – **Stable** **Increase** +

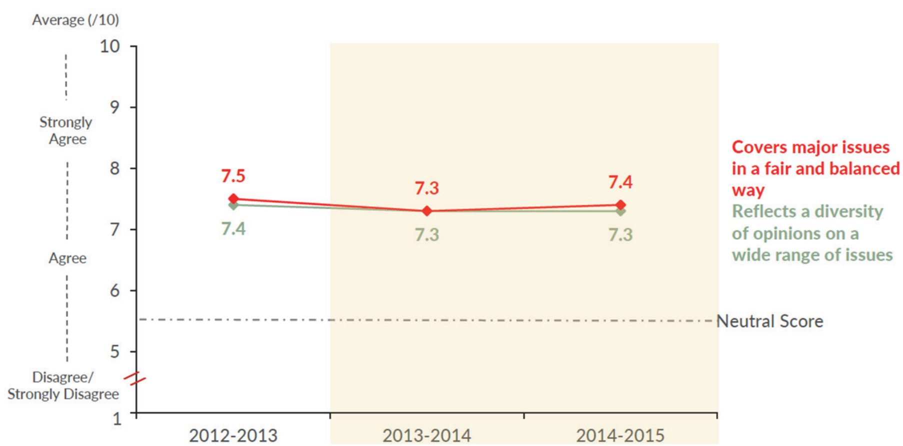
Management's Comments

Anglophones continue to agree that English Services' programming "Reflects and Draws Canadians Together" with all results from 2013-2014 being maintained in 2014-2015.

Overall, English Services continues to receive the highest scores for its programming's ability to "Reflect Regions of Canada" (8.0) and "Reflect Diversity" (7.5).

Does English Services' information programming reflect a diversity of opinions and cover major issues in a fair and balanced way?[13]

CBC's information programming[1]...



Metric Definition: Average score refers to the average of the scores given by all respondents on a 10-point scale.
[1]Radio, television or online information programming and content.
Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.
They are presented as follows: **Decrease** – **Stable** **Increase** +

Management's Comments

Anglophones' positive perception towards English Services' Information Programming has been maintained compared to the previous year.

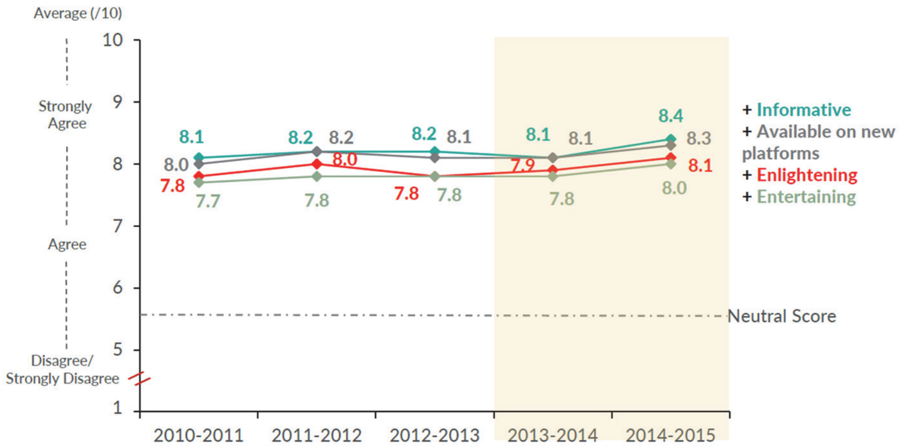
English Services' Information Programming consistently receives high scores for "Covering major issues in a fair and balanced way" (7.4) and "Reflecting a diversity of opinions on a wide range of issues" (7.3).

[13]Source: TNS Canadian Facts (1,200 Anglophones per survey). Telephone surveys conducted in November and March of each year.

REPORT ON FRENCH SERVICES

How does French Services fulfill the Corporation's mandate under the Act?[14]

Radio-Canada's French-language radio and television programming is…



Metric Definition: Average score refers to the average of the scores given by all respondents on a 10-point scale.
Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.
They are presented as follows: Decrease – Stable Increase +

Management's Comments

More Francophones now believe that CBC/Radio-Canada's French Services is fulfilling the Corporation's mandate under the 1991 *Broadcasting Act.*

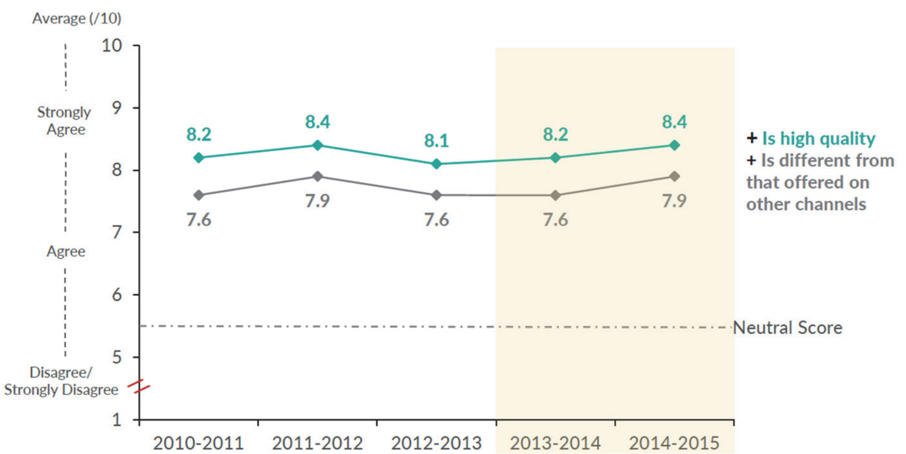
Compared to 2013-2014, each dimension measuring how well French Services performed in the delivery of the Corporation's mandate showed significant improvement (0.2 points and more). Radio-Canada's high scores of over 8 points confirm that Francophones support the Corporation.

Also of note, these are the best results Radio-Canada has achieved since 2010-2011.

How does French Services' programming fare against delivering high quality and distinctive Canadian content?[14]

Radio-Canada's programming[1]…

Original, Innovative, Quality Canadian Content



Metric Definition: Weighted averages of the perception scores obtained by each individual service 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, ICI Musique, ICI Radio-Canada.ca and ICI Tou.tv.
Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.
They are presented as follows: Decrease – Stable Increase +

Management's Comments

Francophones continue to respond positively to initiatives French Services has announced and/or introduced.

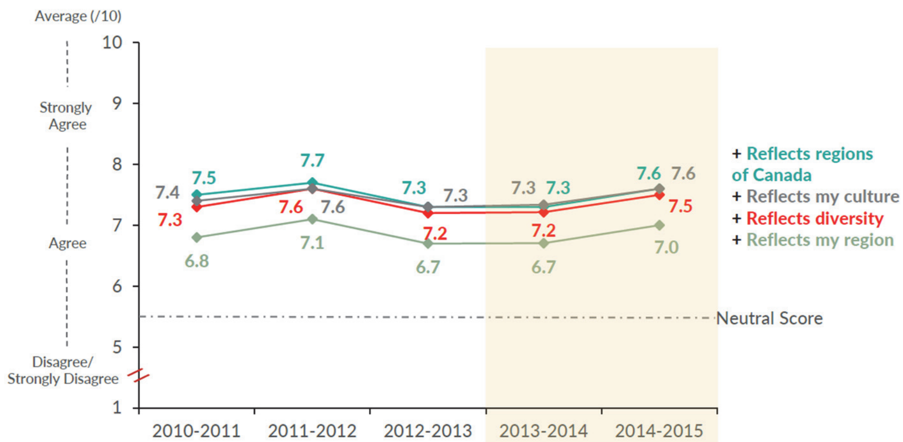
Both indicators measuring the "original, innovative and quality" aspects of Radio-Canada's programming rose compared to 2013-2014. The distinctiveness indicator increased by 0.3 points (from 7.6 to 7.9), while the quality indicator gained 0.2 points to reach a high score of 8.4.

[14]Source: TNS Canadian Facts (1,200 Francophones per survey). Telephone surveys conducted in November and March of each year.

How does French Services' programming fare against reflecting and drawing Canadians together?(15)

Radio-Canada's programming[1]...

Reflects and Draws Canadians Together



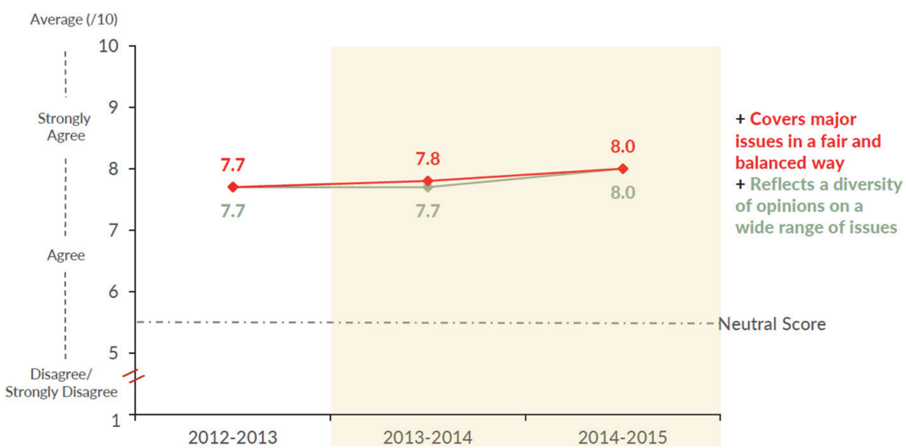
Metric Definition: Weighted averages of the perception scores obtained by each individual service on a 10-point scale.
[1]Programming and content offered on any of our services, i.e., ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, ICI Musique, ICI Radio-Canada.ca and ICI Tou.tv.
Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.
They are presented as follows: Decrease – Stable Increase +

Management's Comments

Compared to 2013-2014, Francophones gave significantly higher scores to the four dimensions measuring Radio-Canada's ability to reflect and draw Canadians together (+0.3 points).

Does French Services' information programming reflect a diversity of opinions and cover major issues in a fair and balanced way?(15)

Radio-Canada's information programming[1]...



Metric Definition: Average score refers to the average of the scores given by all respondents on a 10-point scale.
[1]Radio, television or online information programming and content.
Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.
They are presented as follows: Decrease – Stable Increase +

Management's Comments

Information Programming produced by French Services continues to be perceived favourably.

Compared to 2013-2014, the average score of the information programming's ability to "reflect a diversity of opinions on a wide range of issues" and "cover major issues in a fair and balanced way" gained 0.3 points and 0.2 points respectively, both reaching a high score of 8.0.

Starting in November 2012, we began measuring the extent to which our information programming reflects a diversity of opinions and covers major issues in a fair and balanced way.

(15)Source: TNS Canadian Facts (1.200 Francophones per survey). Telephone surveys conducted in November and March of each year.

MEASURING OUR CANADIAN CONTENT

Regulatory requirements for Canadian content on television are specified by the CRTC, which sets conditions of licence for ICI Radio-Canada Télé and CBC Television. For the whole broadcast day, a minimum of 75% of Canadian content is expected. For prime time, a minimum of 80% of 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 previous two full broadcast years, ICI Radio-Canada Télé and CBC Television exceeded the CRTC's Canadian content conditions of licence/expectations, both over the whole day and in prime time.

Canadian content		Yearly Conditions of Licence	Results Sep. 1, 2013 to Aug. 31, 2014[1]	Results Sep. 1, 2012 to Aug. 31, 2013
ICI Radio-Canada Télé				
Broadcast day	(Mon-Sun, 6:00 a.m.-12:00 a.m.)	75%	89%	84%
Prime time	(Mon-Sun, 7:00 p.m.-11:00 p.m.)	80%	90%	91%
CBC Television				
Broadcast day	(Mon-Sun, 6:00 a.m.-12:00 a.m.)	75%	94%	93%
Prime time	(Mon-Sun, 7:00 p.m.-11:00 p.m.)	80%	91%	86%

[1] As defined in CBC/Radio-Canada's new licences, effective since September 1, 2013, Canadian content levels are conditions of licence. In the previous regulatory framework, Canadian content levels were expectations.

Public launch of new fall lineup with Tanya Lapointe, ICI Radio-Canada Télé

2.2 OPERATIONAL INDICATORS

In addition to monitoring the overall performance of *Strategy 2015* (see Strategic Indicators, section 2.1), we have developed key performance indicators for our services.

These indicators are critical to measuring our progress towards achieving our strategic business objectives and operational plans, and we formulate them every year as part of the media lines' business plans.

Operational indicators include measures of audience share, website visits, subscriber counts and revenue generation.

2014-2015 RESULTS – ENGLISH SERVICES

Anne-Marie Mediwake and Dwight Drummond, hosts of CBC News Toronto at the 2015 Canadian Screen Awards

English Services exceeded or met the majority of the targets set for its 2014-2015 key performance indicators.

For CBC Radio, the 2014 fall diary survey continued its recent trend of increasingly positive results. CBC Radio One and CBC Radio 2 combined to achieve a total audience share of 18.1%. CBC Radio One results are the highest fall share ever, while CBC Radio 2 results are the highest since the programming format change in 2008. These combined results significantly exceeded both the target and the prior year's performance.

CBC Television's six-day regular season prime-time audience share ended the year below target. Initial performance during the fall was consistently below the annual target, as a result of a decline in viewership of some returning programs and below-anticipated performance on new programs introduced during that time. However, during the winter season, audiences were consistently higher than those for the fall schedule, with popular new programs such as *Schitt's Creek*, *The Book of Negroes* and *X Company* garnering notably high audience numbers. As a result of this mixed performance, actual results over the full year were below target.

CBC News Network's audience share remained largely consistent throughout the entire year, ending the year within one-tenth of a percentage point of its target.

Our radio regional performance indicator ended the year just below target (5.1 million average weekly hours tuned compared to the target of 5.2 million). For local television, performance ended the year below target (although performance did improve as the year progressed), with year-over-year audience declines with the 5:00 p.m. and 5:30 p.m. telecasts being the most significant. These declines were not fully mitigated by increases experienced with the late-night telecasts.

Average monthly unique visitors to regional content pages exceeded expectations, driven by stories such as the Ontario and Quebec provincial elections, the Moncton and Parliament Hill shootings, and other regional content.

Similarly, CBC.ca's number of monthly average unique visitors exceeded both target and the prior year actual results, driven by events of major international, national and local interest.

Subscriber levels on our specialty television channels ended the year with both CBC News Network and *documentary* achieving expectations.

Revenue for the year performed well and ended the year over target by more than 5%, driven in part by the success of events such as the 2014 FIFA World Cup Brazil, as well as a variety of miscellaneous non-advertising-related revenue items.

PERFORMANCE TABLE – ENGLISH SERVICES

	Annual Results 2013-2014	Annual Targets 2014-2015	Annual Results 2014-2015	Annual Targets 2015-2016
Radio Networks				
CBC Radio One and CBC Radio 2				
All-day audience share[1]	15.5%	15.6%	18.1%	17.5%
Television				
CBC Television				
Prime-time audience share				
Regular season, Monday-Friday & Sunday[2]	N/A	6.4%	6.0%	6.2%
CBC News Network				
All-day audience share April-March[3]	1.6%	1.6%	1.5%	1.4%
Regional				
CBC Radio One morning shows				
Average weekly hours tuned (Monday-Friday) Regular season[3]	5.2 million	5.2 million	5.1 million	N/A
Audience share (Monday-Friday) Regular season[4]	17.2%	N/A	19.5%	19.6%
TV supper and late-night news				
Average weekly hours tuned (Monday-Friday) Regular season[3]	3.7 million	3.7 million	3.4 million	N/A
TV supper news				
Average minute audience (Monday-Friday) Regular season[5]	396k	N/A	375k	360k
Regional content				
Monthly average unique visitors April-March[6]	N/A	3.7 million	4.0 million	4.2 million
Web				
CBC.ca				
Monthly average unique visitors April-March[6]	7.1 million	7.0 million	7.3 million	N/A
Monthly average unique visitors April-March[7]	N/A	N/A	10.6 million	11.2 million
Specialty Television Channels				
CBC News Network				
Subscribers	11.3 million	11.2 million	11.2 million	11.2 million
documentary				
Subscribers	2.7 million	2.7 million	2.7 million	2.7 million
Revenue[8]				
Conventional, specialty, online	$390 million	$298 million	$321 million	$246 million

N/A not available or not applicable.

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

[2]Source: Numeris (BBM Canada), Portable People Meter (PPM), persons aged 2 years and older. Starting in 2014-2015, CBC's broadcasts of *Hockey Night in Canada* on Saturday evenings are not included in our performance targets because we no longer control the editorial content. This change follows the acquisition of Canadian NHL broadcasting rights by Rogers Communications Inc.

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

[4]Source: Numeris (BBM Canada), fall survey (diary), persons aged 12 years and older. Starting in 2015-2016, the metric for local radio was changed to the share of Radio One morning shows.

[5]Source: Numeris (BBM Canada), fall survey (diary), persons aged 12 years and older. During 2014-2015, the measurement of local television was changed to average minute audience for the first half-hour (for 60-minute programs) or for the entire program (for 30-minute programs). Therefore the target established for 2014-2015 under the previous metric is not applicable.

[6]Source: comScore, desktop measure, persons aged 2 years and older.

[7]Source: comScore, persons aged 2 years and older. During 2014-2015, the measurement of the metric for the web was changed to reflect the new multiplatform measure, which only became available in August 2014. Therefore the target established for 2014-2015 under the previous metric is not applicable.

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

2014-2015 RESULTS – FRENCH SERVICES

Nouvelle adresse – ICI Radio-Canada Télé

As shown by its overall performance, Radio-Canada continued to engage Canadians with a high-quality lineup and distinctive homegrown programming in 2014-2015. However, some indicators, in particular those revenue-related, fell short of the levels projected at the start of the year.

ICI Radio-Canada Première and ICI Musique recorded a combined share of 21.4%, peaking at an all-time high of 21.7% in fall 2014. The result for the year is above target and consistent with 2013-2014's record performance at 21.5%. At 19.2%, the annual audience share for ICI Radio-Canada Première's morning shows was almost on target.(16)

ICI Radio-Canada Télé's prime-time audience share of 19.8%(17) is in line with the annual target, despite fierce competition in the French-language market throughout the year. The network capitalized on a high-quality program schedule, featuring returning favourites that regularly drew over one million viewers each week (*19-2*, *Les enfants de la télé*, *Les pêcheurs*, *Mémoires vives*, *Tout le monde en parle* and *Unité 9*),(17) new shows that were well received by audiences (*La théorie du K.O.*, *Le Ti-mé show* and *Nouvelle adresse*) and signature events that brought Canadians together such as the comedic year-end review *Bye Bye 2014*, which broke its own historic mark with a viewership of 3.94 million on December 31, 2014.(17)

In the specialty channel market, the combined audience share for the year came in at 4.8%(17), slightly below target. This result can be attributed to a combination of factors such as the drop-off in ICI RDI viewership during summer 2014.

In news and current affairs, the average weekly minute audience for the 6 p.m. regional newscasts was under target. In winter 2015, consumption of supper-hour newscasts was lower than in previous years – such as winter 2014, which had been affected by the Charbonneau Commission and the Quebec provincial election.

Yet, for their part, Radio-Canada's digital platforms continued to benefit from changes in news consumption habits. The average number of unique monthly visitors to all Radio-Canada sites and to ICI Radio-Canada.ca regional web pages exceeded the annual target. The content developed for the following events drew especially large audiences: the Quebec election, the 2014 FIFA World Cup Brazil, the tragedies in Moncton, Saint-Jean-sur-Richelieu and Ottawa, the crash landing in Halifax, and the student protests.

For the second year in a row, ICI EXPLORA subscriber totals exceeded the established target. The channel continued to grow, boosted by an enhanced lineup, various profile-raising initiatives and wider distribution. As for ICI RDI and ICI ARTV, both services performed below expectations. ICI RDI suffered the impact of dwindling subscriptions to conventional television services (cable and satellite), while ICI ARTV's performance was impacted by the downward adjustment of data provided by a third party, the growing popularity of custom cable packages, and the emerging cord-cutting trend.

Lastly, self-generated revenue fell short of its annual target as a result of the persistent decline in the Francophone advertising market, particularly for conventional television. Digital advertising revenue generation also continues to pose a number of business challenges for the industry as a whole. Meanwhile, Radio-Canada continued to pursue its revenue diversification strategy. In 2014-2015, our overall advertising revenue decrease was partly offset by higher revenue from content licensing activities and services to independent producers.

(16)Source: Numeris (BBM Canada), diaries, average of spring and fall 2014 surveys, Francophones, 12 years +.
(17)Source: Numeris (BBM Canada), Portable People Meter (PPM), Quebec Franco (specialty channels: Quebec Francophones who subscribe to a television distribution services), 2 years +.

PERFORMANCE TABLE – FRENCH SERVICES

	Annual Results 2013-2014	Annual Targets 2014-2015	Annual Results 2014-2015	Annual Targets 2015-2016
Radio Networks				
ICI Radio-Canada Première and ICI Musique				
All-day audience share [1]	21.5%	20.6%	21.4%	21.2%
Television				
ICI Radio-Canada Télé				
Prime-time share, fall/winter season [2]	20.6%	20.0%	19.8%	19.7%
ICI RDI, ICI ARTV, ICI EXPLORA				
All-day audience share, April-March [2]	5.0%	5.0%	4.8%	4.7%
Regional				
ICI Radio-Canada Première				
Morning show audience share, Monday-Friday 6-9 a.m. [1]	20.9%	19.5%	19.2%	18.1%
Téléjournal 18h				
Average minute audience, weekly average, Monday-Friday, 6-6:30 p.m., fall/winter season [2]	0.355 million	0.350 million	0.325 million	0.310 million
Regional web pages				
Monthly average unique visitors, April-March [3]	0.660 million	0.592 million	0.722 million	0.758 million
Web				
ICI.Radio-Canada.ca, ICI.Tou.tv, ICIMusique.ca, RCInet.ca, ICI.ARTV.ca and ICI.EXPLORAtv.ca				
Monthly average unique visitors, April-March [3]	2.0 million	1.8 million	1.9 million	2.8 million
Specialty Television Channels				
ICI RDI				
Subscribers	11.1 million	11.1 million	10.8 million	11.1 million
ICI ARTV				
Subscribers	2.0 million	2.0 million	1.8 million	1.8 million
ICI EXPLORA				
Subscribers	0.5 million	0.5 million	0.6 million	0.8 million
Revenue [4]				
Conventional, specialty, online	$243.3 million	$246.1 million	$233.8 million	$227.1 million

[1]Source: Numeris (BBM Canada), spring and fall 2014 surveys (diary), Francophones aged 12 years and older. All-day audience share: Results for Francophone radio stations in markets served by a Radio-Canada base station. Morning show audience share: Results for all Francophones in markets served by a Radio-Canada base station. Starting in 2015-2016, the metric will only include the fall survey's results.
[2]Source: Numeris (BBM Canada), Portable People Meter (PPM), Francophones in Quebec (specialty channels: Francophones in Quebec that subscribe to a television distribution service), aged 2 years and older. Starting in 2015-2016, the specialty channels' audience share will include all Francophones, aged 2 years and older.
[3]Source: comScore Media Metrix, unique visitors using a computer, aged 2 years and older. Starting in 2015-2016, the measure for all Radio-Canada's websites will also include unique visitors using mobile devices (excluding regional web pages).
[4]Includes advertising revenue, subscription revenue, other revenue (e.g., content distribution) and revenue from LPIF. Revenue for ICI ARTV is reported at 100% although Radio-Canada owned only a 85% share prior to March 31, 2015. Since that date, Radio-Canada is the sole owner of ARTV. Revenue from LPIF, a fund created by the CRTC to support local programming which ended on August 31, 2014, reflects residual amounts for 2014-2015.

A SPACE FOR US ALL FUTURE DIRECTIONS

Future Directions show the strategic, forward-looking choices we are making to enable achievement of key performance indicators' targets for 2015-2016, as we are ramping up into *A space for us all*.

In addition to our specific future directions described below, our 2015-2016 targets take also into account the many factors and pressures mounting in one or both English-language and French-language markets. These include items such as the rise of content and production costs; the multiplication of distribution channels and increasingly sophisticated strategies; changes in the regulatory framework as well as the persistent decline in the conventional TV advertising market. Further pressures include, in the French-language market, the increase of competition in the drama genre and a market shift given the presence of new overpowering players; and in the English-language market, the continued dominance of foreign programming.

English Services

Smart, unique, and distinctly Canadian programming is at the core of our plan to increase and deepen our engagement with individual Canadians. To do this, we will offer programming to our audiences that is distinctly Canadian, creatively ambitious and different from private broadcasters. We will accomplish our goals through our plan to:

- Invest in programming that shares national consciousness and identity through Canadian storytelling and Canadian experience:
  - Increase investment in and renewal of television and digital entertainment content;
  - Focus on investigative and original journalism in news;
  - Make CBC Sports the recognized Canadian home of the Olympics;
  - Continue radio's focus on information talk and serving a variety of musical tastes.
- Increase engagement with Canadians through enhanced local services:
  - Maintain existing geographic footprint of local services;
  - Pursue a mobile first, digitally focused strategy.
- Utilize digital platforms and social media to attract and retain audiences:
  - Implement a scalable network of user experiences to enable growth objectives;
  - Expand digital reach through partnerships;
  - Enhance our understanding of our digital audiences.

French Services

Through the content we will air, produce, and distribute, and the services we will provide, we will help define the future in a rapidly shifting environment. More precisely, we will:

- Reimagine schedules and services to expand reach and impact, and build on the multiplatform/multiscreen environment that's now become the norm to stay in sync with our audiences as their consumption habits change:
    - Invest strategically in drama series and variety;
    - Support and drive ICI EXPLORA's performance;
    - Promote ICI ARTV's positioning and role as a dominant "arts and variety" partner in line with the multiplatform/multiscreen strategy.
- Put down even deeper roots in the community:
    - Focus on programming initiatives, face-to-face opportunities with audiences and partnerships that foster engagement.
- Stake our claim on the digital territory, and sell ourselves as the go-to source:
    - Continue and increase production of digital news, with priority on mobile content for smartphones;
    - Roll out new mobile content offerings in the regions.
- Better understand our audiences to stay in sync with them:
    - Continue developing and implementing an optimal integrated social media strategy;
    - Develop an approach to the ICI Tou.tv user relationship via a new members' centre.

