

**Appendix A**  
**to the CFTPA's submission to**  
**Broadcasting Notice of Public Hearing CRTC 2006-5**



Nordicity Group Ltd.  
Le Groupe Nordicité ltée

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# **Analysis of Canadian Broadcaster Financial Performance and Programming Expenditures**

Nordicity Group Ltd.

Prepared for the: Canadian Film and Television Production Association

September 2006

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### **About Nordicity Group Ltd.**

*Nordicity Group Ltd. (NGL) ([www.nordicity.com](http://www.nordicity.com)) helps organizations transform their business through sound strategic decisions, shrewd investments and resource commitments, and effective changes in processes. NGL also works with the public sector to assess the economic and business impacts of business conditions and policy or regulatory developments.*

*Nordicity serves the film and television production sector through engagements with government agencies, associations, and individual companies. For example, for the eighth consecutive year, Nordicity principals completed the annual economic profile of the sector sponsored by the Canadian Film and Television Production Association (CFTPA), Association des Producteurs du Film et Television du Quebec (APFTQ), and the Department of Canadian Heritage.*

*Nordicity Group has offices in Toronto and Ottawa, with associates in other Canadian cities. We also offer global delivery of our expertise through affiliations with international professional services firms.*

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# Executive Summary

## Introduction

- In 2005, the Canadian Film and Television Production Association (CFTPA) commissioned Nordicity Group Ltd. to prepare an analysis of Canadian television broadcasters' financial performance and their investment in Canadian television programming. This report is an update to the 2005 analysis.
- Much of the analysis focuses on the financial performance and programming investments of large private broadcasters – conventional, and specialty and pay television services controlled by **BCE Inc., CanWest Global Communications Corp., Alliance Atlantis Communications Inc., Quebecor Inc., CHUM Limited, Astral Media Inc., Corus Entertainment Inc.,** and **Cogeco Inc.**

## Financial Performance of the Canadian Broadcasting Industry

- Broadcasting industry revenues in Canada are concentrated among the eight large broadcaster ownership groups.
  - In 2005, large broadcasters earned revenues of \$3.79 billion – accounting for 86.5% of overall revenues in the private Canadian broadcasting industry.
  - In 2005, large broadcasters earned just over \$2.03 billion from their conventional television services – accounting for 92.3% of total operating revenues in this segment.
  - In 2005, the large broadcasters earned \$1.76 billion from specialty and pay television services – 80.6% of total revenues in this segment.

- The structure of the Canadian broadcasting industry allows large broadcasters to generate levels of profitability well above the average for the Canadian economy as a whole.
  - The higher-than-average profitability is likely due to the regulatory environment, which offers broadcasters some measure of protection from competition in return for meeting their Canadian content requirements and conditions-of-licence obligations. Canadian broadcasters also benefit from access to government-subsidized Canadian television programs in meeting their Canadian content requirements.
  - In 2005, large broadcasters recorded an EBITDA Margin of 21.6%. The average across all industries in Canada was 12.9%.
  - By comparison, film and television producers posted an EBITDA margin of 11.3% in 2004 – very close to the industrial average of 12.3% in 2004.
- While the large broadcasters have maintained consistent above-average rates of profitability, film and television producers have seen their profitability erode in recent years, although their profitability did recover somewhat in 2004.
  - The EBITDA margin of film and television producers dropped from 16.1% in 1999 to 11.3% in 2004.
  - The EBT margin dropped from 6.7% in 1999 to 1.6% in 2002; in 2004, the EBT margin recovered somewhat to 4.3%.

### **Broadcasters' Acquisitions of and Investments in CTF-Supported Programs**

- Between 1999/00 and 2004/05, the operating revenues of conventional television broadcasters increased by 17%; while their acquisitions of and investments in CTF-supported production increased at 12%.
- In the specialty and pay television segment, operating revenues grew by 72% between 1999/00 and 2004/05; during the same period, acquisitions of and investments in CTF production grew by 142%.

### **Broadcaster Production and Programming Spending**

- In 2004/05, large broadcasters spent over four times more on the acquisition of foreign programming than on independently produced Canadian programming.
- In terms of the acquisition of drama programming, large broadcasters spent over five times more on the acquisition of foreign programming than on independently produced Canadian programming.
- In the specialty and pay television segment, expenditures on Canadian programming by the services controlled by the large broadcasters (rights acquisitions and investments) totalled \$351 million in 2005; expenditures on foreign programming totalled \$317 million.
- The higher level of spending on Canadian programming by specialty and pay television services and the consistent pattern of growth reflect the fact that specialty and pay television services are required to spend a fixed percentage of their revenues on Canadian programming (this percentage varies from service to service).
- Between 1994/95 and 2004/05, private conventional broadcasters' spending on foreign programming increased by an annualized rate of 5.6%, when measured on the basis of real (inflation-adjusted) dollars; their spending on Canadian programming and production increased by an annualized rate of only 0.1% during this period.

## Broadcast Program Licence Fees

- Broadcaster licence fee data for CAVCO-certified productions during the 2000/01-to-2004/05 period point to the following activity on behalf of television services currently controlled by the large broadcaster groups (conventional, and specialty and pay television services).
  - Licensing activity by television services controlled by CTV/Bell Globemedia was concentrated in drama and documentaries. In 2004/05, licence fees for CTF-supported drama represented 20.2% of total budgets.
  - Since 2002/03, television services controlled by CanWest had very limited licensing activity inside the CTF.
  - Up until 2002/03, the bulk of licensing activity by CHUM's television services took place outside of the CTF. However in 2003/04 and 2004/05, CHUM's licensing was evenly split between CTF and non-CTF production.
  - For television services controlled by Alliance Atlantis, licensing within the CTF was concentrated in documentaries. Outside of the CTF, most of its licensing activity was in categories other than the priority programming genres.
  - In 2004/05 most of Astral Media's licensing within the CTF was in the children's and documentary genres. Astral Media's licensing of CTF drama has increased significantly in past few years largely due to provisions in the 2001 renewal of its pay television licences, which included brought Astral Media's pay television revenues from satellite customers into the calculation of its Canadian programming expenditures (see Decision CRTC 2001-732).
  - Corus Entertainment's licensing was concentrated in children's programming; it operates YTV and Treehouse TV, among other services.
  - The bulk of CBC/SRC's licensing was in CTF drama.
  - Within the CTF, most of TVA's licensing was concentrated in drama. Outside of the CTF, a large share of its licensing was in variety and performing arts programming.
  - Between 2000/01 and 2003/04, most of TQS/Cogeco's licensing was outside of the priority programming genres. In 2004/05, however, TQS/Cogeco did increase its licensing of CTF drama.



# 1 Introduction

- In 2005, the Canadian Film and Television Production Association (CFTPA) commissioned Nordicity Group Ltd. to prepare an analysis of Canadian television broadcasters' financial performance and their investment in Canadian television programming. This report presents an update to the 2005 analysis.
- For the analysis of Canadian television broadcasters' **financial performance**, Nordicity Group collected data from the Canadian Radio-television and Telecommunications Commission (CRTC) and the public annual reports to shareholders of Canadian corporations that own and operate conventional, and specialty and pay television services.
- For the analysis of Canadian television broadcasters' **investment in Canadian programming**, Nordicity Group collected data from the CRTC, the Canadian Audio-visual Certification Office (CAVCO), and the Canadian Television Fund (CTF).
- Much of the analysis focuses on the financial performance and programming investments of **large broadcasters**. Large broadcasters<sup>1</sup> include the private conventional, and specialty and pay television services controlled by **BCE Inc., CanWest Global Communications Corp., Alliance Atlantis Communications Inc., Quebecor Inc., CHUM Limited, Astral Media Inc., Corus Entertainment Inc., and Cogeco Inc.**

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<sup>1</sup> Throughout this report, any references to "broadcasters" and "broadcasting" are meant to refer only to television broadcasting operations and exclude any radio broadcasting activities.

## 2 Methodology and Data Sources

- In this section we describe the methods used to develop the data analyses in each section of the report. In the appendices at the end of the report, we provide additional background information related to the methodology.

### Financial Performance of the Canadian Broadcasting Industry

- The analysis in this section is based on data obtained from the CRTC and Statistics Canada.
- Nordicity Group submitted a data request to the CRTC to obtain the financial performance data for the conventional television broadcasting licensees controlled by the large broadcasters. Nordicity Group prepared a list of television broadcasting licensees (a copy of this list can be found in Appendix A), which was then submitted to the CRTC. The CRTC provided the aggregate financial performance data for this group of licensees. These aggregate data were then subtracted from the industry totals published in the CRTC's annual financial summaries, in order to arrive at estimates for the financial performance of *other* conventional television broadcasting licensees not controlled by the large broadcasters.
- To determine the financial performance of specialty and pay television services of the large broadcasters, Nordicity Group classified each specialty and pay television service on the basis of whether it was controlled by a large broadcaster or not. We defined a controlling stake as any economic interest above 50%. When the economic interest was above 50%, 100% of financial performance was assigned to the majority owner.<sup>2</sup> Data from the CRTC's financial reports for individual specialty and pay television services were then cross-referenced with this service classification in order to derive an aggregate amount for the specialty and pay television services of large broadcasters. Again, this aggregate amount for large broadcasters was deducted from the total to arrive at a calculation of the financial performance of *other* specialty and pay television services not controlled by the large broadcasters.

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<sup>2</sup> This approach is consistent with the methods used by parent companies to consolidate the financial performance of subsidiaries in which they have an economic interest of more than 50% (often referred to in financial accounting as the "consolidated method").

- Statistics Canada provided financial performance data for film and video producers. Statistics for operating revenue and operating expenses were obtained from the shelf tables: Statistics Canada, *Film, video and audio-visual production: data tables*, July 2006, catalogue no. 87-010-XIE.
- These shelf tables did not include data for the interest expenses, and depreciation and amortization expenses of film and video producers. Statistics Canada prepared a special data run for the interest expenses, and depreciation and amortization expenses, so that Nordicity Group could calculate EBIT (Earnings Before Interest and Taxes) and EBITDA (Earnings Before Interest Taxes, Depreciation and Amortization).
- Nordicity Group also obtained financial performance data for all industries in the Canadian economy from Statistics Canada. These data were used to benchmark the performance of the large broadcasters and film and television producers.

### **Financial Performance of Major Canadian Television Broadcast Ownership Groups**

- Most of Canada's large media companies report segmented financial data for their Canadian television programming operations. Many of these media companies operate both conventional, and specialty and pay television services; some also operate broadcasting distribution undertakings (BDUs). The latter were not part of the analysis. In some cases, the financial reports of the large media companies did not divide financial data between BDU operations and television programming. To estimate and compare the financial performance of specialty and pay television operations of each large broadcaster, we prepared estimates based on data from the CRTC. From the CRTC financial reports for individual specialty and pay television services, we estimated the revenues, EBITDA and Canadian program amortization of the services controlled by each large broadcasting group. In cases where two or more large broadcasting groups operated a service as a joint partnership, that service's revenues, EBITDA and Canadian program amortization were allocated on a proportional basis to each group, based on the ownership position.

### **Broadcasters' Acquisition and/or Investment in CTF-Supported Programs**

- Nordicity Group obtained data from the CTF's annual report to prepare an historical look at levels of broadcaster participation in CTF-supported production. Data from the CRTC's annual financial summaries were viewed with respect to broadcast revenue growth and compared to the growth in broadcaster participation in CTF-supported production.

### **Broadcaster Production and Programming Spending**

- Nordicity Group prepared the tabulations in this section from data contained in the CRTC's annual financial summaries for private conventional, and specialty and pay television services.
- An estimate for amounts paid for Canadian programming (rights acquisitions and investments) was derived by summing the annual Canadian program amortization for the *acquisition of rights, script & concept*, and *investment in programming* (the terms in italics represent financial line items in the CRTC annual financial summaries for specialty and pay television services). This total amount excluded any annual amortization of *filler programming and program production* by specialty and pay television services.
- An estimate for the spending on foreign television programming was derived through mathematical deduction. The estimate for foreign programming was derived by summing the overall *program expenditures* and *program investments* of specialty and pay television services, and subtracting from this amount the total annual *Canadian program amortization*.

### **Broadcast Program Licence Fees**

- Nordicity Group obtained aggregate data for broadcaster licence fees from CAVCO. Nordicity Group obtained a list of licensing broadcasters found in CAVCO's database. From this list, Nordicity Group identified the broadcast programming undertakings controlled by each of the large broadcasters. Control was defined as being an economic interest higher than 50%. The broadcasters under the control of a large broadcaster were allocated to that large broadcaster's group. This allocated list was then submitted to CAVCO. A copy of the list can be found in Appendix D. CAVCO then prepared the data run that Nordicity Group used to prepare the licence fee tables in Section 7 of this report.

- Certain specialty television services are joint ventures of two or more of the large broadcasters. For methodological reasons, these joint-venture services had to be excluded from the analysis. Therefore, for some broadcasters, the amounts presented may underestimate their overall licensing activity.

### 3 Financial Performance of the Canadian Broadcasting Industry

- Overall, the conventional, and specialty and pay television services of the large broadcaster groups earned just under \$3.79 billion in the 2005 broadcasting year (ending August 31). This amount represented 86.5% of total private broadcaster revenues in 2005. For the television services of the large broadcaster groups, the combined EBITDA margin was 21.6%, and their EBIT margin was 19.2% in 2005.
- In 2005, Canadian broadcasters had total revenues of just under \$4.38 billion, recorded an EBITDA margin of 20.7% and an EBIT margin of 18.1%.

**Exhibit 1. Private Conventional Licensees & Pay and Specialty Television Services - Key Financial Indicators**

(Broadcasting year ending August 31)	2001		2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Large Broadcasters<sup>†</sup></b>										
Revenues	2,941.0		3,111.0		3,460.0		3,605.1		3,789.9	
EBITDA	563.9	19.2%	511.8	16.5%	693.6	20.0%	724.3	20.1%	818.7	21.6%
EBIT	464.8	15.8%	415.0	13.3%	596.2	17.2%	627.9	17.4%	727.7	19.2%
<b>Other Broadcasters<sup>††</sup></b>										
Revenues	453.0		484.0		513.7		561.5		589.5	
EBITDA	47.5	10.5%	(25.7)	(5.3%)	4.3	0.8%	43.0	7.6%	85.8	14.5%
EBIT	48.0	11.6%	(44.3)	(9.1%)	(12.7)	(2.5%)	23.7	4.2%	64.4	10.9%
<b>Total<sup>†††</sup></b>										
Revenues	3,394.0		3,595.0		3,973.8		4,166.6		4,379.4	
EBITDA	611.4	18.0%	486.1	13.5%	697.9	17.6%	767.2	18.4%	904.4	20.7%
EBIT	512.8	15.1%	370.7	10.3%	583.5	14.7%	651.1	15.6%	792.1	18.1%

Sources: CRTC financial summaries for private conventional broadcasters, and CRTC special tabulations based on Nordicity Group specifications.

<sup>†</sup> Large broadcasters include the private conventional, and specialty and pay television services controlled by BCE Inc., CanWest Global Communications Corp., Alliance Atlantis Communications Inc., Quebecor Inc. (including properties acquired from CHUM Limited), CHUM Limited (including properties acquired from Craig Media Inc.), Astral Media Inc., Corus Entertainment Inc., and Cogeco Inc.

<sup>††</sup> Other broadcasters include all other private conventional, and specialty and pay television services. This category includes broadcasters controlled by CBC/SRC, Rogers Communications Inc., Fairchild Television Ltd., as well as other television services. These other broadcasters include ethnic and educational television services as well as privately-owned CBC affiliates, and other specialty television services not owned by the large broadcasters.

<sup>†††</sup> Total includes all private conventional broadcasters, and specialty and pay television services.

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization

EBIT - Earnings Before Interest and Taxes.

- The private conventional television licensees controlled by large broadcasters had revenues of almost \$2.03 billion in 2005. They posted an EBITDA margin of 15.0% and an EBIT margin of 11.5% in that year.
- The profitability of other conventional television licensees was considerably lower – with an EBITDA margin of 10.0% and an EBIT margin of 5.0% in 2005.

**Exhibit 2. Private Conventional Television Licensees - Key Financial Indicators**

(Broadcasting year ending August 31)	2001		2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Large Broadcasters<sup>†</sup></b>										
Revenues	1,768.7		1,759.6		1,943.6		1,953.1		2,029.7	
EBITDA	285.4	16.1%	240.1	13.6%	363.3	18.7%	301.2	15.4%	303.6	15.0%
EBIT	220.1	12.4%	169.8	9.7%	290.0	14.9%	227.7	11.7%	233.7	11.5%
<b>Other Broadcasters<sup>††</sup></b>										
Revenues	134.8		133.2		148.9		162.0		168.1	
EBITDA	26.9	20.0%	14.1	10.6%	15.1	10.2%	14.0	8.6%	16.8	10.0%
EBIT	21.8	16.2%	8.4	6.3%	8.6	5.8%	5.7	3.5%	8.4	5.0%
<b>Total<sup>†††</sup></b>										
Revenues	1,903.5		1,892.8		2,092.5		2,115.0		2,197.7	
EBITDA	312.3	16.4%	254.2	13.4%	378.4	18.1%	315.1	14.9%	320.4	14.6%
EBIT	241.9	12.7%	178.2	9.4%	298.6	14.3%	233.4	11.0%	242.2	11.0%

Sources: CRTC financial summaries for private conventional broadcasters, and CRTC special tabulations based on Nordicity Group specifications.

<sup>†</sup> Large broadcasters include the private conventional licensees controlled by BCE Inc., CanWest Global Communications Corp., Corus Entertainment Inc., Quebecor Inc. (including properties acquired from CHUM Limited), CHUM Limited (including properties acquired from Craig Media Inc.), and Cogeco Inc.

<sup>††</sup> Other broadcasters include all other private conventional licensees. This category includes such broadcasters controlled by Rogers Communications Inc., as well as other television services. These other broadcasters include ethnic television services as well as privately-owned CBC affiliates, and specialty television services not owned by the large broadcasters.

<sup>†††</sup> Total includes all private conventional broadcaster licensees.

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization

EBIT - Earnings Before Interest and Taxes.

- The specialty and pay television services controlled by the large broadcasters earned \$1.76 billion in 2005. The EBITDA margin of their specialty and pay television services was 29.3% and their EBIT margin was 28.1%.
- The profitability of other specialty and pay television services was considerably lower – with an EBITDA margin of 16.4% and an EBIT margin of 13.3%.
- In 2005, specialty and pay television services had total revenues of \$2.18 billion – an increase of 6.3% over 2004. In 2005, the EBITDA margin increased to 26.8%; the EBIT margin increased to 25.2%.

**Exhibit 3. Specialty and Pay Television Services - Key Financial Indicators**

(Broadcasting year ending August 31)	2001		2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Large Broadcasters†</b>										
Revenues	1,172.3		1,351.5		1,516.5		1,652.0		1,760.3	
EBITDA	278.5	23.8%	271.7	20.1%	330.3	21.8%	423.1	25.6%	515.0	29.3%
EBIT	244.7	20.9%	245.2	18.1%	306.2	20.2%	400.2	24.2%	494.0	28.1%
<b>Other Broadcasters††</b>										
Revenues	318.2		350.8		364.9		399.6		421.4	
EBITDA	20.5	6.5%	(39.8)	(11.3%)	(10.8)	(3.0%)	29.0	7.3%	69.0	16.4%
EBIT	26.2	8.2%	(52.7)	(15.0%)	(21.3)	(5.8%)	18.0	4.5%	55.9	13.3%
<b>Total†††</b>										
Revenues	1,490.5		1,702.3		1,881.3		2,051.6		2,181.7	
EBITDA	299.0	20.1%	231.9	13.6%	319.5	17.0%	452.1	22.0%	584.0	26.8%
EBIT	270.9	18.2%	192.5	11.3%	284.9	15.1%	418.2	20.4%	549.9	25.2%

Sources: Nordicity Group tabulations based on data from CRTC financial statistics for individual specialty and pay television services.

† Large broadcasters include the private specialty and pay television services controlled by BCE Inc., CanWest Global Communications Corp., Alliance Atlantis Communications Inc., Quebecor Inc., CHUM Limited (including properties acquired from Craig Media Inc.), Astral Media Inc., Corus Entertainment Inc., and Cogeco Inc.