PM – ICI Radio-Canada Première

3. CAPABILITY TO DELIVER RESULTS

3.1 INFRASTRUCTURE

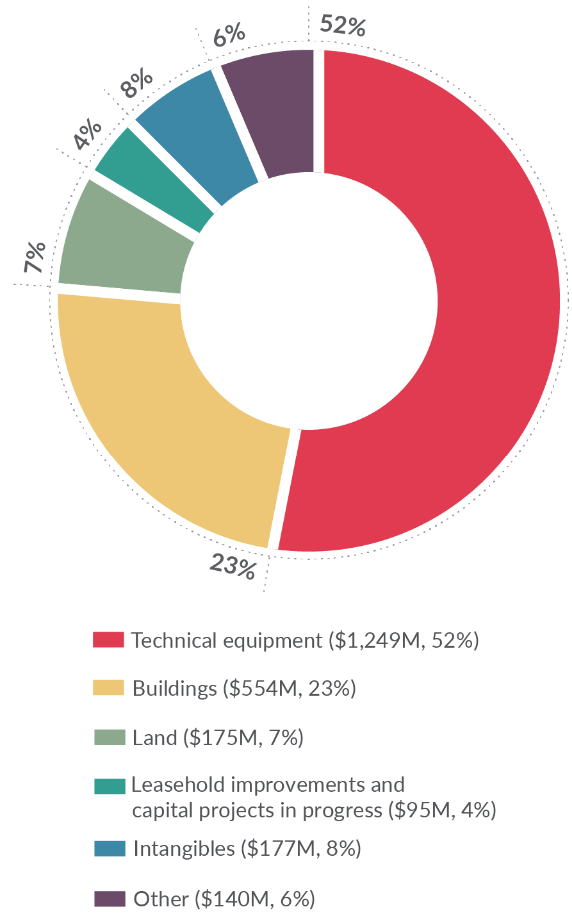
CBC/Radio-Canada has a base capital appropriation from the Government of Canada of $92.3 million per year. For 2014-2015, we increased this amount by transferring funds from our operating appropriation, for a total of $104.7 million to satisfy the annual capital portion increase on the Canadian Broadcast Centre mortgage. As required by subsection 54(4) of the *Broadcasting Act*, we present our capital budget to the Minister of Canadian Heritage and Official Languages in our Corporate Plan and then submit it to the Treasury Board for approval.

We currently use $2.4 billion of assets (with a net book value of $948 million) in our operations. We operate one of the world's largest broadcast transmission and distribution systems, with 539 transmission sites located throughout Canada. We are responsible for a real estate portfolio of more than 4.3 million square feet, including 21 buildings owned across Canada. We are also highly dependent on technology and technology-based assets in the production and delivery of our services.

The projects in the capital investment plan are aligned with and support our new strategic plan. Key capital projects include a new media asset management system (managing production to archiving functions); regional investments in new digital standards (e.g., high definition); regional investments in infrastructure and systems (e.g., program production); updates to major broadcast management systems; and real estate consolidation projects.

On the real estate side, we will continue to work towards our objective to halve our real estate footprint by 2020. We also require facilities that are better suited to the needs of a modern public broadcaster.

On May 7, 2015, CBC/Radio-Canada rejected the proposal submitted for the Maison de Radio-Canada (MRC) redevelopment project as it did not meet our requirements. Occupying the MRC tower costs the Corporation a lot of money, since it must cover facility maintenance and operating costs for a building that is too large and in need of major renovations and investments. As a result, we will be working over the next few months to examine new scenarios for the MRC redevelopment project. We will also be exploring our options on how to make better use of our Canadian Broadcast Centre in Toronto.

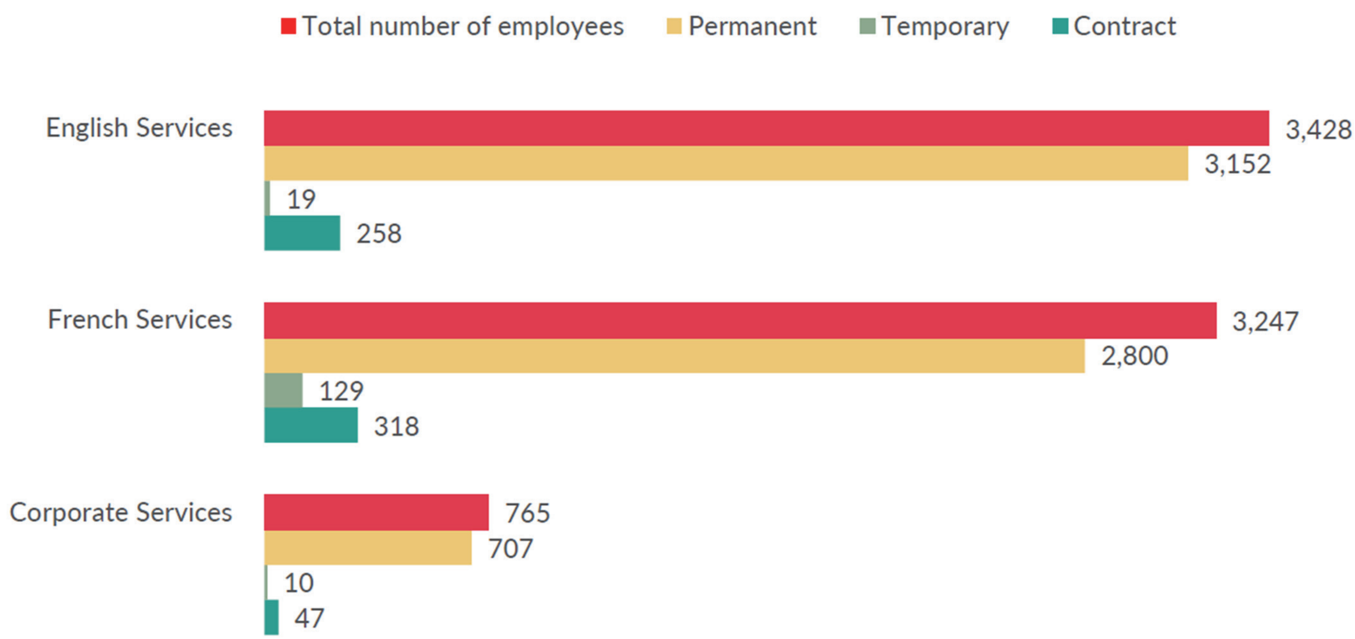


3.2 PEOPLE AND LEADERSHIP

At CBC/Radio-Canada, one of our primary strengths is the quality and dedication of our people. It is clear that our corporate culture was challenged in 2014-2015 as we went through workforce adjustments, and we recognized broader workplace issues following the dismissal of Jian Ghomeshi. Despite these issues, the Corporation continues to prioritize the well-being of our staff, while also working to implement necessary changes that come as part of *A space for us all*. Further detail on how we are addressing these workplace issues is provided below.

WORKFORCE PROFILE

As of March 31, 2015, we employed a total of 7,440 full-time equivalent employees (FTEs),[18] of whom 6,659 were permanent, 158 were temporary and 623 were contract. This is a decrease of 710 FTEs when compared to March 31, 2014, resulting mainly from workforce adjustments following 2014-2015 budget reductions.



Under the *Employment Equity Act*, we are committed to providing equal employment opportunities to the four designated groups: women, Aboriginal peoples, persons with disabilities, and members of visible minority groups.

As of March 31, 2015, women made up 46.0% of permanent employees, Aboriginal peoples 1.5%, persons with disabilities 1.7%, and visible minorities 8.5%.

[18]Effective this fiscal year, the tracking of FTE positions includes the base positions of employees on leave for fewer than two years; all unique secondary assignments; all long-term contract positions of more than 13 weeks; all unique long-term temporary employees; and all long-term vacancies in the positions listed above. Part-time employees are counted as a portion of an FTE.

WORKFORCE ADJUSTMENT

As referenced in last year's Annual Report, the Corporation eliminated 657 full-time positions from across the Corporation to balance the budget for the 2014-2015 fiscal year. These cuts were mostly implemented by the fall of 2014 with approximately 40 positions remaining to be eliminated in 2015-2016.

In addition to these workforce adjustments made to address 2014-2015 budget reductions, the new strategy, *A space for us all*, will impact our workforce by up to 1,500 positions by 2020. Two announcements relating to these reductions were made in 2014-2015:

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

While we continued downsizing exercises this year, voluntary attritions remained low at about 4%.

Our retention rate has stayed stable at above

▲96%

since 2010.

*(Permanent headcount less departures) / Permanent headcount (excludes retirements and Workforce Adjustment (WFA) cuts)

UPDATE ON THE JOINT COMMITTEE PROCESS AS OF MARCH 31, 2015

The joint committee process involves unions and management working together to minimize the overall effect of the workforce adjustments. The goal is to place qualified individuals into suitable vacant positions according to the rights in their respective collective agreements, and to keep the number of involuntary layoffs as low as possible. The joint committees continue to work on the reductions announced in April and October of 2014. In April 2015, they also began to address reductions announced in March 2015 as part of the local strategy and ICI Musique.

EMPLOYEE WELLNESS, SUPPORT AND WORK ENVIRONMENT

Employee Assistance Program (EAP)

Our employees continue to receive support through the Employee Assistance Program (EAP). The EAP offers a variety of services, including confidential counselling for employees, their families and eligible former employees. The EAP also delivers individual wellness initiatives in our locations across the country. Our year-end EAP utilization rate was 18.8% (up from 15.7% in the previous year), and 1,598 cases, including employees, retirees and family members (up from 1,417 in 2013-2014), demonstrating confidence in the program.

Major EAP accomplishments this year include the implementation of four national initiatives aimed at supporting employee wellness: Mental Health Week, heart month, nutrition month, and the launch of the Tune-Up™ program to improve the musculoskeletal health of employees. Our EAP was honoured with the 2015 EASNA Corporate Award of Excellence in recognition of EAPs that enhance employee well-being and foster healthy and productive workplaces.

Report on workplace investigation regarding Jian Ghomeshi

Late last fall, we fired former radio host Jian Ghomeshi. Shortly thereafter, we engaged Janice Rubin, B.A., LL.B., to conduct an independent investigation into the circumstances and facts related to Mr. Ghomeshi and the shows with which he had been associated. We also sought Ms. Rubin's recommendations on how CBC/Radio-Canada could improve our existing processes and policies to create a better and more respectful workplace.

The report findings were released on April 16, 2015, and we decided in the spirit of transparency to make public the entire report except for the details that were redacted to protect those individuals who chose to come forward and were promised confidentiality and/or to comply with our legal obligations. To be clear, Ms. Rubin was not involved in the decision to publish the full report or to redact any part of it.

On June 5, 2015, in a note from the President and CEO to staff, we communicated the Corporation's action plan for not only dealing with Ms. Rubin's recommendations, but also our commitment to a respectful work environment for all employees, regardless of level, location or tenure. Our action plan falls into five main key areas and corresponding activities, as follows:

- Training – New additional mandatory training for all employees, with specific additional content for managers, executive producers, hosts and short-term employees.
- Surveys and spot audits – A new engagement survey that, among other things, looks at the importance of engagement but also well-being in the workplace.
- Reporting channels and support – A new external confidential employee helpline and a review of our existing channels.
- Policy renewal – A review of our policies, including the Code of Conduct.
- Workplace investigation and data – Training for human resources employees and a review of our data gathering methods.

We are in the process of consulting with our unions on this action plan and will continue to do so as we move forward with the variety of initiatives outlined above. In addition, two executive champions have been named – Susan Marjetti, Managing Director, CBC Ontario, and Ginette Viens, Senior Editor-in-Chief, ICI Radio-Canada Première – to lead the charge. Reporting directly to the President and CEO, Ms. Marjetti and Ms. Viens will be responsible for making sure that the corporate decisions we make, actually translate into something that can live and thrive on the floor, in an everyday environment.

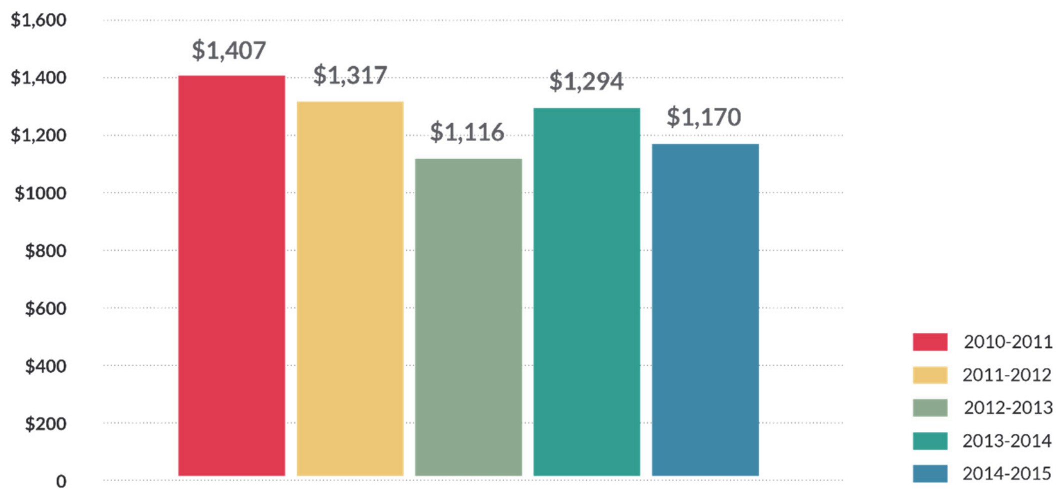
As we execute on this action plan, we are committed to open and timely updates.

Employee development

Our learning and development team focused on supporting employees with initiatives aligned with the strategic priorities, including enhancing leadership capabilities as the organization navigates through the changes ahead.

Highlights of the year included the launch of a single, dedicated e-learning portal that is accessible to all employees; training support for our mobile-first strategy to help employees make any necessary transitions to digital; a new leadership development program; a simplified performance management approach to help managers have effective conversations with staff that inspire performance; and strengthened partnerships across the business to enhance the overall approach to change management.

Training Dollars per Headcount



INCLUSION AND DIVERSITY

Accountability

This year saw both the continued implementation of our current Inclusion and Diversity Corporate Plan, as well as the start of strategic planning for the 2015-2018 period. The new plan will continue to focus on: removing employment barriers; expanding our pool of candidates for the four designated employment equity groups (Aboriginal peoples, persons with disabilities, visible minorities and women); and on making our workforce even more representative of the Canadian population. In addition, our new diversity index, developed in support of the new strategy, will track how we are doing at hiring diverse external candidates in comparison with the Canadian labour force availability.

HELP fund

Every year, we invite managers to apply to the $175,000 HELP Fund, which assists them in reaching their hiring targets of recruiting and retaining diverse candidates by allocating funding for internships and development opportunities. Matching funding of up to $15,000 is provided per internship, while up to $7,500 is provided per development opportunity. An example of the 2014-2015 HELP Fund in action is Radio-Canada's Kirano project focused on inspiring First Nations, which had a significant digital component produced through one of the HELP Fund internships.

Employment equity questionnaire

As the public broadcaster, it is important that our workforce reflect the Canadian public. Through the Cultural Census, we can better gauge the broad diversity of our employees across the country. As of March 2015, the response rate was tracking at 82%, exceeding our goal of 80% for all employees. We have also launched a new employment equity questionnaire as part of the staffing process in order to better understand the successes of our attraction strategies and to help us adapt our methods when necessary.

LABOUR RELATIONS AND TALENT AGREEMENTS

2014-2015 was a busy year for labour relations and talent agreements at CBC/Radio-Canada.

We reached an agreement with the Canadian Union of Public Employees (CUPE 675) in June 2014 to renew the monetary clauses until the current collective agreement expires on September 20, 2015. On August 26, 2014, we ratified our agreement with ACTRA to extend the terms of the current agreement for another year (from July 1, 2014 to June 30, 2015). We also reached an agreement with the Canadian Federation of Musicians (CFM), which was ratified on February 17, 2015. Its terms expire on September 30, 2015, and will include an increase of 4% over the term of the agreement. In November 2014, CBC/Radio-Canada and the Société des auteurs de radio, télévision et cinéma (SARTEC) renewed their collective agreement for a four-year term – from July 10, 2012 to July 17, 2016. In April 2014, CBC/Radio-Canada and the Canadian Media Guild began their five-year term under their new collective agreement.

In addition, the Canada Industrial Relations Board (CIRB) ruled in September 2014 that the existing French Services bargaining unit structure was no longer appropriate for purposes of collective bargaining in the province of Quebec and the city of Moncton, New Brunswick. One of the unions, the Association des réalisateurs (AR), contested certain aspects of the Board's finding. The Corporation and the remaining unions were in favour of creating a single bargaining unit.

In May 2015, the CIRB ruled that the new French Services union structure will comprise two bargaining units. One of these units will represent members of CUPE 675, STARF-CUPE 5757 and the SCRC, while the other will represent AR members. On June 15, CBC/Radio-Canada filed an application for judicial review with the Federal Court of Appeal. The Corporation took this action to protect its right to challenge the reasons behind the CIRB's decision, which had yet to be shared with the parties. The vote is not delayed by this, however, and will go ahead as planned from June 15 to 26. Filing such applications does not automatically suspend the effects of the original decision. Employees will be asked to vote electronically (from June 15 to 26, 2015) to choose the new bargaining unit that will represent them. Voting will be overseen by the CIRB. Negotiations between Radio-Canada and the new bargaining unit will begin after the vote. For more updates on this, visit our Corporate Website.

ENGAGEMENT AND RECOGNITION

Challenge Us! 2014

Challenge Us! is an event that brings together our employees from many different business areas across the country to get inspired, brainstorm and make recommendations on issues that matter deeply to the Corporation's future success. The 2014 edition of *Challenge Us!* was held on November 4 and 5, in Montreal.

This year, *Challenge Us!* was used to discuss how to bring the *A space for us all* strategy to life across all of our departments. Working in groups based on themes from the strategy, participants proposed concrete projects that could be implemented within the Corporation. Once selected, the project teams are given four weeks to develop and test a functional prototype.

Projects already underway include Taking Risks for Change, which provides modest seed funding to support the strategic plan in ways that might not occur otherwise. The project went on to support the mobile and online aspects of the event #CBCAsks: Is Politics Broken? Projects also include Ideas Accelerator, a process that accelerates innovation at Radio-Canada. Open to all employees, this initiative enables everyone to prototype the most innovative ideas in the digital and technology worlds, while being collaborative and working across sectors among all branches.

2014 employee awards

Recognition is an important aspect of the corporate culture at the public broadcaster, and the annual CBC/Radio-Canada President's Awards are one way that recognition is formalized. There were 12 categories for the 2014 edition and 160 nominations came in from employees across the country. For the first time, this year's awards included the Doing Things Better employees' choice award, in which 740 staff voted.

EXECUTIVE CHANGES

Changes to the Board of Directors

On October 9, 2014, Sonja Chong was appointed for a five-year term in replacement of Peter D. Charbonneau. On April 30, 2015, Rob Jeffery was also appointed for a five-year term, following the departure of George T.H. Cooper. Effective June 1, 2015, Edward W. Boyd was renewed for a second five-year term. On June 18, 2015, Norman May was appointed for a five-year term, following the resignation of Cecil Hawkins from the Board of Directors on March 17, 2015.

Changes in Executive Management

In February 2015, Roula Zaarour announced that she would be leaving the post of Vice-President of People and Culture at the end of April 2015. On May 28, 2015, Josée Girard was named the new Vice-President of People and Culture, and will join the Corporation in August. The interim position is held by Monique Marcotte, Executive Director, Planning, HR Corporate and Total Rewards, People and Culture.

At the end of April 2015, it was announced that Maryse Bertrand, Vice-President, Real Estate, Legal Services and General Counsel, would be pursuing other initiatives outside the Corporation, effective May 31, 2015. Sylvie Gadoury will become Vice-President, Legal Services, General Counsel and Corporate Secretary.

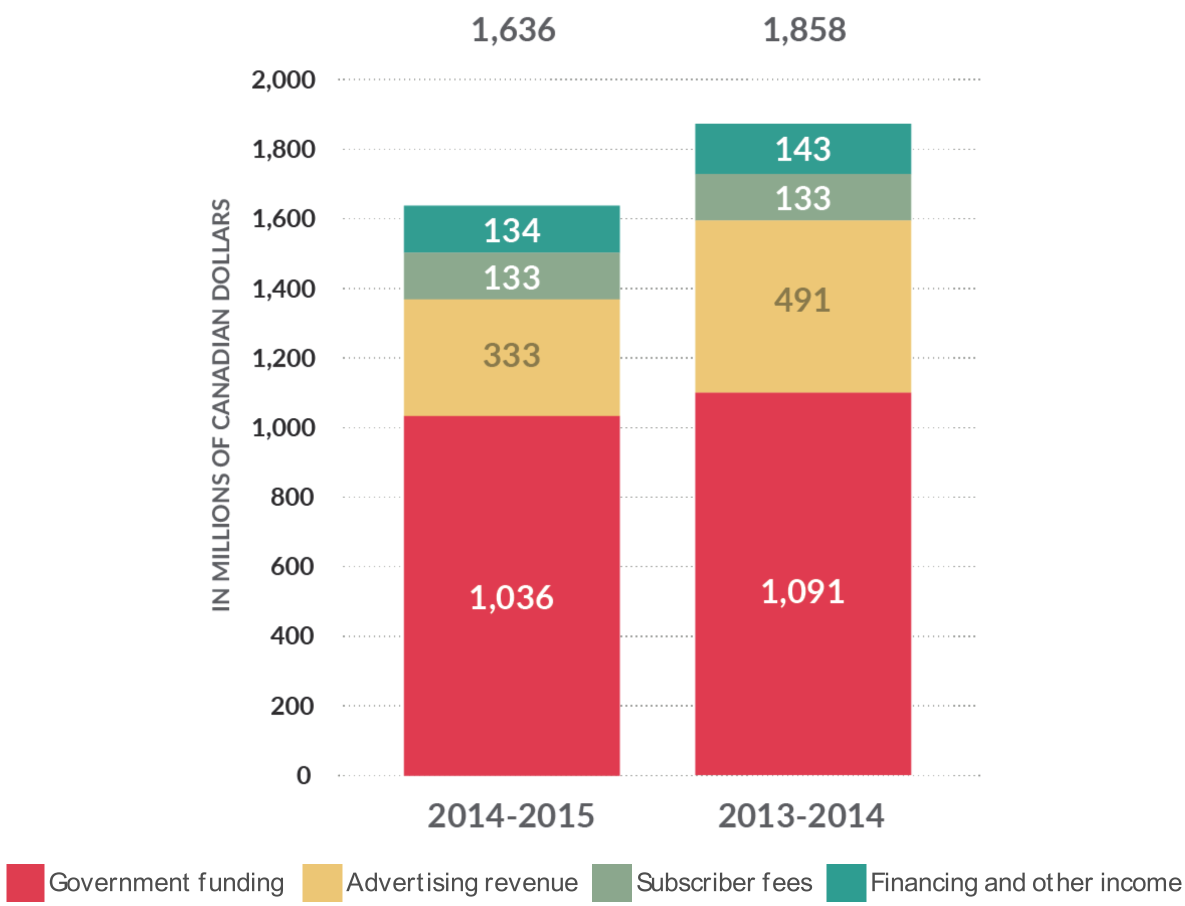
In May 2015, Judith Purves joined CBC/Radio-Canada as Vice-President and Chief Financial Officer (CFO) following the departure of Suzanne Morris in January 2015. Ms. Purves was previously an executive with IBM, holding a number of roles including CFO of IBM Canada Ltd.

CBC Vancouver marches at the Vancouver Pride Parade 2014

3.3 FINANCE

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

Revenue and Sources of Funds



For detailed year-to-date variance analysis, see the Results and Outlook section.

GOVERNMENT FUNDING

For the fiscal year ended March 31, 2015, government funding recognized was approximately 63% of total revenue and sources of funds. This included $102.8 million of amortization of deferred capital funding, which is $8.5 million lower than last year.

The federal government announced reductions in our appropriations during Federal Budget 2012 to be phased in over the last three years, 2014-2015 being the final year. Our share of these reductions is now $115.0 million annually, of which $45.5 million came into effect this year. This explains most of the current year decrease of parliamentary appropriations for operating expenditures, which now total $929.3 million.

A freeze of salary inflation funding for fiscal years 2014-2015 and 2015-2016 was confirmed by the government in its November 2013 Economic Update. This means that salary increases for our employees have to be managed through cost reductions in other areas. For an average salary increase of 1.5%, the Corporation needs to find $14.0 million in cost savings each year.

ADVERTISING REVENUE

We generate revenue by selling advertising on our conventional and specialty television channels, CBC Radio 2, ICI Musique, and other platforms. For the year ended March 31, 2015, advertising revenue accounted for approximately 20% of our total revenue and sources of funds. Advertising revenue is decreasing as a proportion of our total revenue and sources of funds as a result of the end of our broadcast rights contract with the NHL in June 2014. The end of this contract has also resulted in lower associated costs for program rights and production.

SUBSCRIBER FEES

Subscriber fees from our specialty services – CBC News Network, *documentary*, ICI EXPLORA, ICI ARTV, ICI RDI, the new ICI Tou.tv Extra premium package and Curio.ca – generated approximately 8% of total revenue and sources of funds for the year ended March 31, 2015.

FINANCING AND OTHER INCOME

Financing and other income includes contributions from the Canada Media Fund (CMF) and the Local Programming Improvement Fund (LPIF), which was phased out at the end of August 2014. 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 9% of total revenue and sources of funds in the current year.