†† Other broadcasters include all other private specialty and pay television services. This category includes such broadcasters controlled by CBC/SRC, Rogers Communications Inc., Fairchild Television Ltd., as well as other television services. These other broadcasters include ethnic and educational television services, and other specialty television services not owned by the large broadcasters.

††† Total includes all private specialty and pay television services.

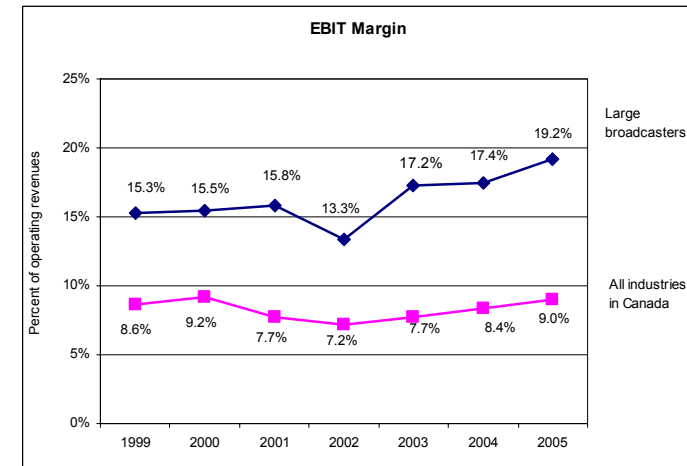
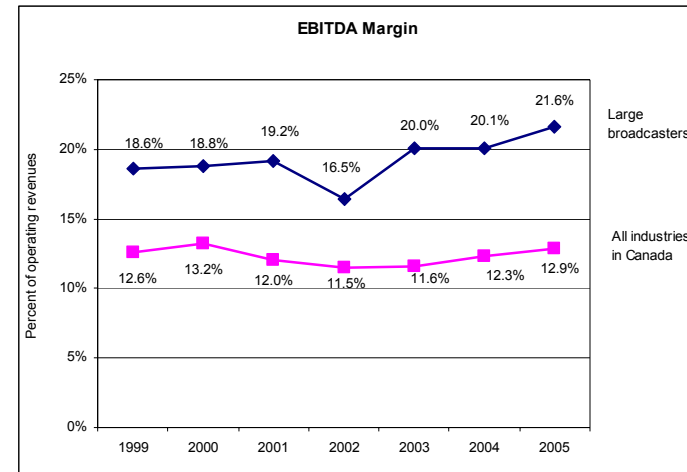
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization

EBIT - Earnings Before Interest and Taxes.



**Exhibit 4. EBITDA and EBIT Margins of Large Broadcasters and All Industries**

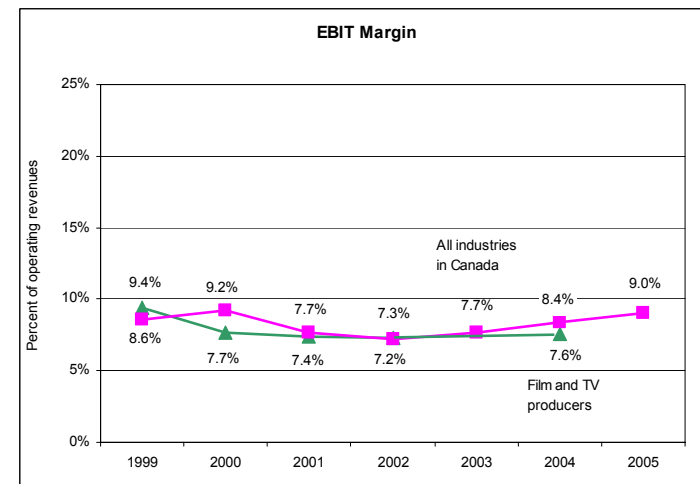
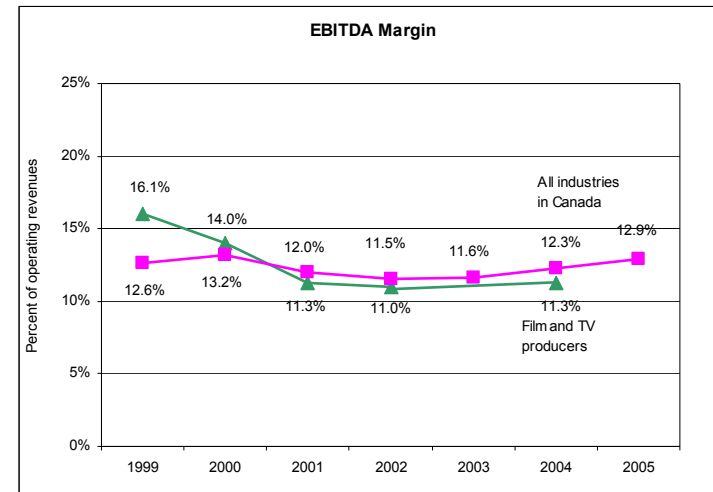
- Between 1999 and 2005, Canada’s large broadcasters outperformed the overall economy in terms of both EBITDA and EBIT. In terms of both measures, large broadcasters were able to maintain consistent and high levels of profitability in comparison to the overall economy.
- During this period, the EBITDA margin of large broadcasters was in the range of 16.5% to 21.6%. Across all industries in the Canadian economy, the range was considerably lower – 11.5% to 13.2%.
- The large broadcasters’ EBIT margin was more than double the national average for all industries. Between 1999 and 2005, the EBIT margin of Canada’s large broadcasters ranged from 13.3% to 19.2%. For all industries, the range was 7.2% to 9.2% during this period.
- The structure of the Canadian broadcasting industry allowed large broadcasters to generate levels of profitability – in terms of both EBITDA margin and EBIT margin – well above the average for the Canadian economy as a whole.



Source: Data for large broadcasters are from Nordicity Group calculations based on data from the CRTC. Data for all industries are from Statistics Canada, CANSIM data tables 187-0001. Note: Figures for large broadcasters include conventional and specialty and pay television services. See Appendix B for a complete list of industries included in *all industries*.

**Exhibit 5. EBITDA and EBIT Margins of Film and TV Producers and All Industries**

- In comparison to television broadcasters, the financial performance of Canadian film and television producers<sup>3</sup> was more in line with the average rates posted by all industries in the Canadian economy.
- The EBITDA margin of film and television producers dropped from 16.1% in 1999 to 11.3% in 2001. In 2004, the EBITDA margin of film and television producers was 11.3%.
- The EBIT margin of film and television producers was 9.4% in 1999. Between 2000 and 2004, it remained close to 7.5%

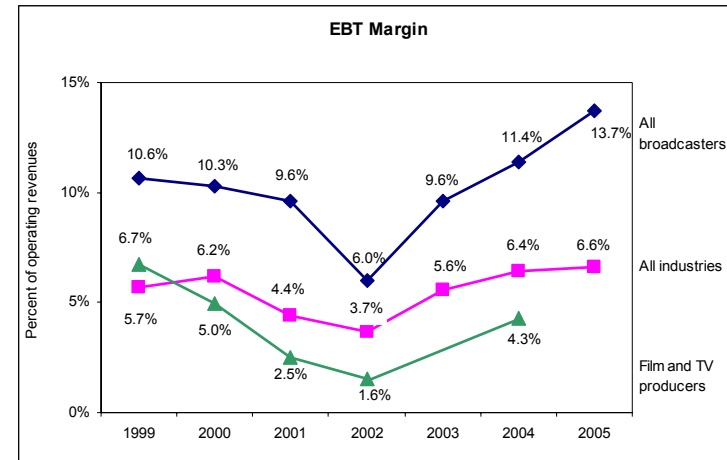


<sup>3</sup> The financial performance data presented in this section for film and television producers only includes data for theatrical movie producers and conventional and pay television producers. It excludes data for producers of advertising, government and education productions, and industrial videos. It also excludes data for unspecialized producers.

Source: Data for all industries is from Statistics Canada, CANSIM Data Tables 187-0001. Data for film and television producers is from Statistics Canada, *Film, video and audio-visual production data tables, 2004-05*. See Appendix B for a complete list of industries included in *all industries*. Data are not available for film and TV producers for 2003 because Statistics Canada cancelled its survey in that year.

- Statistics Canada data also allow us to compare the performance of broadcasters and film and television producers on the basis of EBT (Earnings Before Taxes).
- Throughout the 1999-to-2005 period, the EBT margin of Canadian broadcasters was above the all-industries average, and well above that of Canadian film and television producers.
- Between 1999 and 2002, the EBT margin of Canadian film and television producers dropped from 6.7% to 1.6%; in 2004, the EBT margin of Canadian film and television producers was 4.3%. The EBT margin of Canadian broadcasters also dropped – from 10.6% to 6.0% – but still remained well above that of film and television producers, and recovered to 13.7% in 2005.

**Exhibit 6. EBT Margin of All Broadcasters, All Industries and Film and TV Producers**



Source: Data for broadcasters are from Nordicity Group calculations based on data from CRTC annual financial summaries. Data for all industries is from Statistics Canada, CANSIM Data Tables 187-0001. Data for film and television producers is from Statistics Canada, *Film, video and audio-visual production data tables, 2004-05*. Data are not available for film and TV producers for 2003 because Statistics Canada cancelled its survey in that year.

## **4 Financial Performance of Major Canadian Conventional Television Broadcast Ownership Groups**

- The following data tables detail the revenue and EBITDA of the television broadcasting operations of the major Canadian television programming companies. Several of Canada's largest television programming companies are operating subsidiaries of larger corporations with business interests not only in television programming, but also in radio broadcasting, film and television production, newspaper and magazine publishing, cable and satellite television services, and other media industries.
- Many of these media companies only publish their complete financial results on a consolidated basis, thus making it difficult to observe the financial performance of their television programming operations. Several media companies provide limited financial information for their major operating segments – television programming typically being one of these. Wherever possible, we have compiled these data for the 2002-to-2005 period.
- For companies such as Alliance Atlantis Communications Inc. and Astral Media Inc., all television programming revenues are derived from specialty and pay television properties. Canada's other major media companies analyzed in this report – CTV/Bell Globemedia, CanWest Global Communications Corp., CHUM Limited, Quebecor Inc., and Corus Entertainment Inc. – earn their revenues from both specialty and pay television services, and conventional television broadcasting properties. However, the latter set of companies do not publish their television programming financial data on the basis of these two segments; the performance of both types of properties is combined into one segment.