BORROWING PLAN

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

When we sold long-term accounts receivable in 2009 as part of our Financial Recovery Plan, which addressed the impact of the global economic slowdown and declining television advertising revenue, we provided a guarantee to investors to obtain the best possible value for selling the receivables. This guarantee was deemed to be borrowing. The outstanding amounts against the borrowing authority are as follows:

(in thousands of Canadian dollars)	
Total borrowing authority available:	220,000
Authority used as at March 31, 2015:	
Guarantee on accounts receivable monetization	(141,343)
Remaining authority	78,657

However, 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.

4. RESULTS AND OUTLOOK

4.1 RESULTS

SUMMARY – NET RESULTS

IFRS Results

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Revenue	600,135	767,830	(21.8)
Expenses	(1,722,292)	(1,873,717)	(8.1)
Government funding	1,036,096	1,090,898	(5.0)
Results before non-operating items	(86,061)	(14,989)	N/M
Non-operating items	38,670	(2,964)	N/M
Net results under IFRS for the year	(47,391)	(17,953)	N/M
Results on a Current Operating Basis[1]	19,224	46,429	(58.6)

N/M = not meaningful

[1] 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 on a Current Operating Basis remained positive in 2014-2015 as cost reduction initiatives helped offset the decline in revenue and funding. The decrease in revenue this year was due to two main factors. First, prior year results include advertising revenue from our February 2014 broadcast of the Sochi Olympic Winter Games. In addition, this year marked the first year in which we did not have advertising revenue for a full year of broadcasting *Hockey Night in Canada (HNIC)*, following the end of our contract with the NHL in June 2014. A weaker advertising market relative to last year also contributed to a lesser extent to the decline in revenue. These decreases were partly offset by higher revenue generated from our coverage of the 2014 FIFA World Cup Brazil last summer.

While our production spending associated with the broadcast of last year's Sochi 2014 Winter Olympics and hockey games also notably decreased in 2014-2015, we have been successful in reducing other operating expenses through cost management initiatives. Together, these decreases led to a reduction in our expenses of $151.4 million (8.1%) compared to the prior year. These reductions were partly offset by severance costs associated with the workforce initiatives announced during the year and the production costs incurred to broadcast the 2014 FIFA World Cup Brazil. These cost-reduction initiatives now provide us with a balanced budget for 2015-2016, which responds to the lower revenue base following the end of our NHL contract, the changes in the broadcasting industry, and our lower level of government funding.

Government funding recognized for accounting purposes was $54.8 million (5.0%) lower in the current year. This primarily reflects the lower levels of government appropriations received of $45.5 million and lower capital funding recognized for accounting purposes of $8.5 million this year following the implementation of initiatives to reduce our asset base.

Net results reflected a loss of $47.4 million for the year, compared with a loss of $18.0 million in the prior year. In addition to revenue, expenses and government funding, this year's results include non-operating gains of $38.7 million, mostly from a gain on the sale of Sirius XM Canada Holdings Inc. (SiriusXM) shares for $33.5 million. Included in net results for both years are items that do not currently generate or require funds from operations, as explained on the following page.

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

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

Results on a Current Operating Basis amounted to a gain of $19.2 million this year, a decrease of $27.2 million when compared to last year. This decrease primarily reflected lower revenue and lower government funding recognized in income this year, consistent with the last instalment of our share of reductions announced in Federal Budget 2012.

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Net results under IFRS for the year	(47,391)	(17,953)	N/M
Items not generating or requiring funds from operations			
Pension and other employee future benefits	45,813	58,799	(22.1)
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	23,473	16,452	42.7
Other provisions for non-cash items	(2,671)	(10,869)	(75.4)
Results on a Current Operating Basis	19,224	46,429	(58.6)

N/M = not meaningful

Jeun'Info – ICI Radio-Canada.ca

SUMMARY – TOTAL COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Net results under IFRS for the year	(47,391)	(17,953)	N/M
Other comprehensive income	187,457	203,812	(8.0)
Total comprehensive income for the year	140,066	185,859	(24.6)

N/M = not meaningful

In addition to pension costs included in net results, quarterly remeasurements of our pension and other future employee benefit plans resulted in other comprehensive income of $187.5 million this year. This was due to non-cash remeasurements resulting from changes in actuarial assumptions and returns on pension plan assets. More information on these remeasurements is included within Note 16 of our Consolidated Financial Statements.

REVENUE

The following paragraphs explain the revenue decrease of $167.7 million (21.8%) in 2014-2015 compared to last year.

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Advertising			
English Services	194,750	334,070	(41.7)
French Services	138,670	157,119	(11.7)
	333,420	491,189	(32.1)
Subscriber fees			
English Services	74,731	75,326	(0.8)
French Services	58,083	57,951	0.2
	132,814	133,277	(0.3)
Financing and other income			
English Services	57,656	62,157	(7.2)
French Services	33,957	40,371	(15.9)
Corporate Services	42,288	40,836	3.6
	133,901	143,364	(6.6)
TOTAL	600,135	767,830	(21.8)

Advertising

Advertising revenue was lower this year by $157.8 million (32.1%) due to reductions in both English and French Services of $139.3 million (41.7%), and $18.4 million (11.7%) respectively.

Last fiscal year's coverage of the Sochi 2014 Olympic Winter Games in February 2014 generated advertising revenue on multiple platforms for both English and French Services. The absence of this income in 2014-2015 mostly explains the decrease in revenue. This decrease was partly offset by additional revenue from the broadcast of the 2014 FIFA World Cup Brazil in June and July 2014.

Other factors contributing to lower advertising revenue was the end of our contract with the NHL following Rogers' acquisition of the broadcast rights and a weaker advertising market this year. Helping to offset these revenue decreases is the absence of rights costs and production costs for NHL hockey, as discussed below in Operating Expenses. Our balanced budget for 2015-2016 considers both the absence of NHL hockey for a full fiscal year and the possibility of continued softness in the advertising market.

Subscriber fees

Subscriber fees were marginally lower by $0.5 million (0.3%) in 2014-2015 over the prior year. Higher fees resulting from the increased popularity of ICI EXPLORA, the launch of the new Extra offer from ICI Tou.tv and the launch of Curio.ca were offset by slight decreases in other services, mainly CBC News Network, ICI RDI and ICI ARTV.

Financing and other income

Financing and other income was lower by $9.5 million (6.6%) compared to last year. This was partly due to a $16.8 million reduction in LPIF contributions for both English and French Services. The fund was fully phased out on August 31, 2014. Another contributing factor to the decrease in English and French Services' other income was the recognition of non-advertising Olympic revenue in 2013-2014.

These decreases were partly offset by new revenue recognized as a result of our agreement with Rogers for ongoing coverage of *Hockey Night in Canada*, in which CBC provides certain services and airtime to Rogers. Additionally, revenue increased from the receipt of digital rights revenue from broadcasting the 2014 FIFA World Cup Brazil and the FIFA U-20 Women's World Cup, as well as from an increase in retransmission rights and higher rentals of excess space as we continue to reduce our real estate footprint by finding third-party tenants to rent our excess space.

OPERATING EXPENSES

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Television, radio and digital services costs			
English Services	939,164	1,038,297	(9.5)
French Services	683,670	723,926	(5.6)
	1,622,834	1,762,223	(7.9)
Transmission, distribution and collection	71,758	71,959	(0.3)
Corporate management	9,823	10,741	(8.5)
Payments to private stations	2,386	2,364	0.9
Finance costs	30,574	30,870	(1.0)
Share of results in associate	(15,083)	(4,440)	N/M
TOTAL	1,722,292	1,873,717	(8.1)

N/M = not meaningful

The following paragraphs explain the operating expenses decrease of $151.4 million (8.1%) in 2014-2015 compared to last fiscal year.

Television, radio and digital services

English Services' and French Services' expenditures decreased by $99.1 million (9.5%) and $40.3 million (5.6%) respectively.

In 2013-2014, costs were higher because they included the coverage of the Sochi 2014 Olympic Winter Games. The impact of successful cost-reduction initiatives implemented across the Corporation also contributed to the lower expenditures in 2014-2015. In addition, English Services' costs reflect the lower production spending following the end of our agreement with the NHL in June 2014.

This overall decrease was partly offset by higher production costs from broadcasting the 2014 FIFA World Cup Brazil last summer and by the recognition of severance costs across the Corporation following restructuring announcements in June and November 2014, and March 2015.

Other operating expenses

The decrease of $0.9 million (8.5%) in corporate management expenses was also mainly due to cost-reduction initiatives in 2014-2015.

The increase in the share of results in associate line of $10.6 million was mainly attributable to the receipt of a special dividend from SiriusXM of $10.4 million on June 19, 2014.

GOVERNMENT FUNDING

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Parliamentary appropriations for operating expenditures	929,284	975,618	(4.7)
Parliamentary appropriations for working capital	4,000	4,000	-
Amortization of deferred capital funding	102,812	111,280	(7.6)
TOTAL	1,036,096	1,090,898	(5.0)

Parliamentary appropriations for operating expenditures decreased by $46.3 million (4.7%) in 2014-2015 compared to the previous year. This is consistent with implementing the final phase of Federal Budget 2012.

Capital funding is recorded as deferred capital funding. It is amortized and recognized as revenue over the same periods as the related property and equipment, and intangible assets are used in CBC/Radio-Canada's operations. The decrease of $8.5 million (7.6%) largely reflects the lower value of our asset base as we simplify our infrastructure and reduce our real estate footprint, consistent with our strategy.

NON-OPERATING ITEMS

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Gain on sale of shares	33,548	-	N/A
Dilution gain	-	1,040	(100.0)
Gain (loss) on disposal of property and equipment and intangibles	5,122	(4,004)	N/M
TOTAL	38,670	(2,964)	N/M

N/A = not applicable

N/M = not meaningful

Non-operating gains of $38.7 million this year resulted mainly from the July 2014 sale of a portion of our investment in the share capital of SiriusXM for a gain of $33.5 million. Gains of $5.1 million from the disposal of property and equipment and intangible assets include expected insurance proceeds and the associated write-off of a mobile production vehicle that was destroyed by fire. Other net gains in 2014-2015 were due to asset retirements and disposals as we continue to renew equipment and reduce our real estate footprint.

TOTAL COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Net results for the year	(47,391)	(17,953)	N/M
Other comprehensive income			
Remeasurements of defined benefit plans	187,457	203,812	(8.0)
Total comprehensive income for the year	140,066	185,859	(24.6)

N/M = not meaningful

Total comprehensive income recognized this year was $140.1 million, compared to $185.9 million in the prior year. In addition to net results, total comprehensive income includes remeasurements of pension plan values. These remeasurements are driven by significant non-cash fluctuations in our pension plan's obligations and assets that occur when actual results or interest rates differ from our actuarial assumptions. We recognize these movements immediately in other comprehensive income each reporting period.

This year's $187.5 million in other comprehensive income was driven by a higher return on plan assets than that used in our assumptions. The higher return on plan assets was partly offset by an increase in our plan obligations due mainly to a 75-basis-point decrease in the discount rate used to value these long-term liabilities.

4.2 FINANCIAL CONDITION, CASH FLOW AND LIQUIDITY

Our main sources of liquidity are parliamentary appropriations for operating, capital and working capital requirements and self-generated revenue such as from selling advertising on our various platforms. As a result of Federal Budget 2012, our annual appropriations are now reduced by $115.0 million annually. Additionally, $47.1 million in funding from the LPIF was phased out in August 2014 and a salary inflation funding freeze was reintroduced for fiscal years 2014-2015 and 2015-2016.

In response to these reductions, new financial pressures on our self-generated revenue, and other funding pressures (as discussed in Business Model, section 1.4), we are implementing our new strategic plan, *A space for us all*, as we address fundamental changes based on a much different funding and revenue model.

Our cash flows from operating, investing and financing activities for the year are summarized below. Our cash balance at March 31, 2015, was $214.9 million, compared to $62.0 million on March 31, 2014. This reflects a temporary position in cash following several one-time receipts this year (as outlined below), which the Corporation will be investing in 2015-2016 in accordance with our strategic priorities. These investments will be made in new content development and infrastructure to increase our agility and lower long-term operating costs. Further details of these objectives can be found in the Strategic Highlights section of this report.

CASH POSITION

(in thousands of Canadian dollars)	For the year ended March 31		
	2015	2014	% change
Cash - beginning of the year	61,974	51,459	20.4
Changes in the year			
Cash from operating activities	116,461	24,418	N/M
Cash used in financing activities	(61,765)	(58,906)	4.9
Cash from investing activities	98,214	45,003	N/M
Net change	152,910	10,515	N/M
Cash - end of the year	214,884	61,974	N/M

N/M = not meaningful

Cash from operating activities

Cash from operating activities was $116.5 million this year, an increase of $92.0 million compared to last year. Cash from operations is impacted each year by fluctuations in working capital. This year, we also generated additional cash in operations from several sources, the largest being collections on advertising revenue following our broadcast of the Sochi 2014 Olympic Winter Games.

Cash used in financing activities

Cash outflows for financing activities were $61.8 million, higher than last year by $2.9 million, as a result of cash used in February 2015 to settle our remaining obligations under finance leases for mobile and office equipment and to purchase the related assets. Other cash outflows for financing activities in both years presented above relate to interest payments, repayments of the Toronto Broadcasting Centre bonds, payments of notes payable and payments to meet obligations under our satellite transponder finance leases.

Cash from investing activities

Investing activities generated cash of $98.2 million this year, compared to $45.0 million in 2013-2014. The additional cash inflows this year were mostly attributable to the receipt of $33.5 million in net proceeds from the July 2014 sale of a portion of the shares that we hold in SiriusXM. In addition, current year investing activities included dividends received of $16.9 million from our remaining investment in SiriusXM, an increase of $9.8 million over last year. Finally, the higher proceeds from disposing of property and equipment also contributed to the increase in cash inflows from investing activities this year.

4.3 SEASONALITY AND QUARTERLY FINANCIAL INFORMATION

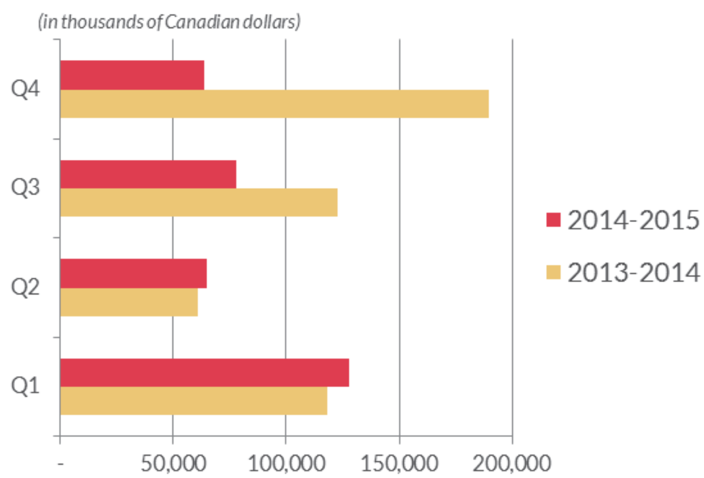
The following table shows condensed financial data for the previous eight quarters. This quarterly information is unaudited, but has been prepared on the same basis as the annual consolidated financial statements. We discuss the factors that caused our results to vary over the past eight quarters throughout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

(in thousands of Canadian dollars)	For the year ended March 31, 2015				For the year ended March 31, 2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	192,592	138,129	142,971	126,443	184,152	127,568	189,897	266,213
Expenses	(469,521)	(362,923)	(416,216)	(473,632)	(467,000)	(387,480)	(460,893)	(558,344)
Government funding	247,755	128,177	265,305	394,859	253,982	266,392	230,585	339,939
Net results before non-operating items	(29,174)	(96,617)	(7,940)	47,670	(28,866)	6,480	(40,411)	47,808
Non-operating items	(4,395)	43,410	1,988	(2,333)	(1,515)	(759)	(286)	(404)
Net results under IFRS	(33,569)	(53,207)	(5,952)	45,337	(30,381)	5,721	(40,697)	47,404
Results on a Current Operating Basis	(7,421)	(55,536)	15,394	66,787	(590)	9,443	(15,841)	53,417

Our operating results are subject to seasonal fluctuations that materially impact quarter-to-quarter operating results.

Historically, our operating results have been seasonal, with the third and fourth quarters of each financial year typically being higher, as both additional revenue and expenses were incurred to broadcast both regular season and playoff hockey games. With the end of CBC's contract with the NHL in June 2014, we expect the seasonality of our revenue will be less specific and generally more reflective of market, economic and viewership patterns affecting all conventional broadcasters. Revenue generated during the second quarter of the year is usually at its lowest level because the summer season attracts fewer viewers. In contrast, revenue in the third quarter is comparably higher as both television use and the propensity to spend rises significantly during the Christmas season.

Advertising Revenue by Quarter



Higher revenue in the first and second quarter of 2014-2015 relative to last year was mainly driven by the impact on advertising revenue of our coverage of the FIFA 2014 World Cup Brazil in the summer of 2014. Lower revenue for the third and fourth quarters of this year relative to 2013-2014 resulted mainly from the inclusion of Sochi 2014 Winter Olympic Games coverage in our advertising revenue last year and the loss of hockey-related advertising revenue this fiscal year following the end of our contract with the NHL.

Expenses also tend to follow a seasonal pattern because they are influenced by the programming schedule. As shown previously, expenses were relatively low in the second quarters of 2014-2015 and 2013-2014. Operating costs 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 2014-2015 were mostly attributable to the costs incurred to cover the FIFA 2014 World Cup and those associated with the implementation of restructuring initiatives, consistent with our new strategic plan, *A space for us all*. Comparatively, higher expenses in the third and fourth quarters of last year were mainly due to higher programming costs for both the coverage of the Sochi 2014 Olympic Winter Games and *Hockey Night in Canada*.

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 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, the Corporation recorded higher levels of non-operating gains and losses in 2014-2015 compared to 2013-2014 following the gain of $33.5 million from the sale of a portion of our investment in the share capital of SiriusXM.

Shailyn Pierre-Dixon and Aunjanve Ellis on The Book of Negroes red carpet – CBC Television

4.4 OUTLOOK

CBC/Radio-Canada faces a volatile economy in a highly competitive media environment. While we have addressed budget shortfalls during 2014-2015, we must continue to be prudent in our financial planning to address potential risks to our revenue and operations.

As we announced on April 10, 2014, we needed to cut $130 million from our budget, which included eliminating 657 full-time positions. Most of these positions have now been eliminated.

On June 26, 2014, we unveiled our new strategy, *A space for us all*, which will allow us to continue to adapt and keep pace in a volatile environment. It is a framework within which the Corporation can make strategic choices, even as market conditions and audience habits evolve. The three priority areas are relevance, organizational agility and financial sustainability.

CBC/Radio-Canada must create a sustainable financial model that includes a manageable cost structure, an adequate and reliable income stream, and enough free cash flow to invest in the future. Our financial plan supports *A space for us all* through four objectives:

- Reduce the fixed cost base to balance the budget for the foreseeable future;
- Create a reserve to help manage financial risk or to invest in strategic initiatives;
- Reinvest in line with strategic priorities; and
- Diversify revenues and share risks through partnerships.

A detailed review of proposed savings was completed, and a comprehensive, five-year financial plan was approved by the Board of Directors in November 2014. This included creating organizational scalability by reducing our workforce by up to 1,500 over the next five years. Some 400 full-time positions were eliminated from the first implementation phase of the strategic plan as announced on October 30, 2014. On March 26, 2015, it was announced that a further approximately 240 positions would be eliminated from the second implementation phase of the strategic plan. By the end of the next fiscal year, two-thirds of the anticipated cuts will have been announced.

In October 2013, the CRTC initiated *Let's Talk TV*, a discussion about the future of Canada's television system. CBC/Radio-Canada participated in the public hearing in September 2014 and submitted comments and a proposal for changes to the regulatory regime for television services in Canada. In November 2014, the CRTC began releasing a series of decisions as a result of *Let's Talk TV*, the last of which was announced on March 26, 2015. These regulatory changes could have an adverse effect on our business, the extent to which is unclear at this time. Below is a summary of some of these decisions and how they will affect CBC/Radio-Canada:

- The Commission ruled that local TV stations must keep operating their over-the-air transmitters. The Commission did not address funding issues in the decision, announcing instead its intention to re-examine the overall state of local television programming in the 2015-2016 fiscal year.
- The CRTC is requiring cable and satellite service providers to offer a small basic package costing no more than $25 per month as an alternative to the basic services they currently offer. Cable and satellite providers can continue to offer their existing big basic package, provided that it includes all of the services in the mandated small basic package and provided that the new small basic is offered separately. In most markets, this package currently includes our national news services.
- The CRTC announced a pick-and-pay framework where all discretionary services must eventually be offered on a stand-alone basis and in small packages.
- The CRTC's decision to immediately eliminate genre protection means that our competitors will be able to offer programming similar in format and content to our specialty services, namely, *documentary* and ICI ARTV. On the other hand, our specialty services will have more flexibility for genres of programming previously reserved to other specialty services.
- With the exception of services that benefit from a mandatory distribution order, there will be an increased reliance on market forces for the distribution of discretionary services. This change will take effect at licence renewal time. At the same time, enhanced protections will be provided for independent services. The CRTC will require vertically integrated companies to offer one English and French-language independently owned channel for each of their own English and French-language channels (the 1:1 rule).
- The CRTC is strengthening the Code of Conduct between cable and satellite providers and broadcasters to enhance the protections for independent programming services, ensuring Canadians have access to a range of independently owned channels, including all the specialty services owned by CBC/Radio-Canada. The Commission anticipates that this will be implemented in September 2015.

CBC's broadcast and digital rights contract with the NHL ended in June 2014. Rogers Communications Inc. (Rogers) was granted exclusive hockey broadcast rights for the next 12 years, beginning with the 2014-2015 hockey season. On November 25, 2013, the Corporation reached an agreement with Rogers for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Under this arrangement, we continue to broadcast *HNIC*, for the next four years, but no longer pay rights costs or retain the associated advertising revenue. We also provide production resources for the games aired on CBC, retain ownership of the *HNIC* brand, and broadcast CBC/Radio-Canada promotional material during the games.

The government confirmed that it was reintroducing a salary inflation funding freeze for fiscal years 2014-2015 and 2015-2016. The impact of this has been accounted for in our recently announced reductions.

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. As announced as part of *A space for us all*, we have increased our real estate infrastructure reduction target to at least half of the current footprint, representing two million square feet by 2020. We have completed a Functional and Technical Program (FTP) review at the Canadian Broadcast Centre in Toronto to determine the production and space needs moving forward. Based on this review, we will explore our options for the facility. We also moved, in November 2014, from two owned buildings in Halifax into one rented facility. On May 7, 2015, CBC/Radio-Canada rejected the proposal submitted for the Maison de Radio-Canada redevelopment project as it did not meet our requirements. We will be working over the next few months to review our alternatives. See Infrastructure, section 3.1, for more details.

In September, the Canada Industrial Relations Board (CIRB) ruled in favour of CBC/Radio-Canada's application for a review of the bargaining unit structure for employees working in the province of Quebec and the city of Moncton. That structure, in place since 1995, consisted of four bargaining units. The Corporation believes that the structure must be streamlined in order to succeed in today's highly competitive environment and properly meet audience expectations. On May 15, 2015, the CIRB ruled that the new French Services union structure will comprise two bargaining units. One of these unions will represent members of CUPE 675, STARF-CUPE 5757 and the SCRC, while the other will represent Association des réalisateurs (AR) members. Employees will vote for the new bargaining unit that will represent them prior to commencing negotiations.

CBC/Radio-Canada has been awarded the Canadian broadcast rights for the 2015 Pan Am and Parapan Am Games to be held in the Greater Toronto Area in July and August respectively and for the Olympic Games in 2018 in PyeongChang, South Korea, and 2020 in Tokyo, Japan. The Corporation announced that it will partner with Bell Media and Rogers Communications to broadcast these Olympic Games.

Le téléjournal, Céline Galipeau, Patrice Roy and Pascale Nadeau, ICI Radio-Canada Télé / ICI RDI

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, the Corporation must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. Given our statutory mandate to serve all Canadians, CBC/Radio-Canada also faces unique public expectations and financial challenges.

It is CBC/Radio-Canada policy to develop, implement and practice effective risk management to ensure risks and opportunities that impact the Corporation's strategies, objectives and operations are identified, assessed and managed appropriately.

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

1 BOARD

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.

2 AUDIT COMMITTEE

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.

3 SENIOR EXECUTIVE TEAM

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.

4 MEDIA AND SUPPORT BUSINESS UNITS

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 year 2014-2015 and the ongoing impact into 2015-2016.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
1. *A space for us all* Strategy Implementation		
The public broadcaster's ability to deliver its mandate is challenged by a shift from traditional television to specialty television and digital platforms, rapid technology evolution, changing media consumption habits, and industry fragmentation. The new strategic plan, *A space for us all*, is a framework within which the Corporation can make strategic choices, even as market conditions and audience habits evolve. The ability to execute the strategy will determine achievement of plan objectives.	Take leadership in initiating a conversation amongst key players to reshape ecosystem and industry funding requirements. Continue to promote and share strategic plan information with stakeholders both internally and externally. Emphasize context and shifts in the media landscape that demonstrate a need for our plan. Continue to reaffirm that changes associated with the strategy are needed, to ensure that CBC/Radio-Canada is better positioned to meet the evolving needs of Canadians and the fundamental shifts transforming the media landscape. Take leadership in bringing together international public broadcasters to reflect on strategic challenges. Review and adjust the organizational structure to ensure it is optimally aligned with the strategic plan. Develop and implement change management strategies. Monitor implementation closely to ensure adherence to plan.	The new strategic framework will position the Corporation to succeed now, as well as in an age beyond traditional broadcasting. It will ensure that the services we provide, and the operating model that supports those services, evolve in tandem with the changing expectations of Canadians and the movements of our industry.
2. Budget Concerns		
CBC/Radio-Canada is faced with financial challenges that include an industry-wide softening of the advertising market, a shift of advertising dollars from traditional television to digital platforms and the NHL's decision to move to a single, exclusive broadcaster. These reductions are in addition to significant pressures already managed by the Corporation since 2008-2009, including Federal Budget 2012 ($115 million), the elimination of the Local Programming Improvement Fund (LPIF) ($47 million), and the salary inflation funding freeze for five of the last six fiscal years ($65 million). Due to limited financial flexibility, initiatives under the *A space for us all* strategic plan must be funded by reductions to other services	The implementation of the *A space for us all* strategy will result in the reduction of up to 1,500 positions by 2020. Two-thirds of the reductions are expected to be announced by March 31, 2016. Reductions required to finance *A space for us all* have been identified and incorporated into the five-year financial plan developed to support the new strategy. Detailed monitoring to ensure expected outcomes are achieved.	Underachievement of reduction targets, further advertising weakening and/or further government funding reductions may require changes to implementation plans.
3. Workforce Challenges – Recruiting, Training, Retaining and Empowering a Skilled Workforce		
The degree to which staff is aligned with the Corporation's new strategic plan will have an impact on engagement, retention and our ability to achieve objectives. Managers and employees require the necessary skill set to adapt to an accelerated pace of change and the transformation needs of *A space for us all*. Staff reductions create a climate of uncertainty and stress that may lead to reduced morale, lower productivity and increased turnover.	Develop and implement an enterprise change management plan, including change management support activities linked to major projects that enable *A space for us all*. Change management activities will include the following: transparent communication to employees and unions; involvement of employees in change; continued investment in learning and development; and increased efforts to recognize employee contributions. Implement action plans to address recommendations of the Rubin Report on the internal review of allegations of improprieties in the workplace by former radio host Jian Ghomeshi.	The retention and engagement of a strong workforce is essential to achieve strategic objectives.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
4. Reputation and Brand Management		
CBC and Radio-Canada are among the most prominent and most discussed brands in the country. In addition, they are brands that every Canadian feels rightly justified in having and expressing an opinion on. At any time an event or an incident, large or small, can touch a nerve and instigate a controversy of national proportions. There is a risk that negative perceptions of CBC/Radio-Canada may undermine credibility and stakeholder support.	Use of a comprehensive issue management system that: - monitors the environment; - identifies potential issues and the stakeholder groups they could affect; - prepares for them; and - provides messaging and guidance to senior leaders, line managers and communications staff across the system. Strong crisis management response that stresses transparency and decisive action is implemented to address critical issues.	Clean and transparent action plans to deal with critical issues will improve credibility and stakeholder support.
5. Section 18.1 Radio-Canada Union Structure Review		
On September 19, 2014, the Canada Industrial Relations Board (CIRB) ruled in favour of our position that the four Radio-Canada existing bargaining units should be consolidated to improve collective bargaining. On May 15, 2015, the CIRB ruled that the new French Services union structure will comprise two bargaining units. There is a risk that prolonged CIRB proceedings will make the negotiation of the first collective agreement long and difficult. This could negatively affect the working relationship between management and employees, and negatively affect implementation plans of *A space for us all* and the attainment of plan objectives.	Continue transparent communications to employees and unions, and involvement of employees in development of strategic initiatives.	Commence negotiation with the new bargaining unit and Association des réalisateurs (AR) members.
6. Real Estate Replacement and Optimization		
There are risks that infrastructure replacement and optimization projects may be delayed or are unsuccessful, leading to: - continued risk of ownership (capital and operating costs and management of excess space); and - inability to achieve stated real estate footprint reduction target of approximately two million square feet by 2020.	Sell or reduce space in non-functional or under-utilized buildings when positive business case exists. Continue competitive leasing strategy for surplus facilities.	Continue with initiatives to sell or rent excess capacity in CBC/Radio-Canada facilities. In light of the termination of the Montreal Maison de Radio-Canada redevelopment project process on May 7, 2015, we are reviewing our alternatives. A project is underway to consider our options with respect to the Toronto Broadcast Centre.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
7. Regulatory Issues		
A. CRTC Television Policy		
There is a risk regulatory decisions will negatively affect the carriage of CBC/Radio-Canada's specialty television channels.	Assess potential ramifications of CRTC decisions to CBC/Radio-Canada revenues and operations, and develop, implement or modify strategies as required.	Monitor and participate in CRTC follow-up proceedings. The implementation of the *Let's Talk TV* decisions, such as small basic packages and discretionary services being offered on a stand-alone basis or in small packages, may negatively impact subscriber and advertising revenue. The potential impact of such decisions will become clearer in the coming months as BDU strategies become more-defined.
B. Music Rights, Royalties and Tariffs		
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.	Proactively advance our position with the CMF, including participation in the CMF National Focus Group.	CMF released the 2015-16 Performance Envelope results to broadcasters in April 2015. CBC and Radio-Canada's Performance Envelopes increased overall by $1.1 million ($2.4 million increase for Radio-Canada offset by a $1.3 million decrease for CBC).

Peter Mansbridge, Chief Correspondent of CBC News

5. FINANCIAL REPORTING DISCLOSURE

5.1 FUTURE ACCOUNTING STANDARDS

Refer to Note 3 of the consolidated financial statements for information pertaining to accounting changes effective during 2014-2015 and for information on issued accounting pronouncements that will be effective in future years.

5.2 KEY ACCOUNTING ESTIMATES AND CRITICAL JUDGMENTS

Discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS. Our key significant accounting estimates and critical judgments are contained in Note 4 of our annual financial statements. During the year, a new significant estimate arose from the valuation of the advertising minutes given up as part of the Rogers deal. Full details are included in Note 7 of our consolidated financial statements.

5.3 TRANSACTIONS WITH RELATED PARTIES

Investments in associate

On July 28, 2014, we sold 4.8 million Class A shares in Sirius XM Canada Holdings Inc. (SiriusXM), decreasing our equity interest to 10.2% and our voting interest to 9.7%.

Transactions with defined benefit pension plans

We made employer contributions to defined benefit plans as discussed in Note 26. We also provided management and administrative services to our defined benefit pension plans.

Financial Review

INTERNAL CONTROLS

The Corporation has an internal control program based on the 2013 Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, which requires periodic reviews of key controls over financial reporting. This program continues to evolve towards industry best practices, with an aim to maintain and strengthen policies and procedures that ensure the reliability of financial information and the safeguarding of assets.

A dedicated internal control team reviews and evaluates key internal controls over financial reporting on an ongoing basis. This program is supported by the Corporation's internal auditors, who conduct audits and reviews (some of which relate to financial reporting and operations) identified using a risk-based approach and agreed upon through discussions with the Corporation and its Audit Committee.

In 2014-2015, the Corporation assessed the design and operating effectiveness of certain key internal controls over financial reporting. The assessment did not identify any material weaknesses in the operating effectiveness of the internal controls, but identified some opportunities for improvements for which management has developed an action plan, many elements of which have already been implemented. The Corporation will continue to address opportunities for improvement in the coming year.

Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements and all other information presented in this Annual Report are the responsibility of management and have been reviewed and approved by the Board of Directors of the Corporation. These consolidated financial statements, which include amounts based on management's best estimates as determined through experience and judgment, have been properly prepared within reasonable limits of materiality and are in accordance with International Financial Reporting Standards.

Management of the Corporation maintains books of account, records, financial and management controls, and information systems, which are designed to provide reliable and accurate financial information on a timely basis. The controls provide reasonable assurance that assets are safeguarded, that resources are managed economically and efficiently in the attainment of corporate objectives, that the operations of the Corporation are carried out effectively, and that transactions are in accordance with the applicable provisions of Part X of the *Financial Administration Act* and regulations, Part III of the *Broadcasting Act* and the by-laws of the Corporation.

The Corporation's Internal Auditor has the responsibility for assessing the Corporation's systems, procedures and practices. The Auditor General of Canada conducts an independent audit of the annual consolidated financial statements and reports on his audit to the Minister of Canadian Heritage and Official Languages.

The Board of Directors' Audit Committee, which consists of five members, none of whom is an officer of the Corporation, reviews and advises the Board on the consolidated financial statements and the Auditor General's report thereto. The Audit Committee oversees the activities of Internal Audit and meets with management, the internal auditor and the Auditor General on a regular basis to discuss the financial reporting process, as well as auditing, accounting and reporting issues.

Hubert T. Lacroix,

President and Chief Executive Officer

Judith Purves,

Vice-President and Chief Financial Officer

Ottawa, Canada

June 23, 2015

Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage and Official Languages

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Canadian Broadcasting Corporation, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of income (loss), consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Canadian Broadcasting Corporation as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Broadcasting Corporation and its wholly-owned subsidiary that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the applicable provisions of Part X of the *Financial Administration Act* and regulations, Part III of the *Broadcasting Act* and the by-laws of the Canadian Broadcasting Corporation and its wholly-owned subsidiary.

Maurice Laplante, CPA, CA
Assistant Auditor General
for the Auditor General of Canada

23 June 2015
Ottawa, Canada

In thousands of Canadian dollars

Consolidated Statement of Financial Position

	NOTE	March 31, 2015	March 31, 2014 (Revised - NOTE 3B)	April 1, 2013 (Revised - NOTE 3B)
ASSETS				
Current				
Cash	5	214,884	61,974	51,459
Trade and other receivables	6	151,444	277,020	184,470
Programming	7	170,177	211,728	250,984
Merchandising inventory		274	257	755
Prepaid expenses		26,859	21,134	31,958
Promissory notes receivable	8	2,474	2,308	2,154
Investment in finance lease	9	2,759	2,568	2,387
Derivative financial instruments	25	269	681	629
Assets classified as held for sale	10	1,627	6,890	1,801
		570,767	584,560	526,597
Long-term				
Property and equipment	10	902,752	946,537	997,710
Intangible assets	11	25,324	23,396	17,563
Assets under finance leases	12	20,389	34,083	41,374
Pension plan	16	190,342	25,642	-
Programming	7	140,113	11,986	6,740
Promissory notes receivable	8	43,507	45,961	48,250
Investment in finance lease	9	47,379	50,138	52,706
Deferred charges		17,252	10,032	2,786
Investment in associate	13	-	1,855	3,473
		1,387,058	1,149,630	1,170,602
TOTAL ASSETS		1,957,825	1,734,190	1,697,199
LIABILITIES				
Current				
Accounts payable and accrued liabilities	14	87,534	106,297	96,213
Provisions	15	40,962	32,623	51,296
Pension plans and employee-related liabilities	16	154,876	140,525	135,593
Programming liability	7	15,151	-	-
Bonds payable	17	21,663	21,101	20,578
Obligations under finance leases	18	10,232	11,743	10,906
Notes payable	19	8,319	8,124	7,960
Deferred revenues		30,105	9,423	8,982
Option liability	13	-	1,875	1,875
		368,842	331,711	333,403
Long-term				
Deferred revenues		39,154	18,205	9,039
Pension plans and employee-related liabilities	16	247,245	224,212	343,605
Programming liability	7	33,446	-	-
Bonds payable	17	251,237	264,599	277,008
Obligations under finance leases	18	20,671	33,676	44,447
Notes payable	19	100,513	106,930	113,049
Deferred capital funding	22	520,200	518,272	525,696
		1,212,466	1,165,894	1,312,844
Equity				
Retained earnings		375,976	236,117	50,392
Total equity attributable to the Corporation		375,976	236,117	50,392
Non-controlling interests	13	541	468	560
TOTAL EQUITY		376,517	236,585	50,952
TOTAL LIABILITIES AND EQUITY		1,957,825	1,734,190	1,697,199

Contingencies (NOTE 15) and Commitments (NOTE 27)

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

APPROVED BY THE BOARD OF DIRECTORS: DIRECTOR DIRECTOR

In thousands of Canadian dollars

Consolidated Statement of Income (Loss)

	NOTE	For the year ended March 31 2015	2014
REVENUE	20		
Advertising		333,420	491,189
Subscriber fees		132,814	133,277
Other income		123,067	134,605
Financing income		10,834	8,759
		600,135	767,830
EXPENSES			
Television, radio and digital services costs		1,622,834	1,762,223
Transmission, distribution and collection		71,758	71,959
Corporate management		9,823	10,741
Payments to private stations		2,386	2,364
Finance costs	21	30,574	30,870
Share of results in associate	13	(15,083)	(4,440)
		1,722,292	1,873,717
Operating loss before Government funding and non-operating items		(1,122,157)	(1,105,887)
GOVERNMENT FUNDING	22		
Parliamentary appropriation for operating expenditures		929,284	975,618
Parliamentary appropriation for working capital		4,000	4,000
Amortization of deferred capital funding		102,812	111,280
		1,036,096	1,090,898
Results before non-operating items		(86,061)	(14,989)
NON-OPERATING ITEMS			
Gain on sale of shares	13	33,548	-
Dilution gain	13	-	1,040
Gain (loss) on disposal of property and equipment and intangibles	10, 11	5,122	(4,004)
		38,670	(2,964)
Net results for the year		(47,391)	(17,953)
Net results attributable to:			
The Corporation		(47,598)	(18,087)
Non-controlling interests	13	207	134
		(47,391)	(17,953)

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

In thousands of Canadian dollars

Consolidated Statement of Comprehensive Income

	NOTE	For the year ended March 31	
		2015	2014
COMPREHENSIVE INCOME			
Net results for the year		(47,391)	(17,953)
Other comprehensive income - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	16	187,457	203,812
Total comprehensive income for the year		140,066	185,859
Total comprehensive income attributable to:			
The Corporation		139,859	185,725
Non-controlling interests	13	207	134
		140,066	185,859

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

In thousands of Canadian dollars

Consolidated Statement of Changes in Equity

	NOTE	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2014		236,117	468	236,585
Changes in year				
Net results for the year		(47,598)	207	(47,391)
Remeasurements of defined benefit plans	16	187,457	-	187,457
Total comprehensive income for the year		139,859	207	140,066
Distributions to non-controlling interests	13	-	(175)	(175)
Acquisition of non-controlling interest	13	-	41	41
Balance as at March 31, 2015		375,976	541	376,517

		Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2013		50,392	560	50,952
Changes in year				
Net results for the year		(18,087)	134	(17,953)
Remeasurements of defined benefit plans	16	203,812	-	203,812
Total comprehensive income for the year		185,725	134	185,859
Distributions to non-controlling interests	13	-	(226)	(226)
Balance as at March 31, 2014		236,117	468	236,585

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

In thousands of Canadian dollars

Consolidated Statement of Cash Flows

	NOTE	For the year ended March 31 2015	2014 (Revised - NOTE 3B)
CASH FLOWS FROM (USED IN)			
OPERATING ACTIVITIES			
Net results for the year		(47,391)	(17,953)
Adjustments for:			
(Gain) loss on disposal of property and equipment and intangibles	10, 11	(5,122)	4,004
Gain on sale of shares	13	(33,548)	-
Financing income		(10,834)	(8,759)
Finance costs	21	30,574	30,870
Change in fair value of financial instruments designated as at fair value through profit and loss	25	412	(52)
Depreciation of property and equipment	10	110,650	114,443
Amortization of intangible assets	11	6,499	8,560
Depreciation of assets under finance leases	12	8,049	8,384
Share of results in associate	13	(15,083)	(4,440)
Dilution gain	13	-	(1,040)
Change in deferred charges		(7,220)	(7,246)
Change in programming asset [long-term]	7	(126,362)	(5,246)
Change in programming liability [long-term]	7	32,485	-
Amortization of deferred capital funding	22	(102,812)	(111,280)
Change in deferred revenues [long-term]		19,391	822
Change in pension plan asset	16	(164,700)	(25,642)
Change in pension plans and employee-related liabilities [current]	16	(4,727)	2,542
Change in pension plans and employee-related liabilities [long-term]	16	210,489	84,419
Acquisition of non-controlling interests	13	41	-
Accretion of promissory notes receivable	8	(20)	(19)
Movements in working capital	24	215,690	(47,949)
		116,461	24,418
FINANCING ACTIVITIES			
Repayment of obligations under finance leases	18	(14,505)	(11,024)
Repayment of bonds	17	(12,409)	(11,525)
Repayment of notes	19	(6,209)	(5,928)
Distributions to non-controlling interests	13	(175)	(226)
Interest paid		(28,467)	(30,203)
		(61,765)	(58,906)
INVESTING ACTIVITIES			
Parliamentary appropriations for capital funding	22	104,740	103,856
Additions to property and equipment	10	(68,263)	(70,206)
Additions to intangible assets	11	(10,247)	(12,536)
Investment in subsidiary	13	(1,875)	-
Proceeds from disposal of property and equipment	10	9,642	3,439
Proceeds from disposal of shares	13	33,548	-
Collection of promissory notes receivable	8	2,280	2,126
Collection of finance leases receivable	9	2,417	2,253
Dividends received	13	16,938	7,098
Interest received		9,034	8,973
		98,214	45,003
Change in cash		152,910	10,515
Cash, beginning of the year		61,974	51,459
Cash, end of the year		214,884	61,974

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

Notes to the Consolidated Financial Statements for the Year Ended March 31, 2015

(In thousands of Canadian dollars, unless otherwise noted)

1. GENERAL INFORMATION

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

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

These consolidated financial statements have been authorized for issuance by the Board of Directors on June 23, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Compliance

The Corporation has prepared these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the Accounting Standards Board (AcSB).

B. Basis of Preparation

i. Subsidiaries and Structured Entities

The consolidated financial statements include the accounts of the Corporation, its subsidiaries, ARTV and Documentary Channel (*documentary*), and two structured entities, the Broadcast Centre Trust and the CBC Monetization Trust. These entities are deemed to be controlled by the Corporation.

Control over an entity exists when the following three elements are present: an investor has power over an investee (i.e. the right to direct the relevant activities of the investee); an investor is exposed to or has right to variable returns of the investee; and the investor has the ability to exercise its power over the investee to affect the returns of the investee.

The financial statements of subsidiaries and structured entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries and structured entities are consistent with those of the Corporation.

Non-controlling interests in the equity of the Corporation's subsidiaries are included in Equity. Non-controlling interests in subsidiaries are identified separately from the Corporation's equity therein. The interest of non-controlling shareholders that represent current ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

All components of non-controlling interests have been measured at their acquisition-date fair values, unless another measurement basis is required by IFRS. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity less any distributions made to the non-controlling interest holders. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Corporation's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Corporation's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owner of the Corporation.

ii. Associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not result in control or joint control over those policies.

The financial results, assets and liabilities of the Corporation's associate, Sirius XM Canada Holdings Inc. (SiriusXM), are incorporated in these consolidated financial statements using the equity method of accounting. Interests in investments accounted for using the equity method are initially recognized at cost. The carrying value of the Corporation's interest in an associate is adjusted for the Corporation's share of income, other comprehensive income and distributions of the associate. The accounting policies of the associate are consistent with those of the Corporation.

When the Corporation's share of losses exceeds its interest in an associate, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the associate.

When the Corporation transacts with an associate of the Corporation, profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

Investments in associates are assessed for indicators of impairment at the end of each reporting period. Any impairment loss is recognized when the net carrying amount is not recoverable and exceeds its fair value.

C. Government Funding

The Corporation receives a substantial portion of its funding from the Government of Canada. Parliamentary appropriations for operating expenditures and Parliamentary appropriations for working capital are recognized as revenues in the Consolidated Statement of Income in the fiscal year for which the appropriations were approved.

Parliamentary appropriations for property and equipment and intangible assets that are subject to depreciation are recorded as deferred capital funding on the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income on the same basis and over the same periods as the assets acquired using the appropriations.

Parliamentary appropriations for the purchase of land are recorded in the Consolidated Statement of Income.

D. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable arising from the rendering of services and sale of goods in the ordinary course of the Corporation's activities. Revenue is recorded net of discounts. Revenue includes advertising, subscriber fees, other income and financing income, and is recognized when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the Corporation, and specific criteria have been met for each of the Corporation's activities described below.

i. Advertising revenues

Revenues from the sale of advertising airtime are recognized when the advertisement has been broadcast, the Corporation has no remaining obligations and collectability is reasonably assured.

ii. Subscriber fees

Subscriber fees include revenue related to specialty television channels and other subscription-based sales of programming. Revenue is recognized when the delivery has occurred, or when services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured.

iii. Other income

Other income includes revenues from the leasing of space, facilities and services; commercial production sales; program sponsorship; retransmission rights; host broadcaster's activities; goods sales; and contributions from the Local Programming Improvement Fund (LPIF). These are recognized when the delivery has occurred or when services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured.

Rental income from the leasing of space or contracting of facilities and related services is recognized in the Consolidated Statement of Income as other income on a straight-line basis over the term of the lease.

Lease incentives granted are recognized as a part of the rental income over the term of the lease.

Revenue from the sale of other services is recognized when the service has been delivered and the receipt of the income is probable. Where the delivery is over a period of time and an indeterminate number of acts, the revenue is recognized on a straight line basis. Examples of services sold include commercial production sales, program sponsorship and other services revenues.

Retransmission rights and LPIF contributions are recognized on an accrual basis in accordance with the substance of the relevant agreements.

Revenue from the sale of goods is recognized when the risks and rewards of ownership of the goods have been passed to the customer and the Corporation has released all managerial involvement surrounding the goods.

iv. Financing Income

Financing income includes interest revenue from bank accounts, notes receivable and on the investment in finance lease. Interest revenue from notes receivable and the investment in finance lease is recognized using the effective interest method, whereas bank interest is recognized as it is earned.

E. Deferred Revenues

Deferred revenues are revenues received in advanced for facilities and production services not yet provided. Deferred revenues also relate to rent-free periods granted on leases where the Corporation is a lessee, as well as payments received for services not yet rendered. Deferred revenues are recognized in the Consolidated Statement of Income on a straight-line basis over the terms of the agreements.

F. Television, Radio and Digital Services Costs

Television, radio and digital services costs include all costs related to the production of programs, including direct out-of-pocket expenditures, departmental and administration expenses, the cost of activities related to technical labour and facilities. A portion of the expenses that are attributable to the cost of generating programming, such as services provided by Human Resources, Finance and Administration, Building Management and other shared services, as well as a portion of depreciation and amortization are also included in the related expenses. Television, radio and digital services costs also include programming-related activities, such as Marketing and Sales, Merchandising and Communications.

G. Transmission, Distribution and Collection Costs

Transmission, distribution and collection costs include all costs related to the broadcasting of the Corporation's programs, including direct out-of-pocket expenditures, departmental and administration expenses, and the cost of activities related to technical labour. A portion of the expenses that are attributable to the cost of transmission and distribution, such as services provided by Human Resources, Finance and Administration, Building Management and other Shared Services, as well as a portion of depreciation and amortization are included in the related expenses.

H. Finance costs

Finance costs comprise the interest attributable to bonds payable, obligations under finance leases, notes payable and the accretion of liabilities. Finance costs are recognized in the Consolidated Statement of Income in the period in which they are incurred using the effective interest method.

I. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs. The Corporation's fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are:

Level 1 – Fair value measurement derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Fair value measurements derived from inputs that are directly (i.e. as prices) or indirectly (i.e. derived from prices) observable other than Level 1 inputs.

Level 3 – Fair value measurements derived from valuation techniques that require inputs which are both based on unobservable market data and significant to the overall fair value measurement.

In thousands of Canadian dollars

J. Programming

Programming consists of internally produced television programs, externally produced television programs that require the Corporation's involvement during the production, and acquired licence agreements for programming material.

Programming completed and in the process of production (excluding acquired licence agreements) is recorded at cost less accumulated amortization and accumulated write offs, on an individual basis. Costs include materials and services, labour and other direct expenses applicable to programming.

Payments made under the terms of each acquired licence agreement are recorded as either current or non-current programming. Licence agreements are recorded as current programming if the rights to broadcast start within the next twelve months and as non-current programming if the right to broadcast starts beyond twelve months. Non-current programming rights are transferred to current programming once they are expected to be broadcast within the next twelve months.

Programming costs are recognized in television, radio and digital services costs on the Consolidated Statement of Income, according to the expense recognition schedule described in this section, or when deemed unusable, or when sold.

The amortization of programming costs is subject to the following expense recognition schedule, which is based on past broadcast experiences, audience results and future telecast plans.

Costs of programs that are not considered to be recoverable are written off and recorded in the Consolidated Statement of Income as television, radio and digital services costs.

For programs with multiple telecasts, management uses the following recognition basis:

Category	Description	Expense recognition schedule by telecast
Movies	All movie genres	CBC: 50% / 30% / 20% RC: 45% / 20% / 20% / 15%
Series	Includes: Dramatic series, comedy series and animated programs (excluding strips[1])	Dramatic series: CBC: 70% / 20% / 10% RC: 85% / 15% All other series: 70% / 30%
Factual	Factual, informal education and game shows (excluding strips[1])	70% / 30%
Documentaries	Includes all type of documentaries	CBC: 50% / 30% / 20% RC: 100%
Arts, Music and Variety	Includes: Arts, music and variety programs and sketch comedy programs (excluding strips[1])	70% / 30%
Youth	Youth and children drama programs Other youth programs Children - animated and pre-school programs	70% / 30% 34% / 33% / 33% Evenly over each telecast up to a maximum of 5 telecasts
Programs telecast as strips[1]	With the intent to strip from 1st run	Evenly over each telecast up to a maximum of 5 telecasts
Programs telecast as strips[1]	With the intent to strip after 2nd run	50% / 30% / 20%

[1]Method of broadcasting consecutive episodes.

During the 2014-2015 fiscal year, the Corporation made a change in the expense recognition schedule for the movies and documentaries programming categories. For French Services, the recognition schedule for movies has been revised to 45% / 20% / 20% / 15% (2014 – 50% / 30% / 20%). For English Services, the recognition schedule for documentaries has been revised to 50% / 30% /20% (2014 – 70% / 30%). This change in estimate was determined through an analysis of the categories' broadcast experience, audience results and management's intention for future telecasts. The total impact of this change resulted in an increase in current programming assets of $3.9 million as at March 31, 2015 and a corresponding decrease in expenses recognized in the statement of income for the year ended March 31, 2015. Due to the nature of programming assets and fluctuations in the programming schedule, it is impracticable to estimate the effect of this change on future periods.