## **CTV/Bell Globemedia**

- BCE Inc. does not publish segmented financial data for its television programming operations. In its public reports to shareholders, BCE Inc. combines the financial results for its television programming operations with its other major media property – *The Globe and Mail* newspaper.
- Financial performance data for CTV/Bell Globemedia's specialty and pay television services can be derived from the CRTC's *Broadcasting Policy Monitoring Report* and its annual financial reports, which present the annual financial results of individual specialty television services in Canada.
- The CRTC reports that CTV/Bell Globemedia's conventional television services earned total revenues of \$761.0 million in 2005.
- Estimates based on CRTC data indicate that CTV/Bell Globemedia's specialty and pay television services earned total revenues of \$462.6 million in 2005, and EBITDA of \$162.1 million.
- In 2005, CTV/Bell Globemedia's amortization of Canadian programming acquisitions in the specialty and pay television segment was an estimated \$53.8 million, or 23% of revenues. This was down by 43.2% from \$94.7 million in 2004, largely due to lower spending at TSN and RDS due to the cancellation of the 2004/05 National Hockey League season.

**Exhibit 7. CTV/Bell Globemedia - Key Financial Indicators for Television Broadcasting Operations**

(Broadcasting year ending August 31)	2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Conventional Television Services</b>								
Revenues	559.0		637.0		684.0		761.0	
<b>Specialty and Pay Television Services</b>								
Revenues	401.1		427.9		456.7		462.6	
EBITDA	78.3	19.5%	71.2	16.6%	88.5	19.4%	162.1	35.0%
Canadian program amortization	71.8	17.9%	97.8	22.8%	94.7	20.7%	53.8	11.6%

Sources: Conventional Television Services revenues are from the CRTC, *Broadcasting Policy Monitoring Report 2005*. Specialty Television Services data are Nordicity Group estimates based on CRTC financial statistics for individual pay and specialty television services.

## CanWest Global Communications Corp.

- The CRTC reports that CanWest's conventional television services posted revenues of \$623 million in 2005.
- Estimates based on CRTC data indicate that CanWest's specialty television services earned total revenues of \$42.8 million in 2005, and EBITDA of \$4.5 million.
- According to CanWest's annual report to shareholders, its Canadian television programming operations earned revenues of \$698.6 million in 2005, and EBITDA of \$124.7 million.
- In 2005, CanWest's amortization of Canadian programming acquisitions in the specialty and pay television segment was an estimated \$14.7 million, or 34.3% of revenues.

**Exhibit 8. CanWest Global Communications Corp. - Key Financial Indicators for Television Broadcasting Operations**

(Broadcasting year ending August 31)	2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Conventional Television Services</b>								
Revenues	629.0		672.0		622.0		623.0	
<b>Specialty Television Services</b>								
Revenues	29.5		36.4		38.9		42.8	
EBITDA	(10.8)	(36.6%)	6.5	17.6%	2.0	5.1%	4.5	10.5%
Canadian program amortization	7.5	25.4%	9.1	25.0%	13.8	35.4%	14.7	34.3%
<b>Total Television Services</b>								
Revenues	691.9		730.4		690.3		698.6	
EBITDA	190.8	27.6%	216.3	39.6%	147.4	21.4%	124.7	17.8%

Sources: Conventional Television Services revenues are from CRTC, *Broadcasting Policy Monitoring Report 2005*. Specialty Television Services data are Nordicity Group estimates based on CRTC financial statistics for individual pay and specialty television services; Total Television Services data from CanWest Global Communications Corp.'s annual reports to shareholders.

## CHUM Limited

- The CRTC reports that CHUM Limited's conventional television services posted revenues of \$223 million in 2005.
- Estimates based on CRTC data indicate that CHUM Limited's specialty television services earned total revenues of \$244.7 million in 2005, and EBITDA of \$45.6 million.
- According to CHUM Limited's annual report to shareholders, its television programming operations earned revenues of \$482.6 million in 2005, and EBITDA of \$90.8 million.
- In 2005, CHUM Limited's amortization of Canadian programming acquisitions in the specialty television segment was an estimated \$28.9 million, or 11.8% of revenues.

### Exhibit 9. CHUM Limited - Key Financial Indicators for Television Broadcasting Operations

(Broadcasting year ending August 31)	2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Conventional Television Services</b>								
Revenues	167.0		194.0		191.0		223.0	
<b>Specialty Television Services</b>								
Revenues	165.5		196.2		217.9		244.7	
EBITDA	18.4	11.1%	31.0	15.8%	48.6	22.3%	45.6	18.6%
Canadian program amortization	19.7	11.9%	25.3	12.9%	25.3	11.6%	28.9	11.8%
<b>Total Television Services†</b>								
Revenues	356.6		410.4		427.0		482.6	
EBITDA	44.2	12.4%	60.1	14.6%	72.2	16.9%	90.8	18.8%

Sources: Conventional Television Services revenues are from the CRTC, *Broadcasting Policy Monitoring Report 2005*. Specialty Television Services data are Nordicity Group estimates based on CRTC financial statistics for individual pay and specialty television services; Total Television Services data from CHUM Limited's annual reports.

† Financial results prior to January 2005 exclude the television assets acquired from Craig Media Inc. in December 2004.



## Corus Entertainment Inc.

- Estimates based on CRTC data indicate that Corus Entertainment's specialty and pay television services earned total revenues of \$309.1 million and EBITDA of \$114.6 million in 2005.
- According to Corus Entertainment's annual report to shareholders, its television programming operations† earned revenues of \$354.2 million and EBITDA of \$140.8 million in 2005.
- In 2005, Corus Entertainment's amortization of Canadian programming acquisitions in the specialty and pay television segment was an estimated \$60.3 million, or 19.5% of revenues.

### Exhibit 10. Corus Entertainment Inc.- Key Financial Indicators for Television Broadcasting Operations

(Broadcasting year ending August 31)	2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Specialty and Pay Television Services</b>								
Revenues	252.5		260.0		283.1		309.1	
EBITDA	76.1	30.1%	87.5	33.6%	98.1	34.7%	114.6	37.0%
Canadian program amortization	54.2	21.4%	60.0	68.6%	55.5	19.6%	60.3	19.5%
<b>Total Television Services†</b>								
Revenues	308.5		306.9		332.3		354.2	
EBITDA	99.1	32.1%	113.4	36.9%	125.1	37.6%	140.8	39.8%

Sources: Specialty Television Services data are Nordicity Group estimates based on CRTC financial statistics for individual pay and specialty television services; Total Television Services data from Corus Entertainment Inc.'s annual reports.

† Includes the financial results of digital audio services and cable advertising services.

## Alliance Atlantis Communications Inc.

- According to Alliance Atlantis Communications' reports to shareholders, its specialty television services earned total revenues of \$283.4 million and EBITDA of \$90.7 million in 2005.
- In 2005, Alliance Atlantis Communications' amortization of Canadian programming acquisitions was an estimated \$97.5 million, or 34.4% of revenues.

**Exhibit 11. Alliance Atlantis Communications Inc. Broadcast Group - Key Financial Indicators**

(Fiscal year ending March 31)	2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Specialty Television Services</b>								
Revenues	140.9		182.9		245.9		283.4	
EBITDA	35.8	25.4%	50.4	27.6%	73.3	29.8%	90.7	32.0%
Canadian program amortization	57.9	41.1%	61.6	33.7%	70.7	28.8%	97.5	34.4%

Source: Revenues and EBITDA from Alliance Atlantis Communications Inc. annual reports; Canadian program amortization are Nordicity Group estimates based on CRTC financial statistics for individual pay and specialty television services.

## Astral Media Inc.

- According to Astral Media's reports to shareholders, its specialty and pay television services earned total revenues of \$391.2 million and EBITDA of \$139.3 million in 2005.
- In 2005, Astral Media's amortization of Canadian programming acquisitions was an estimated \$71.7 million, or 18.3% of revenues.

### Exhibit 12. Astral Media Inc. - Key Financial Indicators for Television Broadcasting Operations

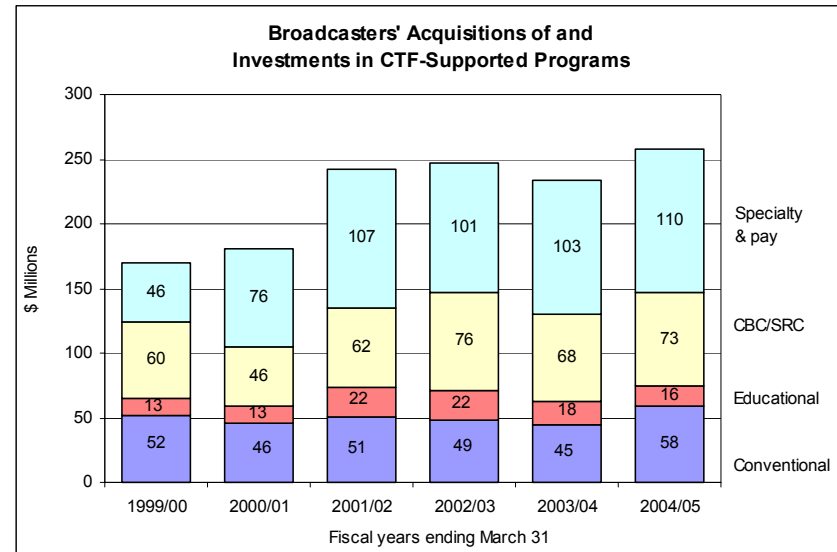
(Fiscal year ending March 31)	2002		2003		2004		2005	
	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue	\$ millions	% of revenue
<b>Specialty and Pay Television Services</b>								
Revenues	316.9		341.3		370.8		391.2	
EBITDA	88.9	28.1%	105.0	30.8%	124.1	33.5%	139.3	35.6%
Canadian program amortization	50.4	15.9%	63.8	18.7%	64.1	17.3%	71.7	18.3%

Source: Revenues and EBITDA from Astral Media Inc. annual reports; Canadian program amortization are Nordicity Group estimates based on CRTC financial statistics for individual pay and specialty television services.