K. Property and Equipment and Assets Under Finance Lease

Property and equipment and assets under finance lease are recorded at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the items. The cost of assets constructed by the Corporation includes material, direct labour and related overhead. Amounts included in uncompleted capital projects are transferred to the appropriate property and equipment classification upon completion.

Depreciation of property and equipment is calculated on the straight-line method using rates based on the estimated useful life of the property and equipment, and begins when an asset becomes available for its intended use. Where major parts of an asset have useful lives different from the asset as a whole, they have been componentized and depreciated according to the major components to which they pertain. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Assets under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the related lease unless it is reasonably certain the Corporation will obtain ownership by the end of the lease term. Assets under finance lease are treated in the same manner as owned assets.

Leasehold improvements are capitalized and then depreciated over the shorter of the lease term or the asset's useful life.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The useful lives used in the calculation of depreciation are as follows:

Buildings	15 to 65 years
Technical equipment	
Transmitters and towers	20 years
Electrical equipment	16 years
Other	8 years
Furnishings and office equipment	10 years
Computers (hardware)	
Servers	5 years
Microcomputers	3 years
Automotive	
Specialized vehicles	20 years
Television and radio news trucks, 5-ton and 10-ton heavy trucks	12 years
Snowmobiles, all-terrain vehicles	10 years
Utility vehicles, vans	8 years
Automobiles and minivans	5 years

The Corporation derecognizes an item of property and equipment on disposal, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognized as a non-operating item in the Consolidated Statement of Income.

L. Intangible Assets

The Corporation's intangible assets comprise software acquired separately and internally developed software for internal use.

Software acquired separately is recorded at cost at the acquisition date.

Expenditures relating to internally developed computer software applications are capitalized to the extent that the project is technically feasible, the Corporation intends to and has sufficient resources to complete development and to use or sell the asset, development costs can be measured reliably, and it is probable that the asset will generate future economic benefits. The amount initially recognized for internally developed software is the total of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Capitalization ceases when the developed asset is ready for use.

Subsequent expenditures on an intangible asset after its purchase or completion are recognized as expenses when incurred, unless it is probable that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance, and the expenditure can be measured and attributed to the asset reliably. Where no internally developed software can be recognized, development expenditures are recognized in the Consolidated Statement of Income in the period in which they are incurred.

Subsequent to initial recognition, software acquired separately and internally developed software are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives (three to five years) and the amortization expense is allocated between the various functions on the Consolidated Statement of Income, for presentation purposes. The estimated useful life and amortization method are reviewed at the end of each fiscal year, with the effect of any changes in estimate being accounted for on a prospective basis.

The Corporation derecognizes an intangible asset on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal or retirement of an intangible asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized as a non-operating item in the Consolidated Statement of Income.

M. Asset Impairment

The carrying amounts of the Corporation's property and equipment, intangible assets, assets under finance lease and programming assets are reviewed at each reporting date at the cash-generating unit ("CGU") level to determine whether there is any indication of impairment. For the purpose of impairment testing, a CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Assets are tested at the CGU level when they cannot be tested individually.

Assets that are not yet available for use are tested for impairment at every reporting period regardless of whether an impairment indicator exists.

Under the Corporation's business model, no assets are considered to generate cash flows that are largely independent of the cash flows of other assets and liabilities. Instead, all assets interact to create the "broadcast network production operation" which includes real estate, equipment and intangible assets. These operations are funded by overall parliamentary appropriations, national and local advertising and other commercial revenues. Overall levels of cash flow reflect public policy requirements and decisions. They reflect budgetary funding provided to the Corporation in its entirety. If there are indicators of impairment present, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

N. Financial Instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

i. Classification of Financial Instruments

The Corporation's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Classification	Measurement
Cash	FVPTL	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Promissory notes receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Bonds payable	Other liabilities	Amortized cost
Notes payable	Other liabilities	Amortized cost
Derivatives	Held for trading	Fair value

ii. Effective Interest Method

The effective interest method is a method of calculating the amortized cost of an asset or debt instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the asset or debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income and expense is recognized on an effective interest basis only for financial instruments measured at amortized cost, except for short-term receivables when the recognition of interest would be immaterial.

iii. Financial Assets

Financial assets of the Corporation are classified into the following specified categories: financial assets at FVTPL (including held for trading) and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives.

Financial assets at FVTPL are stated at fair value, with any changes in fair value arising on remeasurement recognized in "Other income" in the Consolidated Statement of Income. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

The Corporation does not hold any investments classified as held-to-maturity or available-for-sale.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

For financial assets, objective evidence of impairment could include:

- breach of contract, such as a default or delinquency in interest or principal payments;
- significant financial difficulty of the issuer or counterparty;
- it becomes probable that the counterparty will enter bankruptcy;
- there are noted recent changes in the credit rating of the counterparty;
- there are known anomalies or negative economic trends in industries in which a significant portion of outstanding debtors operate.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a group of receivables 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.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of Financial Assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

iv. Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or "other financial liabilities".

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in "Other income" or "Finance costs," respectively, in the Consolidated Statement of Income. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

v. Derivative Financial Instruments

The Corporation enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Corporation does not apply hedge accounting to its derivatives.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting unrealized gain or loss is recognized in Consolidated Statement of Income immediately.

The fair values of derivative financial instruments are presented in the Consolidated Statement of Financial Position; the positive fair values are reported as derivative financial assets and the negative fair values are reported as derivative financial liabilities.

vi. Embedded Derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the host contracts are not measured at FVTPL.

O. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.

P. Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation recognizes any impairment loss on the assets associated with that contract.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Q. Contingencies

Contingent liabilities are not recognized in the Consolidated Statement of Financial Position. They may arise from uncertainty as to the existence of a liability, or represent an existing liability in respect of which settlement is not probable or, in rare cases, the amount cannot be reliably measured. A liability is recognized when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

R. Post-Employment Benefits

The Corporation provides pension and long-term service retirement benefits based on the length of service and final average earnings of its employees, and other defined benefit post-employment benefit plans to its employees such as post-employment life insurance.

The cost of the defined benefit retirement plans are determined on an actuarial basis using the projected unit credit method and management's best assumptions (such as the rate of compensation, inflation, retirement ages of employees and mortality of members), with actuarial valuations being carried out at the end of each annual reporting period.

The components of defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income;
- remeasurements.

Service cost and net interest expense or income are recognized as part of net results for the period. Past service costs, generally resulting from changes in the benefits payable for past services under an existing plan, are recognized in the Consolidated Statement of Income in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. These components, in aggregate, are allocated between the various functions on the Consolidated Statement of Income.

Remeasurements, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), are reflected immediately in the Consolidated Statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are never subsequently reclassified to net results. The Corporation transfers all remeasurements directly from other comprehensive income to retained earnings as a policy choice.

The liability recognized in the Consolidated Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate determined by reference to market yields at the end of the reporting period on high quality Canadian corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation.

When the actuarial calculation results in a benefit asset to the Corporation, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan of the Corporation. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.

S. Employee Benefits Other than Post-Employment

i. Short-term benefits including short-term compensated absences

The Corporation recognizes the expense relating to short-term benefits as follows:

- for salaries, social security contribution, bonuses and vacations in the period the employees render the services;
- for employee health, dental and life insurance plans in the period the expenses are incurred; and
- for short-term non-accumulating compensated absences such as sick leave, parental leave, short-term disability and workers' compensation in the period the absence occurs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The liability associated with these benefits is not discounted due to its short term nature.

ii. Other long-term employee benefits

Other long-term employee benefits liabilities are recognized as follows:

- for long-term disability and workers' compensation when the event that obligates the Corporation occurs;
- for continuation of benefit coverage for employees on long-term disability and the non-contributory long-term benefit plan, the provision is determined on an actuarial basis using discount rates and assumptions consistent with those used for post-employment benefits and the related expense is recognized over the period the employees render the services. Actuarial gains (losses) and past service costs are recognized immediately in the Consolidated Statement of Income in the period they occur.

iii. Termination benefits

The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the Corporation recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of a voluntary departure, the Corporation can no longer withdraw an offer of termination benefits when either the employee accepts the offer, or when a restriction on the Corporation's ability to withdraw the offer exists. In the case of an involuntary departure, the Corporation can no longer withdraw an offer of termination benefits when it has communicated to the affected employees a plan of termination.

T. Assets Classified as Held for Sale

An asset is classified 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 highly 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.

U. Leasing

i. The Corporation as a lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

ii. The Corporation as a lessee

Leases in which the Corporation assumes substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which the Corporation does not assume substantially all the risks and rewards of ownership are classified as operating leases.

An asset acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses.

Payments made under finance leases are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

V. Deferred Charges

Deferred charges are primarily composed of services paid in advance that will be received in a period that exceeds twelve months from the date of the Consolidated Statement of Financial Position.

W. Foreign Currencies

The consolidated statements are presented in Canadian dollars ($), which is the functional and presentation currency of the Corporation and its subsidiaries and consolidated structured entities.

Transactions in a currency other than the Corporation's functional currency are translated into the functional currency at the foreign exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate at the Consolidated Statement of Financial Position date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates prevailing at the date of the transaction.

X. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. Current tax

The tax currently payable is based on taxable net results for the year. Taxable net results differs from net results as reported in the Consolidated Statement of Income because of items of income or expense that are taxable or deductible in other years or because of items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred tax

As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, the Corporation operates within a specific operating structure to match cash expenses with available resources, and to break even over the long term. The Corporation uses appropriations only to the extent required to fund its operating expenses, and may not borrow to fund working capital shortfalls. Therefore, the Corporation does not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, the expected deferred tax asset or liability is not recognized in the consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.

Y. Related Parties

The related parties of the Corporation consist mainly of government departments, agencies, Crown Corporations, subsidiaries, key management personnel of the Corporation or close family members of these individuals, private companies over which the Corporation has significant influence, and the Corporate Pension Plan. The Corporation is related in terms of common ownership to all Government of Canada created departments, agencies and Crown corporations.

The Corporation enters into transactions with these 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.

Z. Regulatory Licences

The Corporation holds licences, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all its conventional television, radio and specialty services. The Corporation is required to meet specific regulatory obligations in return for the privilege of holding a broadcasting licence. The Corporation has elected to record this non-monetary grant at its nominal value of nil.

In thousands of Canadian dollars

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. 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, 2014. These pronouncements had no impact on the consolidated financial statements as at and for the year ended March 31, 2015.

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 were effective for annual reporting periods beginning on or after January 1, 2014, on a retrospective basis.

IFRIC 21 *Levies*

IFRIC 21, effective for annual periods beginning on or after January 1, 2014, 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.

B. Change in Presentation

i. Programming

Beginning July 1, 2014, the Corporation changed the presentation of programming assets in its Statement of Financial Position. This change was made to consolidate programming as one current asset and one non-current asset to further align with industry practice and to provide readers with improved transparency around programming assets at each reporting date. Following this change, no amounts related to programming or programming rights will be included as part of prepaid expenses or deferred charges. This change had the following impacts on Statement of Financial Position line items, with no impact on reported results or equity in any reporting period:

	As at March 31, 2014		
	As previously reported	Change	Revised
ASSETS			
Current			
Programming	135,389	76,339	211,728
Prepaid expenses	97,473	(76,339)	21,134
Long-term			
Programming	-	11,986	11,986
Deferred charges	22,018	(11,986)	10,032

	As at April 1, 2013		
	As previously reported	Change	Revised
ASSETS			
Current			
Programming	145,379	105,605	250,984
Prepaid expenses	137,563	(105,605)	31,958
Long-term			
Programming	-	6,740	6,740
Deferred charges	9,526	(6,740)	2,786

ii. Pension plans

At March 31, 2015, the Corporation's funded pension plan was in a significant net asset position. Therefore at year-end, the long-term net asset of the funded pension plan is presented separately from the liabilities of the unfunded plans on the Statement of Financial Position. To conform to this presentation, prior year net assets of the funded plan were reclassified from long-term liabilities to present $25.6 million separately in long-term assets. This change had no impact on the Corporation's reported results or equity.

C. Future Accounting Changes

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

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

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

The amendments to IFRS 10 and IAS 28 (2011) were issued in September 2014. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture and are effective for annual reporting periods beginning on or after January 1, 2016, on a prospective basis.

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

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

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*

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

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

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

Amendments to IFRS 11 *Joint Arrangements*

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

Annual Improvements to IFRSs: 2012-2014 Cycle

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

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

IFRS 9 *Financial Instruments*

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

IFRS 15 *Revenue from Contracts with Customers*

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

Amendments to IAS 1 *Disclosure Initiative*

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGEMENTS

A. Key Sources of Estimation Uncertainty

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions 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.

The critical estimates and assumptions utilized in preparing the Corporation's consolidated financial statements affect the assessment of the following areas:

- Accounting for defined benefit pension plans requires that assumptions be made to help value benefit obligations. The primary assumptions and estimates include the discount rate and mortality rates. The discount rate is used to determine the net interest that is used to calculate the net defined benefit liability or asset. The mortality assumption is used in projecting the future stream of benefit payments, which is then discounted to arrive at the net present value of liabilities. Changes to these primary assumptions and estimates would impact amounts recognized in net results and amounts recognized in Other Comprehensive Income, as applicable. A sensitivity analysis of these changes in primary assumptions is disclosed in Note 16.
- The Corporation is required to estimate the expected useful lives of property and equipment and intangible assets. In determining the expected useful lives of these assets, the Corporation takes into account past experience, industry trends and internally-specific factors, such as changing technologies and expectations for the in-service period of these assets. The appropriateness of useful lives of these assets is assessed annually. Changes to useful life estimates would affect future depreciation or amortization expenses and future carrying values of assets. Useful lives of property and equipment are included in Note 2K and intangible assets in Note 2L.
- The Corporation is required to determine an appropriate amortization rate for each type of programming. Management's intended use for each program-type, along with historical experience and audience viewership patterns are taken into consideration when determining the expense recognition schedule for programming. (See 2J). Management periodically reviews amortization rates. Changes in these assumptions could result in adjustments to amounts recognized in the statement of financial position and statement of income (loss).

- When it has been determined by management that the Corporation has a provision to be accrued, assumptions about the amount and likelihood of outflows and their timing are considered in determining a reliable estimate for the obligation. Factors affecting these assumptions include the nature of the provision, the existence of the claim amount, opinions or views of legal counsel and other advisors, experience in similar circumstances, and any decision of management as to how the Corporation intends to handle the obligation. In addition, the Corporation has provided for workforce reductions which are also complex processes and involve making and reassessing estimates. The actual amount and timing of outflows may deviate from assumptions, and the difference might materially affect future consolidated financial statements, with a potentially adverse impact on the consolidated results of operations, financial position and liquidity. The Corporation's provisions are further discussed in Note 15.
- The Corporation has estimated the value of non-monetary consideration provided to Rogers Communications Inc. for *Hockey Night in Canada* sublicensing over the next four years. Additional information and nature of this agreement is disclosed in Note 7.

In making estimates and using assumptions, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and assumptions have been applied in a manner consistent with prior periods and there are no known commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making these estimates in these consolidated financial statements.

Estimates are regularly reviewed by management and changes in those estimates are recognized prospectively by including them in the 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.

B. Critical Judgements

The critical judgements that the Corporation's management has made in the process of applying the Corporation's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Corporation's consolidated financial statements are as follows:

- 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;
- The determination that an arrangement for satellite transponders constitutes a lease under IFRIC 4 and the determination that this lease and the ones related to a mobile production vehicle and office equipment meet the criteria of a finance lease because the Corporation has a right to use the related assets conveyed by the agreements;
- The determination that, as of the reporting date, deferred taxes should not be recognized because the Corporation does not expect to generate material taxable income or losses in the periods temporary differences are scheduled to reverse due to its specific operating structure;
- The determination that an arrangement to lease a portion of a building owned by the Corporation meets the criteria of an operating lease and that the leased portion of the building does not qualify as investment property under IAS 40 Investment Property;
- The Corporation exercised significant influence over SiriusXM at March 31, 2015, while holding less than 20% voting control (Note 13); and
- The determination of the components related to the Corporation's property and equipment.

Determinations of critical judgements are reassessed at each reporting date.

In thousands of Canadian dollars

5. CASH

	March 31, 2015	March 31, 2014
Cash in hand	682	828
Bank balances	214,202	61,146
	214,884	61,974

Interest revenue generated from bank balances and included in Financing income totalled $2.3 million for the year (2014 – $1.7 million).

6. TRADE AND OTHER RECEIVABLES

	March 31, 2015	March 31, 2014
Trade receivables	140,999	263,554
Allowance for doubtful accounts	(2,683)	(3,719)
Other	13,128	17,185
	151,444	277,020

Credit terms average 30 days. The Corporation recognizes an allowance for doubtful accounts for receivables where there is objective evidence of impairment. Objective evidence is determined in accordance with Note 2Niii.

Before accepting new advertising 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 6A) 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 concentration of risk from these agencies is limited because the Corporation is largely funded through parliamentary appropriations. As such, the Corporation has determined that it is not subject to the concentration of credit risk typical of broadcasters who mostly rely on commercial revenue. However, the Corporation mitigates the credit risk of advertising receivables by performing initial and ongoing credit evaluations of advertising customers.

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

	March 31, 2015	March 31, 2014
31 - 60 days	22,481	129,016
61 - 90 days	13,096	21,195
Over 90 days	16,724	16,858
Total	52,301	167,069

In thousands of Canadian dollars

B. Movement in Allowance for Doubtful Accounts

	March 31, 2015	March 31, 2014
Opening balance	(3,719)	(3,627)
Amounts written off during the period as uncollectible	2,000	831
Impairment losses reversed	349	523
Net increase in allowance for new impairments	(1,313)	(1,446)
Balance, end of year	(2,683)	(3,719)

7. PROGRAMMING

A. Programming by Category

	March 31, 2015	March 31, 2014 (Revised)	April 1, 2013 (Revised)
Completed programs - externally produced	58,511	66,171	71,522
Completed programs - internally produced	3,407	3,978	8,493
Programs in process of production - externally produced	34,249	34,779	32,782
Programs in process of production - internally produced	5,479	7,889	6,196
Broadcast rights available for broadcast within the next twelve months	68,531	98,911	131,991
	170,177	211,728	250,984
Broadcast rights not available for broadcast within the next twelve months	140,113	11,986	6,740
	310,290	223,714	257,724

B. Movement in Programming

	March 31, 2015	March 31, 2014 (Revised)
Opening balance	223,714	257,724
Additions	1,070,776	1,102,079
Programs broadcast	(984,200)	(1,136,089)
Balance, end of year	310,290	223,714

The programming write-offs included in the Programs broadcast line in the above table for the year ended March 31, 2015, amount to \$5.0 million (2014 – \$5.6 million). Programming write-offs are mainly due to terminated projects, programs not telecasted in the past two years, programming not suitable for telecast or pilots not progressing into a series.

In the current year, the Corporation's agreement with Rogers Communications Inc. (Rogers) commenced for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Under this arrangement, the Corporation has acquired the right to broadcast hockey in exchange for providing Rogers with facilities and production services, use of certain trademarks and with airtime to generate advertising revenue. The agreement is for four years with an optional one-year extension at Rogers' discretion. As no monetary amounts are to be exchanged, an estimate of the value of four year broadcast licence acquired was calculated based on the fair value of assets given-up and has been recorded as Programming in the Corporation's consolidated financial statements. The fair value of facilities, production services and trademarks to be used by Rogers was determined using market rates. The fair value of airtime provided to Rogers was determined using the Corporation's advertising rate cards for the programs displaced as a result of airing hockey. An estimate of the corresponding costs associated with the provision of facilities and production services as well as deferred revenue was recorded in the liabilities of the Corporation's consolidated financial statements. The Corporation is recognizing these items in revenue and expenses over the four-year term of this agreement as games are aired and as related services are provided.

In thousands of Canadian dollars

8. PROMISSORY NOTES RECEIVABLE

Through the CBC Monetization Trust, a structured entity, the Corporation has two promissory notes receivable relating to the sale of parcels of land. These notes, which mature in May 2027, bear a fixed annual interest rate of 7.15%, with payments made in arrear in equal blended monthly instalments. The notes have a carrying value of $45.6 million (March 31, 2014 – $47.9 million) and are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable.

The Corporation provided an absolute and unconditional guarantee of the full payment and timely payments of receivables by the ultimate debtors until 2027.

The Corporation also holds a promissory note receivable from SiriusXM that is non-interest bearing and is expected to be repaid within the next five years. The carrying amount at March 31, 2015, is $0.4 million (March 31, 2014 – $0.3 million).

Future minimum payments receivable under the term of the notes are as follows:

	March 31, 2015		March 31, 2014	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
Less than one year	5,567	2,474	5,567	2,308
Later than one year but not later than five years	22,673	12,179	22,673	11,370
More than five years	39,900	31,328	45,467	34,591
Less: unearned financing income	(22,159)	-	(25,438)	-
Present value of minimum payments receivable	45,981	45,981	48,269	48,269

Interest income included in current year's revenues and presented as financing income is $3.1 million (2014 – $3.3 million).

Present value of minimum payments receivable:

	March 31, 2015	March 31, 2014
Included in the Consolidated Statement of Financial Position as promissory notes receivable:		
Current	2,474	2,308
Long-term	43,507	45,961
	45,981	48,269

In thousands of Canadian dollars

9. INVESTMENT IN FINANCE LEASE

The investment in finance lease, which is held by CBC Monetization Trust, relates to the rental of two parcels of land in Toronto that bear an implicit annual interest rate of 7.15% and with terms ending in May 2027. The lease receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through the notes payable.

The Corporation provided an absolute and unconditional guarantee of the full payment and timely payments of the finance lease by the ultimate debtors until 2027.

	March 31, 2015		March 31, 2014	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
Less than one year	6,050	2,759	6,050	2,568
Later than one year but not later than five years	24,199	12,519	24,199	11,671
More than five years	45,961	34,860	52,011	38,467
Less: unearned financing income	(26,072)	-	(29,554)	-
Present value of minimum lease payments receivable	50,138	50,138	52,706	52,706

Interest income included in current year's revenues and presented as financing income, is $3.2 million (2014 – $3.4 million).

Present value of minimum lease payments receivable:

	March 31, 2015	March 31, 2014
Included in the Consolidated Statement of Financial Position as investment in finance lease:		
Current	2,759	2,568
Long-term	47,379	50,138
	50,138	52,706

10. PROPERTY AND EQUIPMENT

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

	March 31, 2015	March 31, 2014
Cost	2,092,572	2,153,623
Accumulated depreciation	(1,189,820)	(1,207,086)
	902,752	946,537

In thousands of Canadian dollars

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

	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost as at March 31, 2013	179,207	542,901	52,866	1,274,106	138,738	23,479	2,211,297
Additions	-	-	-	14,472	5,130	58,055	77,657
Transfers (refer to Note 11)	-	9,141	1,147	35,102	7,111	(54,358)	(1,857)
Assets classified as held for sale	(4,480)	(2,353)	-	-	-	-	(6,833)
Disposals and write-offs	(18)	(2,425)	(1,139)	(114,654)	(8,399)	(6)	(126,641)
Cost as at March 31, 2014	174,709	547,264	52,874	1,209,026	142,580	27,170	2,153,623
Accumulated depreciation as at March 31, 2013	-	(146,971)	(23,910)	(940,444)	(102,262)	-	(1,213,587)
Depreciation for the year	-	(34,822)	(3,065)	(64,167)	(12,389)	-	(114,443)
Reclassification of depreciation on assets classified as held for sale	-	1,021	-	-	-	-	1,021
Reclassification of depreciation on disposals and write-offs	-	1,403	1,139	109,135	8,246	-	119,923
Accumulated depreciation as at March 31, 2014	-	(179,369)	(25,836)	(895,476)	(106,405)	-	(1,207,086)
Net carrying amount as at March 31, 2014	174,709	367,895	27,038	313,550	36,175	27,170	946,537

The contractual commitments for the acquisition of property and equipment are $11.9 million as at March 31, 2015 (March 31, 2014 – $15.3 million).

B. Impairment and Other Charges

No impairment losses were recorded during the year ended March 31, 2015 (2014 – nil).

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 highly 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.

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 Corporation has several properties classified as held for sale for accounting purposes at March 31, 2015. These properties are expected to be sold on a site by site basis over the next twelve months. Their carrying value, in addition to other assets held for sale, totals $1.6 million (March 31, 2014 – $6.9 million).

In thousands of Canadian dollars

D. Disposals

During the fiscal year, the Corporation sold properties located in Halifax, Nova Scotia, Windsor, Ontario and Yellowknife, Northwest Territories that were previously held for sale. The proceeds on the sale of these properties were $7.6 million and resulted in a gain of $2.7 million.

The Corporation recorded an amount of $8.7 million for insurance proceeds related to a mobile production vehicle that was damaged beyond repair in May 2014. A loss of $2.4 million related to this mobile unit was recorded during the first quarter of this fiscal year.

The recorded gains have been partly offset by losses from the disposal or retirements of equipment as part of the Corporation's normal asset refresh cycle.

There were no individually significant disposals recorded during the year ended March 31, 2014.