## 5 Broadcasters' Acquisitions of and Investments in CTF-Supported Programs

- Broadcaster *acquisitions of and investments in* CTF-supported programs include licence fees and any other investments in terms of development, equity, loans, or distribution advances for CTF-supported television programs.
- Conventional broadcasters' acquisitions of and investment in CTF-supported programs remained fairly constant in the range of \$50 million to \$60 million during the 1999/00-to-2004/05 period (fiscal years ending March 31).
- Acquisitions and investments by specialty and pay television services more than doubled during the period, from \$46 million to \$110 million. It is important to note that during this period the number of specialty and pay television services increased significantly, as did the total revenues of the segment.

**Exhibit 13. Broadcasters' Acquisitions of and Investments in CTF-Supported Programs**

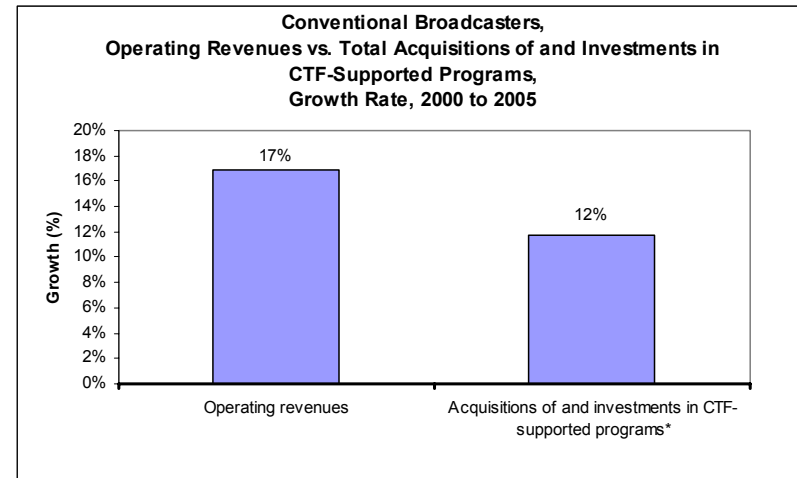


Source: Canadian Television Fund, Annual Activity Reports

Note: Figures for 2001/02 to 2004/05 include broadcaster licence fees, equity investments, and the monetary value of services provided to producers

**Exhibit 14. Growth in Operating Revenues, and Acquisitions of and Investments in CTF-Supported Programs, Conventional Broadcasters**

- Between 2000 and 2005, the growth in conventional broadcasters' operating revenues outpaced their acquisitions of and investments in CTF production.
- Exhibit 14 indicates that conventional broadcasters' revenue increased by 17% between 2000 and 2005, while their level of acquisitions of and investments in CTF-supported programs increased by 12%.
- It is important to note that many conventional broadcasters have made commitments to commissioning and exhibiting original Canadian programming as well as programming drawn from the priority programming genres. These commitments have arisen from both conditions of licence and the tangible-benefits packages related to ownership transactions. The CRTC's new drama incentive program, however, encourages broadcasters to fund programs outside the CTF.

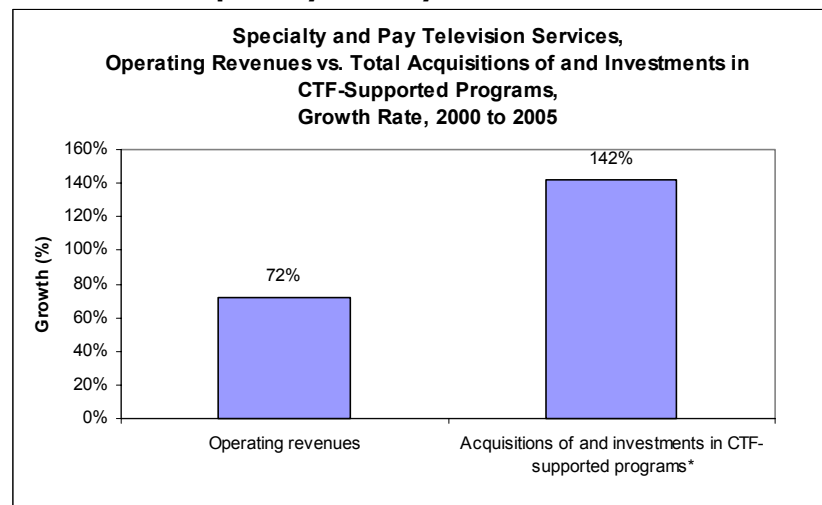


Source: Nordicity Group calculations based on data from Canadian Television Fund, Annual Activity Reports and CRTC annual financial summaries.

\* Note: CTF amounts for fiscal years 2002 to 2005 include broadcaster licence fees, equity investments, and the monetary value of services provided to producers.

- Between 2000 and 2005, the growth in acquisitions of and investments in CTF-supported programs by specialty and pay television services actually outpaced this segment's total operating revenues.
- Specialty and pay television services' acquisitions of and investments in CTF-supported programs grew by about 142% between 2000 and 2005, while total operating revenues in this segment of the industry rose by about 72% during the period.
- It is important to note that all Canadian specialty and pay television services have conditions of licence that require them to exhibit a minimum amount of Canadian programming and to make minimum annual Canadian program expenditures (CPE), calculated as a percentage of revenues. However, because the CRTC permits pay and specialty services to include CTF licence fee top-up payments as part of their CPE, this has contributed to the demand for CTF-supported programming and their acquisitions of and investments in this type of programming.

**Exhibit 15. Growth in Operating Revenues and Acquisitions of and Investments in CTF-Supported Programs, Specialty and Pay Television Services**



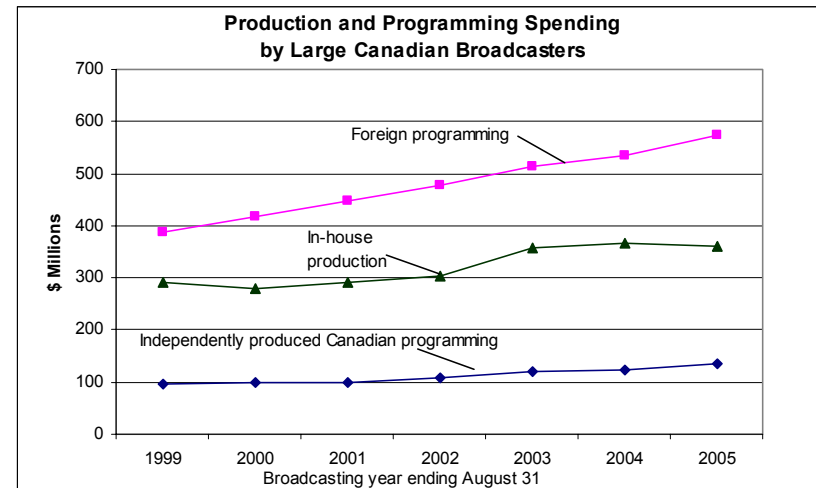
Source: Nordicity Group calculations based on data from Canadian Television Fund, Annual Activity Reports and CRTC annual financial summaries.

\* Note: CTF amounts for fiscal years 2002 to 2005 include broadcaster licence fees, equity investments, and the monetary value of services provided to producers.

## 6 Broadcaster Production and Programming Spending

- Exhibit 16 depicts the production and programming spending by private conventional broadcasters. The data include the spending by conventional television licensees of the large broadcaster groups analyzed in this report.
- Spending on foreign programming far outweighed any of the other two categories – in-house broadcaster production and independently produced Canadian programming. In 2005, large broadcasters spent \$574 million on foreign programming. Between 1999 and 2005, large broadcasters' spending on foreign programming increased by 48%.
- In 2005, large broadcasters spent \$362 million on in-house production (largely news, other information programming, human interest programs and sports). In-house production grew by 24% between 1999 and 2005.
- Spending by large broadcasters on independently produced Canadian programming in 2005 totalled \$136 million – less than one-quarter of the amount spent on foreign programming.

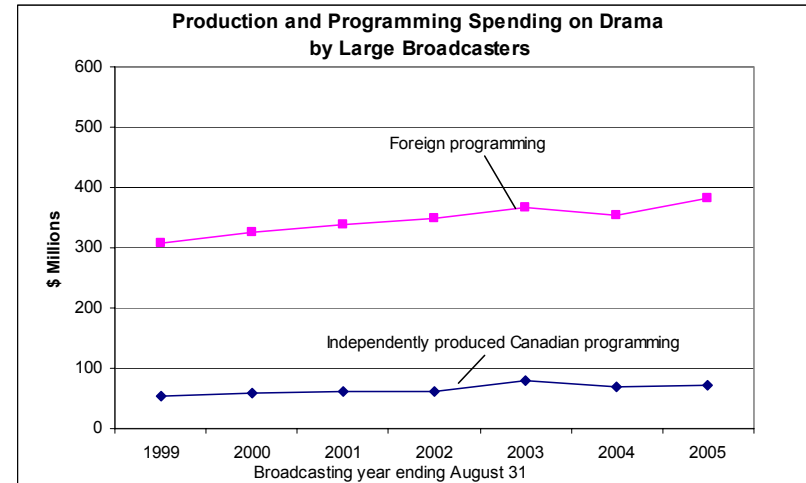
**Exhibit 16. Private Conventional Television Production and Programming Expenditures**



Source: Nordicity Group calculations based on data from CRTC annual financial summaries

### Exhibit 17. Private Conventional Television Production and Programming Expenditures on Drama

- Exhibit 17 depicts the production and programming spending by large broadcasters on **drama programming**. The data include the spending by conventional television licensees of the large broadcaster groups analyzed in this report.
- Again, spending on foreign-produced drama programming far outweighed spending on Canadian-produced drama programming. In 2005, the large broadcasters spent \$383 million on foreign drama programming; spending on independently produced Canadian drama in 2005 was \$72 million, or less than one-fifth of the amount spent on foreign-produced drama.
- We note that there has been a rise in recent years in the amount spent on independently produced Canadian drama production – but this increase has been due, in part, to the benefits commitments of broadcasters. The broadcasters’ benefits commitments are generally for five or seven years, and tend to distort the spending pattern for Canadian production.
- For example, the total benefits set out in the BCE-CTV transaction were \$230 million over seven years (ending in 2007). Of this amount, \$140 million was to be directed to the development, production and promotion of new priority programming (drama, documentary and variety programming).

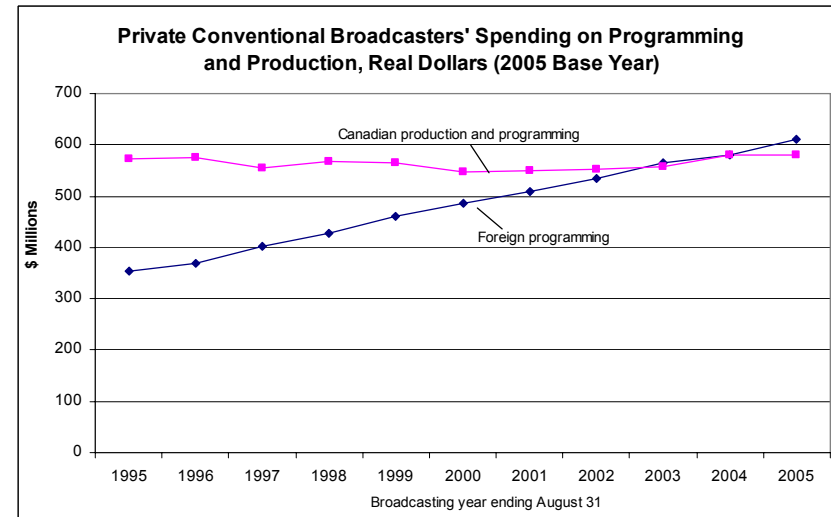
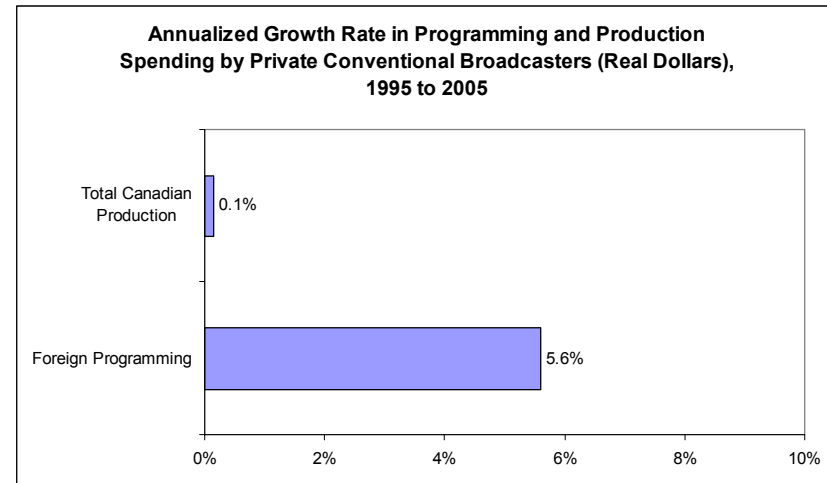


Source: Nordicity Group calculations based on data from CRTC annual financial summaries



**Exhibit 18. Historical Production and Programming Expenditures of Private Conventional Broadcasters**

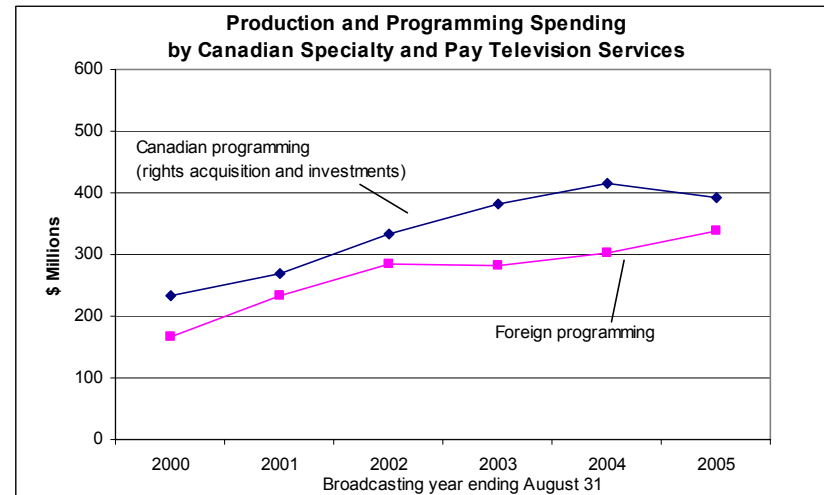
- An historical analysis of private conventional broadcasters' spending on programming and production shows that spending on foreign programming has grown steadily on a real-dollar basis, while spending on Canadian programming and production has stayed flat.
- Between 1995 and 2005 (broadcasting years ending August 31), private conventional broadcasters' spending on foreign programming increased at an average annual rate of 5.6% (real-dollar basis). Their expenditures on Canadian programming and production (including independent production, affiliated-producer production and in-house production) increased at an average annual rate of only 0.1%.
- Indeed, in 2005 (and 2003), private conventional broadcasters' spending on foreign programming actually exceeded all spending on Canadian production and programming.



Source: Nordicity Group calculations based on data from CRTC annual financial summaries and Statistics Canada consumer price index. See Appendix C for detailed data.

- Exhibit 19 depicts the production and programming spending by Canadian **specialty and pay television services** controlled by the large broadcasters.
- Between 2000 and 2005, spending on Canadian programming (rights acquisitions and investments) was higher than the amount spent on foreign programming. In 2005, for example, spending on Canadian programming totalled \$351 million; estimated spending on foreign programming totalled \$317 million.
- Spending by specialty and pay television services on foreign programming grew at an annual average rate of 16.9% between 1999 and 2005; spending on Canadian programming grew at an annual average rate of 14.4%.
- The higher level of spending on Canadian programming by specialty and pay television services, as well as the consistent pattern of growth, reflect the fact that specialty and pay television services are required to spend a fixed percentage of their revenues on Canadian programming. This percentage varies from service to service.
- Despite the Canadian program expenditure requirements, specialty and pay television services' spending on foreign programming grew at a faster rate than their spending on Canadian programming between 1999 and 2005.

**Exhibit 19. Specialty and Pay Television Services, Production and Programming Expenditures**



Source: Nordicity Group calculations based on data from CRTC annual financial summaries

**Canadian programming** (rights acquisitions and investments) was derived by summing the annual Canadian program amortization for the acquisition of rights, script & concept, and investment in programming. This total amount excludes any annual amortization of filler programming and program production by specialty and pay television services.

**Foreign programming** was derived by summing the overall program expenditures and program investments of specialty and pay television services, and subtracting from this amount the annual Canadian program amortization.

## **7 Broadcast Program Licence Fees**

- In this section we present data related to the broadcaster licence fees paid by television services currently controlled by the large broadcaster groups. Each table presents the number of productions licensed, the dollar value of the broadcaster licence fees, and the percentage of the total budget that the broadcaster licence fees represented. The data were obtained from CAVCO and are for the period 2000/01 to 2004/05 (fiscal years ending March 31).

## CTV/Bell Globemedia

- Licensing activity by television services controlled by CTV/Bell Globemedia was concentrated in drama and documentaries. In 2004/05, licence fees for CTF-supported drama productions represented 20.2% of total budgets.

### Exhibit 20. Program Licence Fees of Television Services Controlled by CTV/Bell Globemedia (Excluding Joint Venture Specialty Television Services†), CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<b>With CTF Support</b>															
Drama	12	12,398	20.1	18	14,640	21.3	8	12,136	20.8	8	11,337	21.4	10	12,725	20.2
Children's	0	0	0	3	2,195	18.2	X	X	X	X	X	X	0	0	0
Documentary	35	5,382	24.8	50	8,237	25.6	33	8,868	29.9	19	4,536	25.7	23	3,621	25.2
VAPA	9	1,886	54.1	8	2,921	58.9	4	3,754	56.4	X	X	X	2	3,237	54.5
Other	3	1,804	24.1	0	0	0	2	1,210	40.6	0	0	0	2	820	17.2
<b>Total</b>	<b>59</b>	<b>21,470</b>	<b>22.8</b>	<b>79</b>	<b>27,992</b>	<b>23.8</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>37</b>	<b>20,403</b>	<b>23.1</b>
<b>Without CTF Support</b>															
Drama	6	2,094	3.2	8	4,050	5.8	6	4,592	11.0	5	9,062	21.2	6	6,241	17.1
Children's	2	1,075	15.5	0	0	0	2	29	3.4	0	0	0	0	0	0
Documentary	41	5,876	19.8	23	3,359	29.2	38	6,563	29.8	43	7,661	27.7	19	5,361	33.1
VAPA	7	7,238	52.3	8	7,832	70.3	2	5,300	85.6	2	686	24.0	X	X	X
Other	9	195	4.3	13	1,253	33.5	10	12,631	75.5	4	8,503	77.9	3	781	36.3
<b>Total</b>	<b>65</b>	<b>16,477</b>	<b>13.8</b>	<b>52</b>	<b>15,494</b>	<b>17.1</b>	<b>58</b>	<b>29,115</b>	<b>33.3</b>	<b>54</b>	<b>25,912</b>	<b>30.8</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>Grand Total</b>	<b>124</b>	<b>37,947</b>	<b>17.7</b>	<b>131</b>	<b>44,486</b>	<b>20.8</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>

Source: Nordicity Group tabulations based on data from CAVCO

**Legend:**

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by CTV/Bell Globemedia, and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for conventional, specialty and pay services controlled by CTV/Bell Globemedia as of August 31, 2005. The table excludes data for CTV/Bell Globemedia's joint venture specialty television service Outdoor Life Network. CTV/Bell Globemedia holds a 33.3% ownership interest in Outdoor Life Network. Please see Appendix D for a complete list of television services.

## CanWest Global Communications Corp.

- Since 2002/03, television services controlled by CanWest have had very limited licensing activity inside the CTF.

### Exhibit 21. Program Licence Fees of Television Services† Controlled by CanWest Global Communications Corp., CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<u>With CTF Support</u>															
Drama	5	7,876	19.3	2	4,394	25.0	X	X	X	X	X	X	X	X	X
Children's	2	2,756	23.6	0	0	0.0	0	0	0.0	0	0	0	0	0	0
Documentary	9	533	15.9	9	1,005	15.9	13	630	24.0	9	1,376	18.8	7	1,773	32.4
VAPA	4	388	21.5	2	174	14.1	2	208	53.5	0	0	0	X	X	X
Other	0	0	0	0	0	0	0	0	0	X	X	X	6	549	73.8
Total	20	11,553	20.0	13	5,573	22.1	X	X	X	X	X	X	X	X	X
<u>Without CTF Support</u>															
Drama	7	11,838	7.8	7	4,175	3.0	5	5,530	4.4	4	8,034	10.4	7	10,500	14.1
Children's	X	X	X	X	X	X	X	X	X	X	X	X	0	0	0
Documentary	11	1,893	26.7	12	2,687	45.5	13	2,231	51.0	19	1,902	39.7	18	5,593	51.7
VAPA	6	281	29.5	4	159	29.6	4	165	28.9	2	77	18.0	0	0	0
Other	6	1,608	34.7	13	2,056	28.5	38	4,268	23.6	38	7,016	63.4	32	6,116	53.3
Total	X	X	X	X	X	X	X	X	X	X	X	X	57	22,209	23.0
Grand Total	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Source: Nordicity Group tabulations based on data from CAVCO

#### Legend:

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by CanWest Global Communications Corp., and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for Canadian conventional and specialty services controlled by CanWest Global Communications Corp. as of August 31, 2005. Please see Appendix D for a complete list of television services.