11. INTANGIBLE ASSETS

The intangible assets carrying amounts are as follows:

	March 31, 2015	March 31, 2014
Cost	176,695	169,728
Accumulated amortization	(151,371)	(146,332)
	25,324	23,396

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

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2013	139,316	14,316	2,293	155,925
Additions	-	117	12,419	12,536
Transfers (refer to Note 10)	2,167	9,454	(9,764)	1,857
Disposals and write-offs	(590)	-	-	(590)
Cost as at March 31, 2014	140,893	23,887	4,948	169,728
Accumulated amortization as at March 31, 2013	(134,328)	(4,034)	-	(138,362)
Amortization for the year	(2,982)	(5,578)	-	(8,560)
Reclassification of amortization on disposals and write-offs	590	-	-	590
Accumulated amortization as at March 31, 2014	(136,720)	(9,612)	-	(146,332)
Net carrying amount as at March 31, 2014	4,173	14,275	4,948	23,396

In thousands of Canadian dollars

12. ASSETS UNDER FINANCE LEASES

As at March 31, 2014, assets under finance leases consisted of leases for mobile equipment, office equipment and satellite transponders. The original terms of these leases were between four and seventeen years.

During the current year, the Corporation settled the remaining obligations and purchased the related mobile equipment and office equipment. At year-end, these assets and the related depreciation and accumulated depreciation are included in Property and Equipment in the Consolidated Statement of Financial Position as disclosed in Note 10.

	March 31, 2015	March 31, 2014
Cost - automotive	-	619
Cost - office equipment	-	2,328
Cost - technical equipment	-	7,434
Cost - satellite transponders	119,897	119,897
Accumulated depreciation – automotive	-	(114)
Accumulated depreciation – office equipment	-	(486)
Accumulated depreciation – technical equipment	-	(3,077)
Accumulated depreciation – satellite transponders	(99,508)	(92,518)
Net carrying amount	20,389	34,083

Depreciation for the year ended March 31, 2015, was $8.0 million (2014 – $8.4 million). For more information on the related obligations, refer to Note 18.

13. SUBSIDIARIES, CONSOLIDATED STRUCTURED ENTITIES AND ASSOCIATE

A. Subsidiaries and Consolidated Structured Entities

i. documentary

Through its 82% partnership interest in *documentary*, a specialty service broadcasting documentaries, the Corporation is currently able to exercise control over the entity through both its majority interest and active participation on *documentary's* Board of Directors and Board sub-committees.

The Corporation controls the entity as it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Accordingly, *documentary's* financial results are consolidated in the Corporation's books. *documentary*'s fiscal year end is August 31. Additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

ii. ARTV

ARTV is a French-language arts and entertainment specialty channel that has been broadcasting since September 2001 via cable and satellite. Since March 2015, the Corporation owns 100% of ARTV (2014 – 85 %) and, accordingly controls the entity through both its majority voting interest and active participation on ARTV's Board of Directors and Board sub-committees. The Corporation controls ARTV as it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Corporation consolidates ARTV's financial results in the Corporation's consolidated financial statements. ARTV's fiscal year end is August 31. Additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

In March 2015, the minority shareholder of ARTV exercised its option to compel the Corporation to purchase all of the minority shareholder's outstanding shares for the same consideration that was originally paid to purchase those shares, which equated to $1.9 million (1,875,000 shares at $1 per share). As such, the Corporation no longer recognizes a liability related to this option.

In thousands of Canadian dollars

iii. The Broadcast Centre Trust

The Broadcast Centre Trust (the TBC Trust) is a charitable trust that is a lessee under a long-term lease with the Corporation for the land on which the Canadian Broadcasting Centre (the building) is located in Toronto. The rent during the term is the sum of one dollar, paid on October 1, 1988. The TBC Trust is also a lessor under a long-term sub-lease with the Corporation for the Canadian Broadcasting Centre. In order to finance the construction of the building, the TBC Trust issued $400 million of bonds on January 30, 1997, which are guaranteed by the rent payments for the premises occupied by the Corporation. The rent payable by the Corporation to the TBC Trust covers all interest and principal on the bonds, all other payments on the bonds and all operating expenses and liabilities of the TBC Trust. The TBC Trust is a structured entity because it is designed to conduct a narrow well-defined activity of leasing on behalf of the Corporation and the entity confers on the Corporation the ultimate decision making powers over relevant activities that could expose the Corporation to variable returns. Accordingly, the financial results of the TBC Trust are consolidated in the Corporation's books. The TBC Trust's fiscal year is March 31.

iv. CBC Monetization Trust

In 2003, the Corporation sold two parcels of land to Ontrea Inc., a wholly owned subsidiary of Ontario Teachers' Pension Plan Board, for the consideration of two promissory notes receivable. The CBC Monetization Trust was created during 2009 as a charitable trust with the purpose of acquiring the Corporation's interest in the promissory notes receivable. The Corporation has determined that it bears the majority of the risk associated with the collection of the Trust's receivables through the guarantee it has provided. The CBC Monetization Trust is a structured entity because the Corporation established it for a narrow well-defined activity to monetizing long-term receivables as part of the Recovery Plan implemented to manage budgetary shortfalls in 2009-2010. Through a predefined contractual arrangement, the CBC Monetization Trust confers on the Corporation the majority of decision making powers over relevant activities that expose the Corporation to variable returns. Accordingly, the financial results of the CBC Monetization Trust are consolidated in the Corporation's books. The CBC Monetization Trust's fiscal year is December 31. Additional financial statements corresponding to the Corporation's reporting period are prepared for consolidation purposes.

The Corporation does not have interests in joint arrangements or unconsolidated structured entities.

As at March 31, 2015, the Corporation has one subsidiary with non-controlling interests (NCI): *documentary*. The NCI of the subsidiary represents the portion of ownership interest and the proportion of voting rights held. Information regarding this subsidiary is as follows:

	documentary		ARTV	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Principal place of business & incorporation	Canada	Canada	Canada	Canada
NCI in subsidiary	18.00%	18.00%	n/a	15.00%
NCI voting rights	18.00%	18.00%	n/a	15.00%
Net results attributable to NCI	216	137	(9)	(3)
Accumulated NCI	541	544	-	(76)

During the year, distributions totaling $0.2 million (2014 – $0.2 million) were paid to the other partners of *documentary*. There were no dividends or distributions paid to the NCI holders of ARTV during the year (2014 – nil).

In thousands of Canadian dollars

Summarized financial information for the subsidiaries before intra-company eliminations is as follows:

	documentary		ARTV	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash and cash equivalents	-	-	3,165	3,420
Current Assets	4,379	4,179	13,589	14,585
Long-term Assets	-	-	163	252
Current Liabilities	(707)	(728)	(1,903)	(2,853)

	documentary		ARTV	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Revenue	6,657	6,453	14,245	16,556
Net results and total comprehensive income	1,198	766	(136)	(21)
Operating cash flows	-	-	(294)	2,629
Increase (decrease) in cash and cash equivalents	-	-	(55)	2,653

There are no significant restrictions imposed on the Corporation's ability to access or use assets and settle the liabilities of the Corporation. Specifically, there are no significant restrictions imposed on the Corporation or its subsidiaries relating to their ability to transfer funds to their investors.

Through the CBC Monetization Trust, the Corporation has two promissory notes receivable and an investment in finance lease relating to the sale and rental of parcels of land. These receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable. The Corporation provided an absolute and unconditional guarantee of the full and timely payments of receivables by the ultimate debtors until 2027. See Notes 8 and 9 for further information.

The Corporation also guarantees, through its rent payments to the Broadcast Centre Trust, the bonds payable. See Note 17 for further details.

During the current year, the Corporation has not provided, and has no current intention to provide, any further financial and other support to its consolidated structured entities.

There have been no changes in ownership interests related to the Corporation's subsidiary, *documentary*, during the current or preceding year. In March 2015, the Corporation acquired the remaining 15% ownership interest in ARTV for a total consideration of $1.9 million. The difference between the carrying amount of non-controlling interest and the fair value of the consideration paid of $41 thousand was recognized directly in equity and attributable to the Corporation.

B. Associate

As at March 31, 2015, the Corporation held 13,056,787 Class A Subordinate Voting Shares in Sirius XM Canada Holdings Inc. (SiriusXM), which represented a 10.18% equity interest and a 9.67% voting interest. These shares were obtained following the conversion on March 21, 2014, of the Class B Voting Shares previously held by the Corporation. The Corporation's equity interest remained unchanged following this transaction.

The Corporation has a seat on the Board of Directors through its ownership of a 10.18% equity interest in SiriusXM. The Corporation therefore holds the power to participate in the financial and operating policy decisions of SiriusXM through this board representation, its voting interest and its ongoing business relationship with SiriusXM. As such, the Corporation concludes that it exerts significant influence and applies the equity method of accounting to its investment in SiriusXM.

On July 28, 2014, the Corporation sold 4,800,000 of its Class A shares in SiriusXM for net proceeds and a gain of $33.5 million.

SiriusXM, a corporation located and domiciled in Canada, is a satellite radio communications company offering a variety of content on a subscription basis across Canada, including 6 channels carrying the Corporation's programming.

SiriusXM's fiscal year end is August 31 for financial reporting purposes, which differs from that of the Corporation. IAS 28, *Investments in Associates and Joint Ventures*, limits the difference between the end of the reporting period of an associate and that of the investor to no more than three months. As such, the Corporation has included its portion of the interim results of SiriusXM for the period up to February 28, 2015, which falls within the allowed three month window. This corresponds to the latest information available for SiriusXM that can be disclosed publicly.

The fair value of the Corporation's investment in SiriusXM at March 31, 2015, was $71.8 million (March 31, 2014 – $154.5 million). Given that the fair value was determined using the closing market price of SiriusXM Class A shares (TSX: XSR) at March 31, 2015, the fair value measurement is considered a Level 1 measurement in the fair value hierarchy.

In thousands of Canadian dollars

SiriusXM has a policy to pay dividends on a quarterly basis, as well as to issue special dividends at their discretion. For the year ended March 31, 2015, the Corporation received quarterly and special dividends from SiriusXM totalling $16.9 million (2014 – $7.1 million). The following is the summarized financial information for the Corporation's investments:

	Ownership interest as at:		Carrying value as at:	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
SiriusXM - Class A shares	10%	14%	-	1,855

The summarized financial information presented below represents the amounts included in the IFRS financial statements of SiriusXM:

	March 31, 2015[1]	March 31, 2014[2]
Current assets	41,866	63,913
Long-term assets	256,300	294,109
Current liabilities	(215,575)	(201,551)
Long-term liabilities	(211,069)	(143,184)
Net assets	(128,478)	13,287

[1]These amounts reflect the SiriusXM balances as at February 28, 2015.

[2]These amounts reflect the SiriusXM balances as at February 28, 2014.

	March 31, 2015[1]	March 31, 2014[2] (revised)
Revenue	307,741	303,646
Net results and total comprehensive income (loss)	(17,548)	15,870

[1]Amounts for the year ended March 31, 2015, include SiriusXM results for the 12-month period ended February 28, 2015.

[2]Amounts for the year ended March 31, 2014, include SiriusXM results for the 12-month period ended February 28, 2014.

A reconciliation of the summarized financial information above to the carrying amounts of SiriusXM recorded on the Consolidated Statement of Financial Position is as follows:

	March 31, 2015	March 31, 2014
Opening balance	1,855	3,473
Share of results in associate[1]	-	4,440
Dividends received[1]	(1,855)	(7,098)
Dilution gain	-	1,040
Balance, end of year	-	1,855

[1] Total dividends received during the year ended March 31, 2015 of $16.9 million ($7.1 million - March 31, 2014). In the current year, dividends received exceeded the carrying value by $15.1 million. This excess is recognized in net results under Share of results in associate.

The Corporation has not recognized losses totalling $2.4M in relation to its interest in SiriusXM, because the Corporation has no obligation in respect of these losses.

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

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

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2015	March 31, 2014
Trade payables	31,999	38,806
Accruals	53,565	64,318
Other	1,970	3,173
	87,534	106,297

In thousands of Canadian dollars

15. PROVISIONS

	Claims and legal proceedings	Environmental	Restructuring costs		Total
			Workforce reduction	Decommissioning	
Opening balance as at April 1, 2014	31,130	588	-	905	32,623
Additional provisions recognized	11,009	15	17,132	2,105	30,261
Provisions utilized	(3,407)	(226)	(3,465)	(383)	(7,481)
Reductions resulting from remeasurement or settlement without cost	(6,688)	-	(7,231)	(522)	(14,441)
Balance, end of year	32,044	377	6,436	2,105	40,962

A. Restructuring costs

During the year ended March 31, 2015, the following initiatives were carried out as part of the Corporation's new strategic plan announced in June 2014 which requires a workforce reduction of up to 1,500 employees by 2020:

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

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

At March 31, 2015, the Corporation has provisions related to workforce reductions of $6.4 million (March 31, 2014 – nil) included in current liabilities.

The Corporation's decommissioning provision includes work associated with the shutdown of both analogue television and shortwave transmission services. Work associated with the provision of $2.1 million (March 31, 2014 – $0.9 million) is expected to be completed within the next year.

B. Claims and legal proceedings

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

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

At March 31, 2015, the Corporation had provisions amounting to $32.0 million (March 31, 2014 – $31.1 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.

C. Environmental liabilities

At March 31, 2015, the Corporation had a provision of $0.4 million for one environmental matter (March 31, 2014 – $0.6 million). Remediation work is required at the Corporation's Mont Logan property to clean-up oil contaminants found in ground samples from the site's former transmission tower and associated building. The total remaining costs associated with remediation work at this site have been estimated at $0.4 million. A significant portion of the work was completed during the fall of 2014, although the project may require up to 6 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 disclosed in relation to contingent liabilities.

In thousands of Canadian dollars

16. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

Employee-related assets/liabilities are as follows:

	Current		Long-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Net defined benefit asset	-	-	190,342	25,642
Net defined benefit liability	-	-	106,801	87,603
Employee future benefits	-	-	140,339	136,481
Vacation pay	55,315	59,282	-	-
Workforce reduction	30,809	8,125	-	-
Salary-related liabilities	68,752	73,118	105	128
	154,876	140,525	247,245	224,212

The Corporation maintains a contributory defined benefit pension plan, the CBC/Radio-Canada Pension Plan, covering substantially all employees of the Corporation. The Plan is administered by the CBC Pension Board of Trustees, including the management of the Plan's assets and the payment of benefits promised to Plan members and their survivors. The Plan is federally regulated and is governed by the provisions of the *Pension Benefits Standards Act* (the Act), and other applicable regulations.

Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last 10 years of employment. Employees are required to contribute a percentage of their pensionable salary to the Plan, with the Corporation providing the balance of the funding, as required, based on actuarial valuations. The amounts included in these consolidated financial statements reflect the latest funding valuation which was performed as of December 31, 2014. While this valuation has been completed, it has not yet been filed with the pension authorities. The Corporation also maintains unfunded non-contributory defined benefit pension arrangements. All plans are subject to an annual actuarial valuation.

The Corporation maintains a non-contributory long-term benefit plan for certain employees hired prior to the various plan closure dates which vary by category of employees between April 1, 2005 and October 1, 2007. Under the plan, employees retiring with more than three years of service with the Corporation can choose to receive a cash award upon retirement or improve their pension benefits. The benefits are based on the length of pensionable service and on the salary rate at March 2005, July 2005 or at retirement/death, depending on the category of employees. The Corporation also provides employee future benefits such as long-term disability and workers' compensation, continuation of benefits coverage for employees on long-term disability and post-retirement life insurance.

The last actuarial valuations for the non-contributory long-term benefit plan and the continuation of benefits coverage plan were made as at December 31, 2012. The measurement date for the pension plan assets and the defined benefit obligation is March 31, 2015.

In thousands of Canadian dollars

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 payments be made over specified future periods. The Corporation has elected to follow federal pension regulations that allow for the deferral of these special payments under specified conditions.

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.

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.

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	March 31, 2015	March 31, 2014
Assumptions for the calculation of pension benefit costs:		
Discount rate	4.25%	4.00%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	3.50%	4.25%
Discount rate - long service gratuity	2.75%	3.50%
Discount rate - LTD benefit	2.75%	3.50%
Discount rate - life insurance	3.50%	4.00%
Mortality	CBC Pensioner mortality table based on CBC experience	CBC Pensioner mortality table based on CBC experience
Long-term rate of compensation increase, excluding merit and promotion	1.40% in 2015 & 2016 2.75% thereafter	1.50% in 2014 & 2015 2.75% thereafter
Health care cost trend rate	7.53% in 2015 declining to 4.50% over 13 years	7.77% in 2014 declining to 4.50% over 14 years
Indexation of pensions in payment	1.86%	1.65%

In thousands of Canadian dollars

The sensitivity analysis of the significant actuarial assumptions would show the following changes in the present value of the defined benefit obligations:

	Pension plans		Other post-employment plans	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Discount rate sensitivity				
100 basis points higher	-13.7%	-12.6%	-8.0%	-7.9%
100 basis points lower	17.6%	16.1%	9.4%	9.3%
Expected rate of future salary increases				
100 basis points higher	3.2%	2.6%	7.5%	6.7%
100 basis points lower	-2.8%	-2.3%	-6.6%	-6.0%
Expected rate of future pension increases				
100 basis points higher	13.8%	12.7%	N/A	N/A
100 basis points lower	-11.3%	-10.5%	N/A	N/A
Mortality sensivity				
Pensioners live an extra year	4.8%	4.8%	-1.6%	-1.7%
Pensioners die a year before	-4.9%	-4.8%	1.9%	2.0%
Health care cost trend rates sensitivity				
100 basis points higher	N/A	N/A	0.9%	0.8%
100 basis points lower	N/A	N/A	-0.8%	-0.7%

N/A = not applicable

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the Consolidated Statement of Financial Position.

An asset/liability study is performed periodically to review the risk/reward associated with the existing long-term asset mix policy, analyze the risk/reward profile that would result from alternative asset mix policies, and consider the impact of various economic environments on both the assets and liabilities (pension obligations). The most recent asset/liability study was completed in 2014. Its main findings are summarized below:

- Maintain the value of the Plan's Liability Driven Investment (LDI)[19] strategy that focuses on reducing the interest rate and inflation risk mismatch between the Plan's assets and liabilities;
- Maintain the LDI asset mix policy that includes a market sensitive implementation plan to redistribute some assets towards strategic investments;
- Maintain the amount of interest rate hedging; and
- Maintain the amount of return generating assets with higher return potential, such as equities, private investments and real estate.

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.

[19] LDI is an investment strategy that manages a pension plan's assets relative to its liabilities with the intent to minimize pension surplus volatility. Under LDI, pension plan assets are grouped into matched and unmatched assets. Matched assets (fixed income) have the similar interest rate and inflation sensitivities as the pension plan's liabilities. Unmatched assets (equities and alternative investments) do not have the same interest rate and inflation sensitivities as the pension plan's liabilities.

In thousands of Canadian dollars

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

	2014-2015	2013-2014
For earnings up to the maximum public pension plan earnings[1]		
April 1 to June 30	6.19%	5.53%
July 1 to March 31	6.25%	6.19%
For incremental earnings in excess of the maximum public pension plan earnings[1]		
April 1 to June 30	8.14%	7.27%
July 1 to March 31	8.22%	8.14%

[1] The maximum public pension earnings for 2015 is $53,600 (2014: $52,500, 2013: $51,100).

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

	2015	2014
Benefits paid directly to beneficiaries	12,980	14,420
Employer regular contributions to pension benefit plans	60,062	61,305
Total cash payments for defined benefit plans	73,042	75,725

The maturity profile of the benefit plan obligation and other post-employment benefits for the Corporation is as follows:

	Pension plans		Other post-employment plans	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Average duration of the benefit obligation	15.4 years	14.2 years	8.6 years	8.3 years
Active members	22.1 years	20.7 years	8.5 years	8.3 years
Deferred members	20.5 years	17.3 years	N/A	N/A
Retired members	10.9 years	10.2 years	10.3 years	8.6 years

N/A = not applicable

The Corporation expects to make a contribution of $56.6 million to the defined benefit pension plans during the next financial year. Over the next three years, the Corporation will be moving towards 50:50 current service cost-sharing between employees and employer for pension contributions for all members.

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

	March 31, 2015			March 31, 2014		
	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
Fair value of plan assets	6,648,816	-	-	5,587,972	-	-
Defined benefit obligation	6,458,474	106,801	140,339	5,562,330	87,603	136,481
Net asset (liability) arising from defined benefit obligation	190,342	(106,801)	(140,339)	25,642	(87,603)	(136,481)

In thousands of Canadian dollars

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

	March 31, 2015		March 31, 2014	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening defined benefit obligation	5,649,933	136,481	5,586,813	150,126
Current service cost	98,839	5,311	109,923	5,825
Interest cost	237,284	4,874	221,228	5,289
Contributions from employees	47,359	-	47,833	-
Remeasurements:				
Actuarial losses (gains) arising from changes in demographic assumptions	-	-	215,950	(6,659)
Actuarial losses (gains) arising from changes in financial assumptions	810,039	6,653	(239,362)	(3,680)
Actuarial losses (gains) arising from experience adjustments	1,803	-	(21,093)	-
Benefits paid	(279,982)	(12,980)	(271,359)	(14,420)
Closing defined benefit obligation	6,565,275	140,339	5,649,933	136,481

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

	March 31, 2015		March 31, 2014	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening fair value of plan assets	5,587,972	-	5,393,484	-
Administration fees (other than investment management fees)	(5,340)	-	(5,300)	-
Interest income on plan assets	233,795	-	212,490	-
Return on plan assets, excluding interest income	1,004,950	-	149,519	-
Contributions from employees	47,359	-	47,833	-
Contributions from the Corporation	60,062	12,980	61,305	14,420
Benefits paid	(279,982)	(12,980)	(271,359)	(14,420)
Closing fair value of plan assets	6,648,816	-	5,587,972	-

In thousands of Canadian dollars

16. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES (CONTINUED)

The fair value of the plan assets can be allocated to the following categories:

		March 31, 2015			March 31, 2014		
		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2 & 3)	Total	Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2 & 3)	Total
Fixed income	Cash and short-term investments	246,415	17,634	264,049	144,705	49,149	193,854
	Canadian bonds	-	2,934,094	2,934,094	-	2,332,195	2,332,195
Equities	Canadian	343,289	277,065	620,354	286,692	368,637	655,329
	Global	1,470,164	50,763	1,520,927	1,269,610	75,067	1,344,677
Strategic	Property	41,079	498,253	539,332	33,390	483,101	516,491
	Private investments	-	536,882	536,882	-	387,153	387,153
	Hedge Funds	-	155,056	155,056	-	117,459	117,459
Other	Derivatives	(731)	34,723	33,992	(550)	14,901	14,351
Total investment assets		2,100,216	4,504,470	6,604,686	1,733,847	3,827,662	5,561,509
Non-investment assets less liabilities		-	-	44,130	-	-	26,463
Fair value of plan assets		-	-	6,648,816	-	-	5,587,972

The fair values of the above fixed income and equity instruments are determined based on quoted market prices in active markets whereas the fair values of strategic investments and derivatives are not based on quoted market prices in active markets.

The actual return on plan assets was $1,273.1 million or 23.23% (2014 – $384.1 million or 7.25%).

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

	2015	2014
Current service cost	104,150	115,748
Administration fees (other than investment management fees)	5,340	5,300
Interest cost on defined benefit obligation	242,158	226,517
Interest income on plan assets	(233,795)	(212,490)
Remeasurements recognized in net results	1,002	(551)
Expense recognized in net results	118,855	134,524
Plus:		
Remeasurements recognized in other comprehensive income	(187,457)	(203,812)
Total amounts recognized in comprehensive income	(68,602)	(69,288)

Retained earnings include $367.4 million of cumulative actuarial gains as at March 31, 2015 (March 31, 2014 gains – $179.9 million).

The total expense recognized in net results has been recorded in the Corporation's Consolidated Statement of Income as follows:

	2015	2014
Television, radio and digital services costs	114,100	129,143
Transmission, distribution and collection	3,566	4,036
Corporate management	1,189	1,345
Total	118,855	134,524

For the year ending March 31, 2015, the total expense related to employee benefits, which includes all salary and related costs, was $989.8 million (2014 – $1,037.9 million).

In thousands of Canadian dollars

17. BONDS PAYABLE

The Corporation, through its relationship with the Broadcast Centre Trust, guarantees the bonds payable with its rent payments for the premises occupied by the Corporation in Toronto. The Broadcast Centre Trust issued $400 million in secured bonds on January 30, 1997. The bonds are secured by the assets of Canadian Broadcasting Centre, which have a carrying value of $198.1 million (March 31, 2014 - $208.3 million).

These bonds bear a fixed interest rate of 7.53% annually and require blended semi-annual payments of $16.5 million, which will require the following principal amounts:

	March 31, 2015		March 31, 2014	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
Less than one year	33,039	21,663	33,039	21,101
Later than one year but not later than five years	132,155	64,513	132,155	59,916
More than five years	247,790	186,724	280,830	204,683
Less: future finance charges	(140,084)	-	(160,324)	-
Present value of minimum payments	272,900	272,900	285,700	285,700

Interest expense related to bonds payable included in current year's expenses and presented as finance costs is $20.2 million (2014 – $21.2 million).

Present value of minimum payments:

	March 31, 2015	March 31, 2014
Included in the Consolidated Statement of Financial Position as bonds payable:		
Current	21,663	21,101
Long-term	251,237	264,599
	272,900	285,700

18. OBLIGATIONS UNDER FINANCE LEASES

As at March 31, 2014, obligations under finance leases include satellite transponders, mobile equipment and office equipment. In February 2015, the Corporation settled the remaining obligations and purchased the related mobile equipment and office equipment. At year-end, these assets and related depreciation and accumulated depreciation are now included in Property and Equipment in the Consolidated Statement of Financial Position as disclosed in Note 10.

	Effective Interest rate	Ending Date
Transponder lease	6.8 per cent per annum	February 2018
Mobile equipment lease	3.05 per cent per annum	February 2015
Office equipment leases	2.63 - 3.04 per cent per annum	February 2015

	March 31, 2015		March 31, 2014	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than one year	12,030	10,232	14,311	11,743
Later than one year but not later than five years	22,055	20,671	36,926	33,676
Less: future finance charges	(3,182)	-	(5,818)	-
Present value of minimum lease payments	30,903	30,903	45,419	45,419

Interest expense related to obligations under finance leases and included in current year's expenses as part of finance costs is $2.6 million (2014 – $3.1 million).