## CHUM Limited

- Up until 2002/03, the bulk of licensing activity by CHUM's television services took place outside of the CTF. However, in 2003/04 and 2004/05, CHUM's licensing was evenly split between CTF and non-CTF production.

### Exhibit 22. Program Licence Fees of Television Services Controlled by CHUM Limited (Excluding Joint Venture Specialty Television Services†), CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<u>With CTF Support</u>															
Drama	5	1,395	5.9	2	200	3.5	7	1,347	7.3	8	13,116	24.2	8	9,385	21.1
Children's	0	0	0.0	X	X	X	0	0	0.0	X	X	X	2	36	2.8
Documentary	26	532	6.0	28	906	10.2	34	982	6.7	28	1,219	10.9	28	2,797	20.9
VAPA	4	197	13.9	8	155	9.9	6	291	5.6	5	3,846	46.7	6	385	19.2
Other	0	0	0	0	0	0	0	0	0	0	0	0	2	28	13.0
<b>Total</b>	<b>35</b>	<b>2,124</b>	<b>6.2</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>47</b>	<b>2,620</b>	<b>6.8</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>46</b>	<b>12,630</b>	<b>20.6</b>
<u>Without CTF Support</u>															
Drama	9	6,205	5.6	11	5,978	5.4	18	7,578	8.5	8	1,490	15.2	25	8,058	10.1
Children's	3	34	0.2	2	2	0.1	0	0	0.0	4	567	8.4	0	0	0
Documentary	28	659	5.7	15	649	18.2	21	890	12.3	44	5,606	32.0	24	2,037	26.4
VAPA	6	228	13.2	6	247	12.3	6	306	19.9	17	2,732	40.4	8	785	21.7
Other	6	724	9.1	6	203	12.5	11	1,162	22.6	17	1,953	20.4	12	1,848	24.6
<b>Total</b>	<b>52</b>	<b>7,849</b>	<b>5.3</b>	<b>40</b>	<b>7,079</b>	<b>5.9</b>	<b>56</b>	<b>9,936</b>	<b>9.6</b>	<b>90</b>	<b>12,347</b>	<b>24.5</b>	<b>69</b>	<b>12,729</b>	<b>13.0</b>
<b>Grand Total</b>	<b>87</b>	<b>9,973</b>	<b>5.5</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>105</b>	<b>12,556</b>	<b>8.8</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>115</b>	<b>25,358</b>	<b>15.9</b>

Source: Nordicity Group tabulations based on data from CAVCO

Legend:

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by CHUM Limited, and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for Canadian conventional and specialty services controlled by CHUM Limited as of August 31, 2005. The table excludes data for CHUM Limited's joint venture specialty television services, including MusiMAX, and MusiquePlus Inc. Please see Appendix D for a complete list of television services.

## Alliance Atlantis Communications Inc.

- For television services controlled by Alliance Atlantis, licensing within the CTF was concentrated in documentaries. Outside of the CTF, most of its licensing activity was in categories other than the priority programming genres.

### Exhibit 23. Program Licence Fees of Television Services Controlled by Alliance Atlantis Communications Inc. Licence Fees for (Excluding Joint Venture Specialty Television Services†), CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<u>With CTF Support</u>															
Drama	8	4,201	11.9	6	2,736	19.5	7	2,182	8.7	10	6,572	12.9	8	4,751	15.7
Children's	0	0	0	0	0	0	X	X	X	X	X	X	X	X	X
Documentary	48	14,590	34.6	62	20,082	37.6	61	14,143	33.0	56	15,230	34.0	44	14,308	33.2
VAPA	X	X	X	0	0	0	0	0	0	0	0	0	0	0	0
Other	2	249	47.5	X	X	X	0	0	0	3	1,246	32.9	4	4,413	54.9
Total	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
<u>Without CTF Support</u>															
Drama	4	565	2.0	8	672	4.1	9	1,102	7.5	X	X	X	3	620	12.6
Children's	0	0	0	0	0	0	X	X	X	3	704	3.0	X	X	X
Documentary	32	5,249	25.8	43	17,922	47.1	44	13,140	35.9	31	11,861	38.8	23	9,297	39.6
VAPA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	29	9,144	58.5	31	11,433	51.1	34	16,977	61.0	21	14,876	66.2	21	13,146	59.9
Total	65	14,959	23.2	82	30,027	39.0	X	X	X	X	X	X	X	X	X
Grand Total	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Source: Nordicity Group tabulations based on data from CAVCO

Legend:

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by Alliance Atlantis Communications Inc., and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for Canadian conventional and specialty services controlled by Alliance Atlantis Communications Inc. as of August 31, 2005. The table excludes data for Alliance Atlantis Communications Inc.'s joint venture specialty television services, including Historia, and Séries+. Please see Appendix D for a complete list of television services.

## Astral Media Inc.

- In 2004/05 most of Astral Media's licensing within the CTF was in the children's and documentary genres. Astral Media's licensing of CTF drama has increased significantly in the past few years, largely due to provisions in the 2001 renewal of its pay television licences, which included brought Astral Media's pay television revenues from satellite customers into the calculation of its Canadian programming expenditures (see Decision CRTC 2001-732).

### Exhibit 24. Program Licence Fees for Television Services Controlled by Astral Media Inc. (Excluding Joint Venture Specialty Television Services†), CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<u>With CTF Support</u>															
Drama	10	1,551	5.0	8	1,799	5.3	13	2,580	6.0	12	5,265	9.1	8	3,197	7.0
Children's	9	6,971	20.9	8	6,173	18.7	9	6,492	15.2	4	4,916	26.7	9	8,621	23.3
Documentary	30	3,567	19.9	35	5,015	14.7	24	5,188	26.9	32	6,211	21.3	38	7,080	21.6
VAPA	X	X	X	7	715	39.9	6	700	35.4	X	X	X	5	1,084	35.1
Other	X	X	X	X	X	X	X	X	X	0	0	0	3	1,444	71.6
Total	X	X	X	X	X	X	X	X	X	X	X	X	63	21,426	17.8
<u>Without CTF Support</u>															
Drama	13	923	3.9	29	2,163	4.1	28	4,519	7.6	20	2,385	5.2	16	1,388	3.5
Children's	6	1,548	4.5	5	299	2.4	2	141	1.1	X	X	X	2	1,827	15.3
Documentary	26	2,915	14.3	13	1,663	30.9	10	1,223	15.1	21	3,064	15.8	18	2,300	14.0
VAPA	8	1,240	65.6	5	976	31.5	2	143	43.1	4	526	17.2	2	273	58.8
Other	14	5,915	30.3	14	7,196	69.8	19	9,015	50.8	16	8,490	62.3	15	10,220	70.9
Total	67	12,540	12.5	66	12,297	14.6	61	15,040	15.4	X	X	X	53	16,008	19.4
Grand Total	X	X	X	X	X	X	X	X	X	X	X	X	116	37,433	18.5

Source: Nordicity Group tabulations based on data from CAVCO

Legend:

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by Astral Media Inc., and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for Canadian conventional, specialty and pay services controlled by Astral Media Inc. as of August 31, 2005. The table excludes data for Astral Media Inc.'s joint venture specialty television services, including Historia, Séries+, MusiMAX, MusiquePlus Inc., and Teletoon. Please see Appendix D for a complete list of television services.



## Corus Entertainment Inc.

- Corus Entertainment's licensing was concentrated in children's programming, as it operates YTV and Treehouse TV, among other services.

### Exhibit 25. Program Licence Fees of Television Services Controlled by Corus Entertainment Inc. (Excluding Joint Venture Specialty Television Services†), CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<u>With CTF Support</u>															
Drama	10	3,056	7.6	9	862	2.5	13	3,301	8.0	11	6,868	12.0	5	3,941	11.0
Children's	9	5,775	31.2	14	9,038	22.2	17	14,491	23.5	8	8,267	22.8	14	15,857	30.6
Documentary	25	3,241	26.6	14	686	14.7	21	2,739	29.2	17	4,102	33.8	6	1,990	26.7
VAPA	0	0	0	3	292	44.7	X	X	X	X	X	X	X	X	X
Other	X	X	X	2	200	4.7	0	0	0	2	1,618	64.7	0	0	0
<b>Total</b>	X	X	X	42	11,077	13.1	X	X	X	X	X	X	26	21,854	22.9
<u>Without CTF Support</u>															
Drama	5	1,400	6.2	27	2,819	3.5	27	6,941	8.1	19	1,935	5.3	17	1,410	3.2
Children's	7	3,877	7.7	11	6,092	10.1	7	3,599	12.2	9	3,781	17.7	4	2,459	25.7
Documentary	8	409	6.8	3	542	48.9	12	5,829	58.8	8	1,933	38.6	10	3,353	40.1
VAPA	3	254	41.6	3	151	10.8	X	X	X	0	0	0	0	0	0
Other	15	5,245	52.4	9	5,204	39.7	18	11,382	63.2	7	5,802	68.5	12	11,772	64.8
<b>Total</b>	38	11,185	12.5	53	14,808	9.5	X	X	X	43	13,450	18.9	43	18,993	23.5
<b>Grand Total</b>	X	X	X	95	25,885	10.7	X	X	X	X	X	X	X	X	X

Source: Nordicity Group tabulations based on data from CAVCO

Legend:

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by Corus Entertainment Inc., and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for Canadian conventional, specialty and pay services controlled by Corus Entertainment Inc. as of August 31, 2005. The table excludes data for Corus Entertainment Inc.'s joint venture specialty television service, Teletoon. Please see Appendix D for a complete list of television services.