In thousands of Canadian dollars

19. NOTES PAYABLE

The notes payable, held by the CBC Monetization Trust, a structured entity of the Corporation, mature in May 2027 and bear interest at an annual rate of 4.688%. Blended semi-annual payments are made in May and November of each year. The notes are redeemable at the CBC Monetization Trust's option in whole or in part from time to time before maturity, on not less than 30 days and not more than 60 days prior notice. The redemption price is the greater of the outstanding principal amount of the notes to be redeemed and the net present value of all scheduled semi-annual payments on the notes from the date of redemption to the date of maturity, using the Government of Canada yield plus 0.30% on such date, together, in each case, with accrued but unpaid interest to, but excluding, the redemption date. The notes payable are secured by the promissory notes receivable and the investment in finance lease described in Notes 8 and 9.

Principal payments are scheduled as follows:

	March 31, 2015		March 31, 2014	
	Minimum payments	Present value of minimum payments	Minimum payments	Present value of minimum payments
Less than one year	11,473	8,319	11,473	8,124
Later than one year but not later than five years	45,892	28,936	45,892	27,595
More than five years	86,047	71,577	97,520	79,335
Less: future finance charges	(34,580)	-	(39,831)	-
Present value of minimum payments	108,832	108,832	115,054	115,054

Interest expense related to notes payable and included in current year's expenses as part of finance costs is $5.3 million (2014 – $5.5 million).

Present value of minimum payments:

	March 31, 2015	March 31, 2014
Included in the Consolidated Statement of Financial Position as notes payable:		
Current	8,319	8,124
Long-term	100,513	106,930
	108,832	115,054

20. REVENUE

The Corporation has recognized revenue from the following sources:

	2015	2014
Advertising	333,420	491,189
Subscriber fees	132,814	133,277
Building, tower, facility and service rentals	50,310	49,009
Production revenue	24,440	21,766
Digital programming	18,312	16,679
Retransmission rights	5,795	4,715
Program sponsorship	4,706	5,434
Other services	3,430	4,636
Total Rendering of services	573,227	726,705
Total Financing income	10,834	8,759
Contribution from the Local Programming Improvement Fund (LPIF)	8,891	25,705
Contra revenues other than advertising	6,731	6,136
Gain on foreign exchange rates	845	454
Net (loss) gain from fair value of financial instruments	(393)	71
Total Revenue	600,135	767,830

In thousands of Canadian dollars

21. FINANCE COSTS

The Corporation's finance costs include the following:

	2015	2014
Interest on bonds payable	20,241	21,153
Interest on notes payable	5,251	5,517
Interest on obligations under finance leases	2,563	3,141
Other non-cash finance costs	2,519	1,059
	30,574	30,870

22. GOVERNMENT FUNDING

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

	2015	2014
Operating funding		
Base funding	941,687	968,438
Additional non-recurring funding for programming initiatives	-	-
Compensation adjustment allocated from Treasury Board	6	18,705
Transfer to capital funding	(12,409)	(11,525)
Operating funding received	929,284	975,618
Capital funding		
Base funding	92,331	92,331
Transfer from operating funding	12,409	11,525
Capital funding received	104,740	103,856
Working capital funding	4,000	4,000
	1,038,024	1,083,474

Total funding approved and received by the Corporation for the year is not the same as the total government funding presented in the Consolidated Statement of Income (Loss). Capital Funding received is recorded as Deferred Capital Funding in the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income (Loss) on the same basis and over the same periods as the related property, equipment and intangible assets.

	March 31, 2015	March 31, 2014
Opening balance	518,272	525,696
Government funding for capital expenditures	104,740	103,856
Amortization of deferred capital funding	(102,812)	(111,280)
Balance, end of year	520,200	518,272

In thousands of Canadian dollars

23. INCOME TAXES

A. Income tax recognized in net results

The income tax expense for the year can be reconciled to the income tax expense that would be computed by applying the Corporation's federal statutory tax rate of 25.00% (2014 – 25.00%) to accounting profit as follows:

	2015	2014
Income tax provision at federal statutory rate	(11,848)	(4,566)
Permanent differences	(8,755)	1,025
Increase resulting from adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences	20,603	3,541
Income tax expense recognized in net results	-	-

The tax rate used for the 2015 reconciliation above is the corporate tax rate payable by a corporation that is a prescribed Federal Crown Corporation under Part LXXI of the *Income Tax Regulations* and is subject to the provisions of the *Income Tax Act* (Canada). The Corporation's activities are not subject to provincial taxes. An adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences is reflected above.

As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, the Corporation operates within a specific operating structure to match cash expenses with available resources, and to breakeven over the long term. The Corporation draws and uses appropriations only to the extent required to fund its operating expenses, and may not borrow to fund working capital shortfalls. Therefore, the Corporation does not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, the expected deferred tax asset or liability is not recognized in the consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.

B. Temporary Differences

	2015	2014
The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability was recognized were as follows:		
Accrued liabilities	61,074	38,039
Pension plan	(83,541)	61,961
Employee-related liabilities	140,443	136,609
Loss carry-forward	43,480	39,509
Long-term receivables and investments	11,905	13,174
Deferred income for tax purposes related to the sale of receivables	(43,077)	(46,539)
Property and equipment	(200,946)	(202,961)
Other	(10,430)	(15,841)
Total	(81,092)	23,951

The loss carry-forwards will begin to expire in 2030.

In thousands of Canadian dollars

24. MOVEMENTS IN WORKING CAPITAL

	2015	2014
Changes in Working Capital are comprised of:		
Trade and other receivables	135,411	(92,589)
Programming asset (current)	41,551	9,990
Merchandising inventory	(17)	498
Prepaid expenses	(5,725)	40,090
Accounts payable and accrued liabilities	(18,779)	10,071
Provisions	8,339	(18,840)
Pension plans and employee-related liabilities (current)	19,077	2,390
Programming liability (current)	15,151	-
Deferred revenues (current)	20,682	441
	215,690	(47,949)

25. FINANCIAL INSTRUMENTS

A. Fair Value

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

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

	March 31, 2015		March 31, 2014		
	Carrying values	Fair values (Level 2)	Carrying values	Fair values (Level 2)	Note
Financial instruments measured at fair value on a recurring basis:					
Derivative financial asset instruments					
Forward contracts	161	161	446	446	(a)
Stock options	108	108	235	235	(b)
Financial instruments measured at amortized cost:					
Promissory notes receivable (long-term)	43,507	51,970	45,961	52,416	(c)
Investment in finance lease (long-term)	47,379	57,470	50,138	57,745	(c)
Bonds payable (long-term)	251,237	343,663	264,599	346,602	(d)
Obligations under finance leases (long-term)	20,671	21,629	33,676	35,597	(d)
Notes payable (long-term)	100,513	115,918	106,930	116,740	(d)

There have been no transfers between levels during the year ended March 31, 2015.

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

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

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

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

In thousands of Canadian dollars

B. Capital Risk Management

The Corporation defines capital that it manages as the aggregate of its equity, which is comprised of retained earnings.

The Corporation is not subject to externally imposed capital requirements. The Corporation is, however, subject to Part III of the *Broadcasting Act*, which imposes restrictions in relation to borrowings and requires authorization from Parliament and approval from the Minister of Finance.

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern, to fund its asset base and to fulfil its mission and objectives for the Government of Canada to the benefit of Canadians.

The Corporation manages its capital by reviewing formally, on a regular basis, the actual results against set budgets, and shares this information with its Audit Committee and Board of Directors. The Corporation's overall strategy with respect to capital management includes the balancing of its operating and capital activities with its funding on an annual basis. The Corporation makes adjustments to its capital management strategy in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements.

The Corporation's objectives, policies and processes for managing capital are consistent with those in place as at March 31, 2014.

C. Categories of Financial Instruments

	2015	2014
Financial assets		
Fair value through profit or loss (FVTPL)		
Cash	214,884	61,974
Derivative financial instruments	269	681
Loans and receivables	197,425	325,289
Financial liabilities		
Other liabilities	469,266	507,051

D. Financial Risk Management

The Corporation's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on the Corporation's financial performance. The risk management is carried out through financial management practices in conjunction with the overall Corporation's governance. The Board of Directors is responsible for overseeing the management of financial risk.

E. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Corporation is exposed to all of these risks.

The Corporation's exposure to market risk and its objectives, policies and processes for managing market risk are consistent with those in place as at March 31, 2014.

i. Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to limited foreign exchange risk on revenues and expenses denominated in a foreign currency. The majority of these transactions are denominated in US dollars, Euros and British Pounds. The policy on currency risk requires the Corporation to minimize currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations.

The Corporation mitigates this risk by entering into forward exchange contracts. Accordingly, the Corporation has limited sensitivity to changes in foreign exchange rates.

In thousands of Canadian dollars

The Corporation's net foreign currency exposure as at March 31 (expressed in Canadian equivalent dollars) is as follows:

	March 31, 2015			March 31, 2014		
	$US	Euros	GBP	$US	Euros	GBP
Cash	2,357	230	128	2,579	245	178
Trade and other receivables	683	406	47	670	356	291
Accounts payable and accrued liabilities	(1,247)	(214)	(211)	(685)	(178)	(258)
Net exposure	1,793	422	(36)	2,564	423	211

Based on the net exposure as at March 31, 2015, and assuming all the other variables remain constant, a hypothetical 5% change in the Canadian dollar against the US dollar, the Euro and the GBP would not have a significant impact on the Corporation's net results.

ii. Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's notes receivable, bonds payable and notes payable bear fixed interest rates and, as such, are subject to interest rate risk because the fair value of the financial instruments will be affected by changes in the market rates. However, a change in fair value would not impact the profit or loss of the Corporation.

For its short-term cash balances, the Corporation has a policy of maximizing interest revenues. Given that the prevailing interest rates on treasury bills and other similar investments have not been favourable, the Corporation did not have any such investments as at March 31, 2015 (March 31, 2014 – nil). The Corporation may invest in marketable securities with terms to maturity of less than one year. To be compliant with the Broadcasting Act, these securities must be fully guaranteed by the Government of Canada (e.g. Canada treasury bills). The Corporation may also place its cash in interest bearing accounts with Schedule I Canadian banks. Consequently, the interest rate risk associated with the cash balances is directly tied to the movements of the Bank of Canada's Key Overnight Lending Rate and to the banks' prime rates. To manage interest rate risk, the Corporation deals with a number of banks to obtain competitive rates and to mitigate its exposure to any one particular investment vehicle.

iii. Price Risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices caused by factors specific to an investment, its issuer or all factors affecting a market or a market segment. Maximum risk resulting from financial instruments is equivalent to their fair value.

F. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has adopted a policy of only extending credit to creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by senior management.

The Corporation is exposed to credit risk through its cash, trade and other receivables, forward exchange contracts, promissory notes receivable and investment in finance lease.

The maximum exposure to credit risk of the Corporation at March 31, 2015 and March 31, 2014 is the carrying value of these assets.

i. Cash

The Corporation has deposited cash with reputable financial institutions (members of the Canadian Payments Association or local Cooperative Credit Societies that are members of a Central Cooperative Credit Society having membership in the Canadian Payments Association or, subject to the approval of the Minister of Finance, any financial institutions outside Canada), from which management believes the risk of loss to be remote.

ii. Trade and other receivables

The Corporation's trade and other receivables are mainly derived from the sale of advertising airtime. Credit risk concentration with respect to trade receivables is limited and managed through a program of credit evaluation and by restricting the amount of customer credit where deemed necessary. The Corporation does not believe that it is exposed to an unusual or significant level of credit risk. See Note 6 for more information.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The Corporation has a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. The Corporation establishes a specific allowance for receivables where there is objective evidence that the receivable is not recoverable. This is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, the current economic climate, customer and industry concentrations, and historical experience.

The Corporation's allowance for doubtful accounts amounted to $2.7 million at March 31, 2015 (March 31, 2014 – $3.7 million). See Note 6 for more information.

In thousands of Canadian dollars

iii. Forward exchange contracts

The policy on currency risk requires that all significant forward contracts, options and other instruments used to economically hedge a foreign currency exposure will be negotiated with providers holding credit ratings equivalent to or better than that of the major Canadian banks. To this end, the Corporation has five counterparties meeting this criterion with which it places all its currency hedging business.

	March 31, 2015		March 31, 2014	
	Notional	Fair values	Notional	Fair values
Forward exchange contracts-$US[1]	12,525	161	10,628	446

[1] The forward contracts rates are between 1.25100 and 1.25357 for forward contracts in US dollars and the maturity dates are between April 2015 and January 2016.

iv. Promissory notes receivable and Investment in finance lease

The Corporation's promissory notes receivable and investment in finance lease are the result of transactions that occurred in 2003, when the Corporation agreed to sell and rent several parcels of land to a wholly-owned subsidiary of the Ontario Teachers' Pension Plan. At the time of the transaction, the Corporation ensured that the counterparty met the criteria set out by the Corporation with regards to credit worthiness and risk, especially given the long-term nature of the receivables. The Corporation monitors the collection of the promissory notes receivable and rental payments associated with the investment in finance lease, which are collected on a monthly basis through the CBC Monetization Trust.

G. Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its financial obligations associated with financial liabilities.

The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring losses. The Corporation also manages liquidity risk by continuously monitoring actual and budgeted cash flows. Also, the Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as large transactions.

The Corporation does not have the authority to obtain a line of credit or long-term debt without the prior approval of the Minister of Finance.

The following table presents a maturity analysis of the Corporation's financial liabilities based on the expected cash flows from the date of the Consolidated Statement of Financial Position to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

	Carrying amount of liability at March 31, 2015	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable	272,900	412,984	33,039	132,155	247,790
Notes payable	108,832	143,412	11,473	45,892	86,047
Finance lease – Transponders	30,903	34,085	12,030	22,055	-

	Carrying amount of liability at March 31, 2014	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable	285,700	446,024	33,039	132,155	280,830
Notes payable	115,054	154,885	11,473	45,892	97,520
Finance lease – Transponders	40,465	46,115	12,030	34,085	-
Finance lease – Mobile equipment	3,091	3,171	1,730	1,441	-
Finance leases – Office equipment	1,863	1,951	551	1,400	-

There are no expected future cash outflows related to the derivative financial instruments.

In thousands of Canadian dollars

26. RELATED PARTIES

A. Transactions with Related Parties Excluding Government-Related Entities

	Rendering of services		Pension contributions	
	2015	2014	2015	2014
Associate	2,396	3,047	-	-
Other related entities[1]	121	129	-	-
Corporate Pension Plan	-	-	60,062	61,305
	2,517	3,176	60,062	61,305

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

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

	Amounts owed by related parties	
	March 31, 2015	March 31, 2014
Associate	189	379
Other related entities	-	8
	189	387

There are no amounts owing to related parties as at March 31, 2015 (March 31, 2014 – 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.

B. Other Transactions with Associate

There were no significant transactions with the Corporation's associate during the current or previous fiscal year other than the dividends received, as discussed in Note 13.

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 year ended March 31, 2015, the aggregate amount of the Corporation's significant transactions with other government-related entities amounted to $1.2 million of its rendering of services (2014 – $1.5 million) and $1.3 million of its purchase of goods and services (2014 – $1.2 million). There were no individually significant transactions during the year ended March 31, 2015 (2014 – none).

D. Compensation of Key Management Personnel

Key management personnel are those people that have authority and responsibility for planning, directing and controlling the activities of the Corporation. This includes the Senior Executive Team (SET) and all members of the Board of Directors.

In thousands of Canadian dollars

The remuneration of the Senior Executive Team during the year was as follows:

	2015	2014
Short-term benefits[1]	4,096	4,001
Post-employment benefits[2]	1,545	1,541
Other benefits[3]	536	104
	6,177	5,646

[1]Short-term benefits include wages, salaries, social security contributions, paid annual leave, short-term disability, incentive pay (if payable within twelve months of the end of the period) and other benefit packages (healthcare, life insurance, dental, accident insurance) for current employees.

[2]Post-employment benefits such as pensions and post-employment life insurance.

[3]Other benefits include long-term incentive pay, long-term disability, worker's compensation and termination benefits. Termination benefits are benefits that are payable as a result of the Corporation terminating employment before the normal retirement date or an employee's decision to accept an offer of voluntary departure. Termination benefits include termination payments, severance pay and long-service gratuity.

The remuneration of key management personnel is as follows:

Members of the Board of Directors, except the President and CEO, receive meeting fees for Board and Committee meetings based on a fee schedule established by Corporations' by-laws (as approved by the Minister of Canadian Heritage). The Chair of the Board also receives an annual retainer.

The total compensation paid to the members of the Board of Directors, excluding the President and CEO, during the year was $0.2 million (2014 – $0.3 million). Additional data on meetings attended by Board members is provided in the section Board of Directors Attendance of the Annual Report.

SET members' remuneration, excluding the President and CEO, is approved by the Board of Directors upon recommendation of the Human Resources and Governance Committee, having regard to the performance of individuals and market trends.

27. COMMITMENTS

A. Program-related and Other

This note shows amounts to which the Corporation is contractually committed, but which do not meet the criteria for inclusion in the Consolidated Statement of Financial Position.

	2015	2014
Facilities management	200,676	239,269
Programming	147,930	80,334
Transmission distribution	34,806	41,222
Maintenance & support	34,569	41,101
Property and equipment	12,332	17,798
Other	28,974	36,221
	459,287	455,945

	2015	2014
Less than one year	140,917	156,995
Later than one year but not later than five years	280,649	238,070
More than five years	37,721	60,880
	459,287	455,945

In thousands of Canadian dollars

B. The Corporation as a Lessee - Operating Leases

Operating leases relate to leases of property, network distribution and equipment with remaining lease terms of between one and 28 years. Certain leases contain clauses allowing for the renewal/extension of the original term at market rates. The Corporation does not have an option to purchase any of the property, network distribution or equipment at the expiry of the lease periods.

As at March 31 the future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
Less than one year	20,451	22,391
Later than one year but not later than five years	68,850	73,085
More than five years	57,515	60,420
	146,816	155,896

The amounts presented above include a total of $50.8 million (March 31, 2014 – $58.4 million) representing operating costs and property taxes payable.

The payments recognized as an expense for minimum lease payments in 2015 amounted to $22.3 million (2014 – $21.5 million).

Included in the above amounts are lease payments to be made in the normal course of business in the amount of $4.6 million (March 31, 2014 – $4.0 million) to a related party including government-related entities.

C. The Corporation as a Lessor - Operating Leases

Operating leases relate to buildings and transmission towers owned by the Corporation with remaining lease terms of between one to 95 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

As at March 31 the future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

	2015	2014
Less than one year	10,209	10,848
Later than one year but not later than five years	38,855	35,062
More than five years	324,629	333,002
	373,693	378,912

In addition to the amounts presented above, the Corporation has receivables related to operating expenses and property taxes under building leases that total $157.2 million (March 31, 2014 – $162.8 million).

Included in the above amounts are lease payments to be received in the normal course of business in the amount of $5.1 million (March 31, 2014 – $6.3 million) from a related party including government-related entities.

28. SUBSEQUENT EVENTS

During the 2014-2015 fiscal year, the Board of Directors approved the sale of the Corporation's mobile production assets. On June 4, 2015, the approval of Order-in-Council for this sale was received. The sale is expected to close on June 25, 2015 for proceeds of approximately $7.8 million.

Governance Matters

TRANSPARENCY AND ACCOUNTABILITY

In November 2014, the Information Commissioner of Canada awarded CBC/Radio-Canada an "A" grade for its 2012-2013 Access to Information performance. During the grading process, the Information Commissioner ranked the 24 institutions that received the highest number of requests, complaints or both. The Corporation was third among the top-performing institutions. An "A" is the highest grade possible on the Information Commissioner's rating scale.

This was the second year in a row that CBC/Radio-Canada received an "A", and it is another indication of how seriously we take our obligations under the *Access to Information Act*. More information on this award is available on our corporate website, here.

ACCESS TO INFORMATION AND PROACTIVE DISCLOSURE

During the past year, we responded to: 149 formal *Access to Information Act* (ATI) requests, 11 informal requests for records previously released under the Act by the Corporation, 50 consultations from other institutions subject to the Act (regarding information about CBC/Radio-Canada that appeared in records they were reviewing), and four requests submitted under the *Privacy Act*.

All responses to the formal requests were on time or early. This includes all 35 of the ATI requests carried forward from 2013-2014, and 114 of the 127 ATI requests received during 2014-2015. Two of the 13 active ATI requests carried into 2015-2016 were late.

During 2014-2015, we released approximately 9,967 pages of information, including some 1,332 pages pertaining to meetings of CBC/Radio-Canada's Board of Directors posted proactively on our Transparency and Accountability website, as though they had been requested formally under the Act. As well, CBC/Radio-Canada continues to proactively post records released in answer to ATI requests that are of general interest to Canadians. During 2014-2015, 3,084 pages of records released in answer to 54 such ATI requests were posted.

We received 37 complaints regarding our processing of ATI requests in 2014-2015; this is a decrease of 22 from the previous year, and in fact the lowest number of complaints we have ever received.

The downward trend in our "deemed refusal rate" continues. This rate, which refers to requests, not responded to within statutory limits, has dropped steadily from a high of 80.5% in the first year we were subject to the *Act* to 1.2% for the fiscal year just ended.

ANNUAL PUBLIC MEETING

The 2014 edition of the Corporation's Annual Public Meeting (APM) was held in Montreal's Maison de Radio-Canada in front of a 250 person capacity audience made up of the public, employees and stakeholders. More than 1,400 additional people from across the country watched via webcast and could participate online by sending questions via Twitter. At minimum, more than three times the number of people watched or took part this year: at least 1,693 people in 2014, compared to 542 in 2013. This potentially indicates a heightened degree of interest in the public broadcaster.

While several social media tools were used for promotion prior to the event, Twitter was the primary medium used during the event. The estimated overall reach, including retweets, was estimated at 239,819 accounts. The degree of participation was likely due to heightened interest resulting from rallies in support of the public broadcaster that had taken place the previous weekend.

The theme of the meeting was *CBC/Radio-Canada: Transforming to reflect you. You're changing – so are we.* Following a corporate and financial update from Hubert T. Lacroix, President and CEO, a lively discussion took place featuring some of the Corporation's high-profile talent from across both networks. Topics ranged from cuts and public funding to the role of journalists in a social-media-driven world. All materials from the APM are available on our corporate website.

CODE OF CONDUCT

CBC/Radio-Canada employees at all levels are expected to adhere to the Code of Conduct and policies governing their behaviour in such areas as respect for democracy, respect for people, integrity, stewardship and excellence. Our Code of Conduct and human resources policies can be viewed on our corporate website.

JOURNALISTIC STANDARDS AND PRACTICES

CBC/Radio-Canada has an extensive code of Journalistic Standards and Practices and editorial control mechanisms to guide employees and to ensure that our programming remains balanced and accurate, particularly in today's social media environment. You can view CBC/Radio-Canada's Journalistic Standards and Practices on our corporate website.

As highlighted in our *Third Quarter Financial Report 2014-2015 (p.24)*, effective January 2015, the Corporation will no longer approve paid appearances by its on-air journalistic employees. In order to further our commitment to transparency, we will continue to disclose all appearances on our websites.

OMBUDSMEN

Public complaints about news and current affairs programming that are not resolved at the program level to the satisfaction of the complainants are dealt with by the Corporation's two Ombudsmen. The Ombudsmen are completely independent of CBC/Radio-Canada programming staff and programming management, report directly to the President and CEO and, through the President and CEO, to the Board of Directors. The role of the Ombudsmen is pivotal in strengthening the national public broadcaster's accountability and transparency to Canadians.

In 2014-2015, the Offices of the Ombudsmen handled a total of 4,723 complaints, expressions of concern and other communications. Of these, 2,877 concerned English Services and 1,846 concerned French Services. For English Services, 1,706 fell within the mandate of the Ombudsman (news and current affairs programming), compared to 1,373 for French Services. Communications not directly related to our news and current affairs programming were forwarded to the programming departments concerned.

The Ombudsmen can be reached as follows: The Ombudsman for English Services, CBC/Radio-Canada, P.O. Box 500, Station A, Toronto ON M5W 1E6, (ombudsman@cbc.ca) and Bureau de l'ombudsman pour les Services français, CBC/Radio-Canada, C.P. 6000, Montréal QC H3C 3A8 (ombudsman@radio-canada.ca).

ENVIRONMENTAL SUSTAINABILITY

The Corporation takes our corporate social responsibility very seriously. As part of demonstrating our sustainability as an organization, we compile and publish an annual Environmental Performance Report that references both national and regional indicators. The most recent version can be found on our corporate website.

COMPLIANCE WITH THE CANADIAN ENVIRONMENTAL ASSESSMENT ACT

CBC/Radio-Canada has implemented a risk-based approach to better facilitate compliance with Sections 67-69 of the *Canadian Environmental Assessment Act*, 2012. As part of the established process, a project manager must complete a checklist for all physical activities prior to the initiation of the project. The checklist outlines the scope and description of the project and examines several environmental elements, including but not limited to, asbestos, halocarbons, mould, fuel storage tanks, water or air quality, etc.

The checklist is our formal tool to ensure the project carried out will examine any potential adverse environmental impacts and outline any appropriate action needed to minimize the effect. New checklists for the same project may be required in situations where there is a change in the project or the level of risk has changed. Otherwise, the checklist remains valid for the duration of the project. The checklist also serves to assist in the maintenance of a log of all projects.

As per the process outlined above, no project completed in the 2014-2015 fiscal year was determined to result in a significant adverse environmental effect.

It should be noted that CBC/Radio-Canada considers a physical activity as something that goes beyond normal maintenance, such as removing a wall, replacing equipment or excavating a parking lot. For the purposes of this approach, painting walls or maintaining equipment is considered maintenance work.

Board of Directors

CURRENT BOARD MEMBERS ARE PROFILED AS FOLLOWS

Rémi Racine

Chair, Board of Directors

Montreal

Rémi Racine was appointed Chair of the Board of Directors of CBC/Radio-Canada on June 21, 2012, for a five-year term. He was first appointed to the CBC/Radio-Canada Board of Directors on October 12, 2007, for a four-year term, which was renewed for a further four years on December 1, 2011.

Rémi Racine is President and Executive Producer of Behaviour (formerly A2M), a company employing more than 300 talented people, which he founded in 1992. Over the past 21 years, he has contributed to position Behaviour as a world leader in the video game industry. Under his leadership, the company has ranked simultaneously among the Deloitte Technology Fast 50™ and Canada's 50 Best Managed Companies™ from 2006 to 2008.

Rémi has a Bachelor's Degree in Finance from Université du Québec à Montréal.

Hubert T. Lacroix

President and CEO

Montreal

Hubert T. Lacroix was appointed President and CEO of CBC/Radio-Canada on November 5, 2007, for a five-year term. He began his mandate on January 1, 2008. On October 5, 2012, he was reappointed for a second five-year term.

As President and CEO, Mr. Lacroix is responsible for overseeing the management of CBC/Radio-Canada in order to ensure that Canada's national public broadcaster can deliver on the various aspects of its mandate and continue to offer Canadians a broad spectrum of high-quality programming that informs, enlightens and entertains, and that is created by, for and about Canadians.

Just prior thereto, Mr. Lacroix held the position of Senior Advisor with the Montreal office of Stikeman Elliott, a law firm recognized nationally and internationally for its business law practice. From 2000 to 2005, he acted as Executive Chairman of Telemedia Corporation and of the other boards of directors of the various companies in the Telemedia corporate structure.

Before joining Telemedia Corporation, Mr. Lacroix was a Senior Partner at McCarthy Tétrault, another major Canadian law firm, for 20 years. His practice was concentrated in business law, mostly in mergers and acquisitions of public companies, and securities.

Mr. Lacroix received his Bachelor of Civil Law (1976) and his Master in Business Administration (1981) from McGill University. He has been a member of the Quebec Bar since 1977.

He has also served as a Trustee of the Lucie and André Chagnon Foundation. He still is director of Sojecci, the private holding company of the Chagnon Family.

Edward W. Boyd

Toronto

Edward W. Boyd was appointed to the Board of Directors of CBC/Radio-Canada on June 1, 2010, for a five-year term.

Mr. Boyd is Chief Executive Officer of One Advertising Inc., a full-service communications company providing marketing solutions to leading corporations. Prior to this, Mr. Boyd was Chief Executive Officer of 58Ninety Inc., a digital marketing agency, where he created interactive marketing strategies and solutions for major corporate clients.

Previously, Mr. Boyd was President and CEO of Iceberg Media.com, a pioneering Canadian Internet radio broadcaster, which was later acquired by Standard Radio. Before joining Iceberg, he held the position of President at e-commerce book retailing company Indigo Online. Mr. Boyd has also served as Senior Vice-President of New Media & New Business for Young and Rubicam Canada.

Mr. Boyd holds a Bachelor of Arts in Political Science from the University of Toronto (1986) and a Masters in Business Administration from the Rotman School of Management at the University of Toronto (1997). He also received an ICD.D certification from the Institute of Corporate Directors (2011).

Mr. Boyd is the founding President of the Interactive Advertising Bureau of Canada and chairs the Audit Bureau of Circulation's Canadian Digital Advisory Committee. He has sat on boards for organizations such as the National Advertising Benevolent Society and the Children's Aid Foundation, in addition to having participated on judging panels for the Media Innovation Awards and for the Top 30 Marketers Under 30.

Sonja Chong

Toronto

Sonja Chong was appointed to the Board of Directors of CBC/Radio-Canada on October 9, 2014, for a five-year term.

Ms. Chong is a practising Chartered Accountant, and has been a Partner of Income Taxation with the firm Harris & Chong LLP since 1991. Her practice focuses on tax planning for private corporations and high net-worth individuals, estate and succession planning, and real estate investments. She is regularly consulted by other accountants. She has written numerous articles for prestigious financial publications and has presented at tax seminars. She participated in a television series about finance and tax planning, and is a media commentator on tax-related issues.

Ms. Chong is currently Co-Chair of the Canadian Foundation of Chinese Heritage Preservation. She is a former president of the Hong Kong-Canada Business Association, and continues to serve on its board. Ms. Chong was a member of the Board of Governors of the Canadian Tax Foundation and served as treasurer and director of the Hong Fook Mental Health Association. In 2003, she received the Volunteer Services Award from the Government of Ontario.

Ms. Chong has a Bachelor of Commerce degree from the University of Calgary, and received her Chartered Accountant designation in 1985. She has been a fellow of the Chartered Professional Accountants of Ontario since 2000.

Pierre Gingras

Blainville

Pierre Gingras was appointed to the CBC/Radio-Canada Board of Directors on February 3, 2011, for a five-year term.

Mr. Gingras was previously a member of the Quebec National Assembly for the electoral district of Blainville. In this capacity, he chaired the official opposition caucus and was opposition critic for transportation. Prior to being elected MNA, Mr. Gingras was a Blainville city councillor for four years before going on to serve a 12-year term as mayor. He founded and led the Parti de l'action civique de Blainville. At the time he entered municipal politics, he was commissioner of the Sainte-Thérèse school board and, before that, worked in the printing industry.

Over the course of his career, Mr. Gingras has also acted as chair of the Laurentides Regional Development Council, as a board member of the MRC Thérèse-De Blainville, and as board member and treasurer of the Union of Quebec Municipalities (UMQ). Mr. Gingras currently sits on the board of the Amicale des anciens parlementaires du Québec. Active in the community, he has been a member and vice-president of youth services with the Blainville Optimist Club, chair of the Carrefour action municipale et famille, and has held a number of positions with the World Family Organization.

Mr. Gingras is married with two children.

Rob Jeffery

Halifax

Rob Jeffery was appointed to the Board of Directors of CBC/Radio-Canada on April 30, 2015, for a five-year term.

Mr. Jeffery is Senior Director of Taxation for Sobeys Inc. in Halifax, Nova Scotia, where he is responsible for the leadership of the income tax function. His experience lies in tax aspects of mergers and acquisitions, corporate reorganizations, and financial reporting for income taxes. He has been active in the field of accounting education and presently instructs professional development taxation courses for the Institute of Chartered Accountants of Nova Scotia.

Mr. Jeffery currently sits on the Board of Directors of the Chartered Professional Accountants of Nova Scotia and the Fred C. Manning School of Business Advisory Board at Acadia University. He is a member of the Governing Council for the Institute of Chartered Accountants of Nova Scotia, and serves on various tax committees with the Chartered Professional Accountants of Canada.

Prior to working at Sobeys Inc., Mr. Jeffery was Senior Manager at Deloitte and Touche LLP. He was also formerly a part-time faculty member at Dalhousie University, facilitated course work at the Atlantic School of Chartered Accountancy, and was a Tutor for the Canadian Institute of Chartered Accountants' In-Depth Taxation Course.

Mr. Jeffery has volunteered with various not-for-profit boards, including sitting on the Board of Directors of Big Brothers Big Sisters of Greater Halifax.

Mr. Jeffery is a Chartered Accountant (Nova Scotia) and a Certified Public Accountant (Colorado). He is a graduate of Acadia University with a Bachelor of Business Administration (Honours) degree and is in the process of completing an Executive Master of Business Administration at the Ivey School of Business.

Marni Larkin

Winnipeg

Marni Larkin was appointed to the Board of Directors of CBC/Radio-Canada on June 21, 2012, for a five-year term.

Ms. Larkin is the current CEO of Boom Done Next, a management consulting firm based in Winnipeg.

Before launching her own company in 2005, Ms. Larkin was the President of Sales Oxygen in Winnipeg, where she was responsible for client acquisition and development. Prior to that, she worked as the Procedural Assistant to the Government House leader for the Province of Manitoba. She was responsible for legislation and regulation development and the session of the House. She also worked for the Province of Manitoba as the Manager of Sustainable Development Innovations Fund.

She brings a significant understanding of all organizations to this appointment, including traditional businesses, community groups, charitable organizations and various bodies of government.

Ms. Larkin received her diploma in Hotel Management from the Red River Community College in Winnipeg in 2001.

Ms. Larkin was the Chair of the North End Community Justice Committee from 1999 to 2002. She volunteered with numerous organizations, including the Amadeus Steen Foundation and the Manitoba Humane Society. She also created a new brand for the Global Entrepreneur Awards and chaired the Marketing Committee Efforts. She is past chair of the Fundraising Committee for St. Martins in the Field Church.

Terrence Anthony Leier

Regina

Terrence Anthony Leier was appointed to the Board of Directors of CBC/Radio-Canada on May 31, 2012, for a five-year term.

Mr. Leier currently practices law in Regina, Saskatchewan, where he specializes in a range of business and government relations activities.

Before opening his own private practice in 1991, Mr. Leier had been the Senior Vice-President and General Counsel at the Crown Management Board of Saskatchewan since 1982. Prior to that, he was with the City of Regina Solicitor's Office, overseeing many of the city's significant growth and development initiatives for more than a decade. He began his career as Naval Lieutenant for the Royal Canadian Navy Reserve.

Mr. Leier received his Bachelor of Arts (1962) and his Bachelor of Law (1966) degrees from the University of Saskatchewan. He was admitted to the Law Society of Saskatchewan in 1966. In 1990, Mr. Leier completed Executive Development studies at the Stanford Graduate School of Business, Stanford University.

Mr. Leier has served as a lecturer at the Saskatchewan Police College. He has also acted as secretary for the Legal Aid Volunteer Committee of the Regina Bar Association. He was appointed to the Queen's Counsel in 1992.

Maureen McCaw

Edmonton

Maureen McCaw was appointed to the Board of Directors of CBC/Radio-Canada on December 13, 2012, for a five-year term.

Ms. McCaw was the Executive Vice-President and President for Leger Marketing Research (Alberta). Founder and President of Criterion Research, a full-service market research company employing 16 full-time staff and 150 project staff, she joined Leger Marketing when it purchased Criterion Research in 2005.

Currently, Ms. McCaw is Chair of the CBC Pension Board of Trustees and sits on a number of industry and community boards, including Suncor Energy, Edmonton International Airports, Nature Conservancy of Canada and the advisory board of Leger Marketing. She also acted as Chair and Director for the Edmonton Chamber of Commerce.

Ms. McCaw holds a Bachelor of Arts degree in Economics from the University of Alberta, has completed the Financial Essentials for Executives program at Columbia University, and has earned an ICD.D designation from the Institute of Corporate Directors at the Rotman School of Management.

She has been named among the "50 Most Influential People" by Alberta Venture and was one of the women awarded the title "Women of Vision" by Global News.

Brian R. Mitchell

Montreal

Brian R. Mitchell was appointed to the Board of Directors of CBC/Radio-Canada for a five-year term effective April 21, 2008. On March 7, 2013, he was reappointed for a second five-year term effective April 21, 2013. In addition, since 2008, he has served as a trustee on the CBC Pension Board of Trustees.

Mr. Mitchell is a corporate commercial lawyer and serves as the managing partner of Mitchell Gattuso, a Montreal law firm with an extensive corporate-commercial practice. Mr. Mitchell currently sits on the boards of directors of several public and private corporations. He also sits on several non-profit boards of directors in Montreal. In 2014, he was elected to the Council of the Bar of Montreal for a two-year mandate, while in 2015 he was elected as Treasurer of the Montreal Bar for a one-year mandate. He also sits on several sub-committees of the Montreal Bar, including the Liaison Committee with the Superior Court, the Mentorship Program (2012 – present), and the English-Speaking Section of the Montreal Bar. Additionally, in 2013, he chaired the Trial Do's and Don'ts, English Trial Advocacy Seminar. He was subsequently elected as a Governor of the Quebec Bar Foundation (2013 – present).

From 2006 to 2012, he has served on the board of directors and as President (2008-2010) of the Foundation of Catholic Community Services. Since 2004, he has sat on the board of directors of Saint Michael's Mission (2004-2013), as well as on the board of directors of the McGill Chamber Orchestra (2008-2013).

Mr. Mitchell graduated from St. Andrews College, Aurora. He holds a Bachelor of Arts (cum laude) degree in History and Literature from Harvard University. He subsequently attended the Faculty of Law at McGill University, where he was awarded the 125th Anniversary Entrance Scholarship, and in 1985 graduated from the National Program with Bachelor of Common Law and Bachelor of Civil Law degrees.

He has been a member of the Barreau du Québec since 1987.

Marlie Oden

Vancouver

Marlie Oden was appointed to the Board of Directors of CBC/Radio-Canada on July 30, 2013, for a five-year term.

Ms. Oden founded Bridge Communications in 1995. The company offers a wide range of services, including strategic planning, public relations, public consultation, community relations, facilitation, advertising and event management.

Prior to that, Ms. Oden worked at McKim Advertising based in Vancouver, where she managed the Tourism British Columbia account before becoming the Vice-President and Account Director.

Ms. Oden has sat on the boards of directors of Telefilm Canada, the Arts Club Theatre, BC Bortstal Association and the Stanley Theatre, and she is currently the president of the board of the Vancouver Theatre Sports League. An active member of her community, she has received the Jessie Richardson Patron of the Arts Award and the City of Vancouver Arts Award for Outstanding Board Member.

Ms. Oden attended the Faculty of Arts at the University of Alberta. She is a graduate of the Canadian Board Diversity Council Program.

BOARD COMMITTEE MEMBERS

Board Committees are currently comprised as follows:

Standing Committees on English and French Language Broadcasting

Rémi Racine as Chairperson, Hubert T. Lacroix, Edward W. Boyd, Sonja Chong, Pierre Gingras, Rob Jeffery, Marni Larkin, Terrence Anthony Leier, Maureen McCaw, Brian R. Mitchell, Marlie Oden

Audit Committee

Brian R. Mitchell as Chairperson, Sonja Chong, Pierre Gingras, Rob Jeffery, Maureen McCaw

Communications and Stakeholder Relations Committee

Marlie Oden as Chairperson, Edward W. Boyd, Marni Larkin, Rémi Racine

Human Resources and Governance Committee

Edward W. Boyd as Chairperson, Marni Larkin, Marlie Oden, Rémi Racine

Infrastructure Committee

Rémi Racine as Chairperson, Edward W. Boyd, Marni Larkin, Terrence Anthony Leier, Marlie Oden

Strategic Planning Committee

Edward W. Boyd as Chairperson, Maureen McCaw, Marlie Oden, Rémi Racine

DIRECTOR COMPENSATION

The compensation of Board of Directors members is detailed below:

The Chair of the Board and the President and CEO are compensated in accordance with the terms of the Order-in-Council appointing them. The President and CEO receives an annual salary, while the Chair of the Board receives an annual retainer (from $14,500 to $17,100) and a per diem fee (from $565 to $665) for meetings, travel time and special executive, analytical or representational responsibilities.

The remuneration scheme for directors (other than the CEO and the Chair), established by a bylaw approved by the Minister of Canadian Heritage, can be summarized as follows:

Meetings		Board of Directors	Audit Committee	Other Committees
Regular Meetings	Attendance	For the first 6 regular meeting days: $2,000/day	For the first 6 regular meeting days: $1,300/day for members $1,550 for the Chair	For the first 4 regular meeting days: $1,000/day for members $1,250 for the Chair
		Thereafter: $625/day	Thereafter: $625/day	Thereafter: $625/day
	Participation by telephone	$625/day or $312.50/half-day	$250/day	$250/day
Conference Call Meetings		$250/day	$250/day	$250/day

Directors are entitled to receive only one meeting fee for each day (24 hours) even if they attend more than one meeting during that period.

Compensation data for CBC/Radio-Canada's Directors is summarized in Note 26 to the annual consolidated audited financial statements.

BOARD OF DIRECTORS ATTENDANCE

2014-2015 Board Meetings

BOARD MEMBERS	BOARD			AUDIT COMMITTEE			BROADCASTING COMMITTEES			INFRASTRUCTURE COMMITTEE			STRATEGIC PLANNING COMMITTEE			HR & GOV		
In person	6			3			3			4			2			6		
Video conference		1			1			1						1				
Conference call			3			1						1			1			2
Rémi Racine	6/6	1/1	3/3				3/3	1/1		4/4		1/1	2/2	1/1	1/1	6/6		2/2
Hubert T. Lacroix	6/6	1/1	2/2*				3/3	1/1										
Edward W. Boyd	6/6	1/1	3/3				3/3	1/1		3/4		1/1	2/2	1/1	1/1	6/6		2/2
Peter Charbonneau[1]	3/3		1/1	1/1	1/1		2/2						2/2	1/1				
Sonja Chong[2]	3/3	1/1	1/2	0/1		1/1	0/1	1/1										
George Cooper[3]	2/3		1/1				1/1									2/3		1/1
Pierre Gingras	5/6	1/1	2/3	3/3	1/1	1/1	2/3	1/1										
Cecil Hawkins[4]	5/5	0/1	2/2	3/3	1/1	0/1	2/3	1/1										
Marni Larkin	5/6	1/1	3/3				3/3	1/1		4/4		1/1				5/6		2/2
Terrence Leier	5/6	1/1	3/3	2/2	1/1	1/1	2/3	1/1										
Maureen McCaw	6/6	1/1	3/3	3/3	1/1	1/1	3/3	1/1		1/1			2/2	1/1	1/1			
Brian Mitchell	6/6	1/1	2/3	3/3	1/1	1/1	3/3	1/1										
Marlie Oden	6/6	1/1	3/3	1/1	1/1		3/3	1/1		2/2			2/2	1/1	1/1	2/2		

[1] P. Charbonneau was replaced effective October 8, 2014

[2] S. Chong was appointed effective October 9, 2014

[3] G. Cooper resigned effective October 27, 2014

[4] C. Hawkins resigned effective March 17, 2015

* A third meeting was for independent directors only

Senior Executive Team (SET)

CURRENT SET MEMBERS ARE PROFILED AS FOLLOWS

Hubert T. Lacroix

President and CEO

(January 2008 – present)

Refer to the previous Board of Directors section.

William B. Chambers

Vice-President, Brand, Communications and Corporate Affairs

(September 2008 – present)

William B. Chambers was appointed CBC/Radio-Canada's Vice-President, Brand, Communications and Corporate Affairs, on September 15, 2008. Previous to that, he had been appointed Vice-President, Communications, on January 15, 2003.

In 2012, Hubert T. Lacroix, the Corporation's CEO, asked Mr. Chambers to lead an enterprise-wide process to develop the next Corporate Strategic Plan covering the period between 2015 and 2020.

Mr. Chambers is responsible for developing and implementing a single coherent corporate communication strategy for CBC/Radio-Canada; leading internal and external communications across the Corporation. He also oversees the Government Relations group, which puts forward the Corporation's interests to Members of Parliament, and advises the President and CEO and his colleagues on these issues.

Prior to joining CBC/Radio-Canada, Mr. Chambers was based in London, where he was Managing Director, Europe, for Goldfarb Consultants.

Mr. Chambers is past Chair of the Board of Save the Children Canada. He currently sits on the Board of UNICEF Canada and St. Elizabeth Health Care.

Heather Conway

Executive Vice-President, English Services

(December 2013 – present)

Heather Conway joined CBC/Radio-Canada as Executive Vice-President of English Services in December 2013.

Ms. Conway is responsible for all of CBC/Radio-Canada's English-language services, including CBC Radio One, CBC Radio 2, CBC Television, CBC News Network, CBC.ca, *documentary* and digital operations.

Prior to joining CBC/Radio-Canada, Ms. Conway was Chief Business Officer at the Art Gallery of Ontario, where she was in charge of human resources, digital services, marketing, security and membership, among other things. Under her tenure, the Gallery saw its attendance increase by 20% and achieved its highest membership levels.

Previously, Ms. Conway spent six years as Executive Vice-President at Alliance Atlantis Communications. There, she oversaw strategic marketing, publicity and on-air creative for 13 Canadian cable specialty channels, transformed the business model for channel distribution and increased subscription revenue. She later became Chief Executive Officer of Edelman Public Relations Canada. Earlier in her career, Ms. Conway held other senior management and consulting positions with TD Bank Financial Group, Hill & Knowlton and The Neville Group.

Ms. Conway has a Bachelor of Arts in Economics from Queen's University and a Master of Arts in Industrial Relations from the University of Warwick, England.

In 2001, Ms. Conway received a Canada's Top 40 Under 40 Award. She was on Toronto's 50 Most Influential: people who changed the city in 2014.

Sylvie Gadoury

Vice-President, Legal Services, General Counsel and Corporate Secretary

(June 2015 – present)

Sylvie Gadoury has been CBC/Radio-Canada's Vice-President, Legal Services, General Counsel and Corporate Secretary, since June 1, 2015.

Ms. Gadoury is responsible for CBC/Radio-Canada's Law Department, with offices in Montreal, Toronto and Ottawa. She is also responsible for the Corporate Secretariat, as well as the departments that oversee compliance with access-to-information, privacy, health, safety, and environmental legislation.

Before joining the Senior Executive Team, Ms. Gadoury held the position of Associate General Counsel, Media Law, and Access to Information and Privacy Coordinator, from 2009 to 2015. She had previously served as Senior Legal Counsel, Media Law, since 1998.

Prior to working for CBC/Radio-Canada, Ms. Gadoury practised law for a few years in a private firm, and later went on to work for the Canadian Department of Justice's general litigation team.

Ms. Gadoury has a Bachelor of Civil Law (1985) and a Graduate Diploma in Administrative Law (1993) from Université de Montréal. She has been a member of the Barreau du Québec since 1986.

Steven Guiton

Vice-President Technology and Chief Regulatory Officer

(June 2009 – present)

Steven Guiton, Vice-President Technology and Chief Regulatory Officer, was appointed to CBC/Radio-Canada's Senior Executive Team in June 2009.

Mr. Guiton is responsible for CBC/Radio-Canada's technology direction and for ensuring that technology decisions and activities support the company's overall strategic and operating objectives.

Mr. Guiton is also responsible for developing and implementing the Corporation's regulatory strategies for its television and radio services pursuant to the Corporation's regulated status under the *Broadcasting Act*, and to its regulatory oversight by the CRTC. In addition, Mr. Guiton is responsible for Research and Analysis, which produces measures of the Corporation's performance with respect to its mandate and its regulatory requirements, and creates analytical tools in respect of media industry trends.

Before becoming Vice-President Technology and Chief Regulatory Officer, Mr. Guiton was Vice-President and Chief Regulatory Officer, Media Technology Services, responsible for moving content across the Corporation's national, regional and local networks. Prior to that, Mr. Guiton was CBC/Radio-Canada's Executive Director, Strategy and Government Relations. In his other previous positions, he had been Vice-President, Regulatory Affairs, at the Canadian Cable Television Association, and Regulatory Vice-President at Unitel Communications Inc. (formerly AT&T Canada and now Allstream).

Mr. Guiton holds an M.A. in Economics from Simon Fraser University and a B.A. in Economics and Commerce from the University of Toronto. He also attended the University of British Columbia for doctoral studies in Economics.

Louis Lalande

Executive Vice-President, French Services

(January 2012 – present)

Louis Lalande was appointed Executive Vice-President of CBC/Radio-Canada French Services on January 16, 2012, after holding the position on an interim basis since September 26, 2011.

Mr. Lalande oversees all aspects of CBC/Radio-Canada's French-language programming services, which include, among other things, ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI EXPLORA, ICI Radio-Canada Première, Radio Canada International (RCI), ICI Musique, ICI Radio-Canada.ca, and ICI Tou.tv.

Mr. Lalande has been in the news business for 25 years, mainly at Radio-Canada. Before joining CBC/Radio-Canada's Senior Executive Team, he was Executive Director of Regional Services, which comprise television, radio and web services. Prior to that, he helped establish the Centre de l'information de Radio-Canada in Montreal, where he was the News and Current Affairs Director for ICI Radio-Canada Télé and ICI RDI for more than two years, after having been Executive Director of Technical Production. Mr. Lalande stopped working for the national public broadcaster for a few years during which he notably created LCN, TVA's all-news television channel.

At an earlier stage in his career at Radio-Canada, Mr. Lalande was responsible for *Le point*, a prestigious news and current affairs program. Mr. Lalande was Executive Producer for that show for three years. Previously, he acted as Executive Producer of special coverage and major events for 10 years. In this role, Mr. Lalande was at the forefront of the stories that left their mark across the country.

Monique Marcotte

Acting Vice-President, People and Culture

(May 2015 – present)

As of May 2015, Monique Marcotte, Executive Director, Corporate Human Resources Services and Strategic Planning, is serving as Acting Vice-President, People and Culture.

Judith Purves

Vice-President and Chief Financial Officer

(May 2015 – present)

Judith Purves was appointed Chief Financial Officer of CBC/Radio-Canada on March 12, 2015.

Ms. Purves is responsible for all aspects of CBC/Radio-Canada's finance functions – Corporate, English and French Services – and is a trustee of the CBC/Radio-Canada Pension Plan.

Before joining CBC/Radio-Canada, Ms. Purves was a Finance Executive with IBM, holding a number of progressively more senior positions, most recently based in New York as VP and CFO IBM Global Financing. Other significant positions held include CFO of IBM Canada Ltd., IBM Global Services Pricing Executive and Chief Accountant IBM Canada. She has led a number of significant organizational transformations.

Ms. Purves trained as a Chartered Accountant in London, England, and is a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Commerce from the University of Edinburgh, Scotland.

Ms. Purves is a member of the Accounting Advisory Board to Humber Institute of Technology and Advanced Learning and was formerly on the Board of Casey House.

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Corporate Communications

CBC/Radio-Canada

181 Queen St.

PO Box 3220, Station C

Ottawa, Ontario Canada

K1Y 1E4

613-288-6033

liaison@cbc.ca

cbc.radio-canada.ca