## CBC/SRC

- While most of this report deals with private television broadcasters, in this section we have also included data for CBC/SRC, for comparison purposes. The bulk of CBC/SRC's licensing was in CTF drama.

### Exhibit 26. Program Licence Fees of Television Services† Controlled by CBC/SRC, CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<u>With CTF Support</u>															
Drama	23	27,379	24.9	34	37,916	25.2	34	43,973	25.6	24	29,341	22.6	36	45,001	25.0
Children's	8	2,870	18.2	7	3,275	18.0	9	9,997	29.1	2	2,063	48.0	8	8,813	29.7
Documentary	76	4,914	20.0	96	8,083	21.3	72	6,217	19.4	90	12,369	25.4	83	9,381	23.2
VAPA	12	4,551	39.7	20	7,733	39.3	24	8,281	29.9	10	5,633	46.6	17	9,532	44.4
Other	3	1,150	31.8	2	356	30.0	3	2,119	26.9	2	5,145	33.6	2	5,523	32.4
<b>Total</b>	<b>122</b>	<b>40,864</b>	<b>24.7</b>	<b>159</b>	<b>57,364</b>	<b>25.2</b>	<b>143</b>	<b>70,588</b>	<b>25.8</b>	<b>128</b>	<b>54,550</b>	<b>25.9</b>	<b>146</b>	<b>78,249</b>	<b>27.1</b>
<u>Without CTF Support</u>															
Drama	12	6,666	18.8	20	4,329	12.1	21	5,109	19.7	28	18,176	20.4	12	15,930	51.8
Children's	6	2,392	6.2	5	1,245	6.0	3	962	6.4	4	2,575	17.5	4	2,054	18.5
Documentary	25	1,353	12.5	18	1,061	19.3	38	4,233	19.3	42	5,664	21.5	31	2,819	21.7
VAPA	25	10,993	57.4	24	12,158	52.9	24	15,602	63.5	42	27,799	44.4	18	20,091	66.3
Other	11	4,122	54.2	8	3,579	55.3	9	1,845	61.7	14	3,194	39.7	12	3,381	67.1
<b>Total</b>	<b>79</b>	<b>25,525</b>	<b>22.8</b>	<b>75</b>	<b>22,372</b>	<b>24.5</b>	<b>95</b>	<b>27,751</b>	<b>30.7</b>	<b>130</b>	<b>57,406</b>	<b>28.6</b>	<b>77</b>	<b>44,275</b>	<b>49.1</b>
<b>Grand Total</b>	<b>201</b>	<b>66,390</b>	<b>23.9</b>	<b>233</b>	<b>79,736</b>	<b>25.0</b>	<b>238</b>	<b>98,399</b>	<b>27.0</b>	<b>258</b>	<b>111,957</b>	<b>27.2</b>	<b>223</b>	<b>122,525</b>	<b>32.4</b>

Source: Nordicity Group tabulations based on data from CAVCO

Legend:

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by CBC/SRC, and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for Canadian conventional and specialty services controlled by CBC/SRC as of August 31, 2005. Please see Appendix D for a complete list of television services.

## TVA/Quebecor Inc.

- Within the CTF, most of TVA's licensing was concentrated in drama. Outside of the CTF, a large share of its licensing was in variety and performing arts programming.

### Exhibit 27. Program Licence Fees of Television Services† Controlled by TVA/Quebecor Inc., CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<u>With CTF Support</u>															
Drama	9	13,189	34.4	11	16,487	43.1	14	19,820	31.3	8	13,175	31.1	13	21,111	34.1
Children's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Documentary	2	1,348	23.9	2	415	43.2	2	307	12.5	4	495	32.3	2	1,442	33.8
VAPA	X	X	X	2	1,763	51.4	2	173	34.8	X	X	X	4	2,983	51.2
Other	0	0	0	X	X	X	0	0	0	0	0	0	0	0	0
<b>Total</b>	X	X	X	X	X	X	18	20,300	30.6	X	X	X	19	25,536	35.4
<u>Without CTF Support</u>															
Drama	2	200	3.8	5	620	4.3	4	2,844	33.1	10	6,305	14.2	2	322	54.9
Children's	0	0	0	0	0	0	X	X	X	X	X	X	2	926	58.2
Documentary	4	75	4.8	5	653	37.0	7	2,437	44.6	14	5,047	52.4	7	1,504	63.0
VAPA	11	9,146	67.2	9	8,111	66.9	13	10,403	57.9	9	10,138	62.0	9	10,380	80.8
Other	13	7,240	46.7	19	8,932	47.3	25	12,126	48.6	17	10,561	53.8	21	17,660	59.2
<b>Total</b>	30	16,661	46.3	38	18,316	38.9	X	X	X	X	X	X	41	30,792	65.2
<b>Grand Total</b>	X	X	X	X	X	X	X	X	X	X	X	X	60	56,329	47.2

Source: Nordicity Group tabulations based on data from CAVCO

Legend:

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by TVA/Quebecor Inc., and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for Canadian conventional and specialty services controlled by TVA/Quebecor Inc. as of August 31, 2005. Please see Appendix D for a complete list of television services.

## TQS/Cogeco Inc.

- Between 2000/01 and 2003/04, most of TQS/Cogeco's licensing was outside of the priority programming genres. In 2004/05, however, TQS/Cogeco did increase its licensing of CTF drama.

### Exhibit 28. Program Licence Fees of Television Services† Controlled by TQS/Cogeco Inc., CAVCO-Certified Productions

(Fiscal years ending March 31)	2000/01			2001/02			2002/03			2003/04			2004/05		
	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%	#	\$ 000s	%
<u>With CTF Support</u>															
Drama	2	1,718	34.0	2	1,228	29.7	3	2,611	44.9	X	X	X	3	4,039	43.6
Children's	0	0	0	X	X	X	2	413	7.6	2	512	8.9	2	562	26.0
Documentary	0	0	0	2	50	35.6	X	X	X	4	771	18.9	3	330	10.8
VAPA	3	3,965	57.1	9	3,834	47.3	6	3,301	47.3	2	3,108	42.1	8	2,541	34.2
Other	X	X	X	0	0	0	0	0	0	0	0	0	X	X	X
Total	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
<u>Without CTF Support</u>															
Drama	X	X	X	4	642	33.3	3	1,221	27.1	5	1,249	13.3	X	X	X
Children's	0	0	0	0	0	0	0	0	0	X	X	X	0	0	0
Documentary	3	77	12.3	2	50	14.4	2	21	4.0	4	65	7.2	2	515	41.3
VAPA	5	115	5.9	X	X	X	4	2,052	44.5	5	1,076	36.7	X	X	X
Other	24	9,131	51.5	19	6,998	54.4	22	8,695	48.2	13	13,788	62.9	10	4,946	37.8
Total	X	X	X	X	X	X	31	11,990	43.3	X	X	X	X	X	X
Grand Total	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Source: Nordicity Group tabulations based on data from CAVCO

Legend:

- # - Number of licensed projects
- \$ - Total dollar amount of broadcaster licence fees paid by broadcaster
- % - Broadcaster's licence fee amount as a percentage of total project financing
- X - Data not available due to confidentiality

Please note that some projects have more than one licensing broadcaster. The licence fee amounts presented in the table above only represent the licence fees paid by TQS/Cogeco Inc., and the percentage of the total project financing that this amount comprised. The licence fee amounts presented above do not include amounts paid by broadcasters in another broadcasting group. As such, the total amount of licence fees paid by all broadcasters may actually represent a higher percentage of the total project financing than is depicted in the table.

† The table includes the television licence fees for Canadian conventional and specialty services controlled by TQS/Cogeco Inc. as of August 31, 2005. Please see Appendix D for a complete list of television services.

# Appendices

## Appendix A: List of Private Conventional Licensees, and Specialty and Pay Television Services Included in Large Broadcaster Groups

CTV/Bell Globemedia		CanWest Global Communications Corp.	CHUM Limited	Alliance Atlantis Communications Inc.
<u>Private Conventional</u> CTV Network Atlantic Satellite Network Atlantic Television Network (ATV) CFTO-TV Toronto CHBX-TV Sault Ste. Marie CICI-TV Sudbury CITO-TV Timmins CJOH-TV Ottawa CKCO-TV Kitchener CKCO-TV-3 Oil Springs CKNY-TV North Bay CKNY-TV-11 Huntsville CFCN-TV Calgary CFCN-TV-5 Lethbridge CFRN-TV Edmonton CFRN-TV-3 Whitecourt CFRN-TV-4 Ashmont CFRN-TV-6 Red Deer CFQC-TV Saskatoon CICC-TV Yorkton CIPA-TV Prince Albert CKCK-TV Regina CFCF-TV Montréal CKY-TV Winnipeg CIVT-TV- Vancouver KKCW-TV Moncton CKLT-TV Saint John CJCJ-TV Sydney CJCH-TV Halifax	<u>Specialty and Pay Television</u> Animal Planet Canada Comedy Network CTV Newsnet CTV Travel Discovery Civilization Discovery Channel Canada (2001-2005, 100%) ESPN Classic Sports Outdoor Life Network (33.3%) Réseau des sports, Le (2001-2005, 100%) ROBTV (2001-2005, 100%) Talk TV The NHL Network TSN (2001-2005, 100%) WTSN  <u>Pay Television</u> DTH Pay-Per View Canal Indigo (2002, 17.98%; 2003, 17.98%) †  † ownership position held through 24.95% share of Viewer's Choice Pay-Per-View (the managing partner of Canal Indigo) and a 40% share of TQS inc.	<u>Private Conventional</u> Global Television Network CFRE-TV Regina CFSK-TV Saskatoon CHCH-TV Hamilton CIII-TV Paris CJNT-TV Montréal CKMI-TV Québec CICT-TV Calgary CISA-TV Lethbridge CITV-TV Edmonton CITV-TV-1 Red Deer CKRD-TV Red Deer CKND-TV Winnipeg CHAN-TV Vancouver CHBC-TV Kelowna CHEK-TV Victoria CHKL-TV Kelowna CHKM-TV Kamloops CIFG-TV Prince George CIHF -TV-2 Saint John CIHF-TV Halifax  <u>Specialty and Television</u> Xtreme Sports Fox Sports World Canada Deja View Cool TV Lonestar Mystery (45.05%) TVtropolis (formerly Prime TV)	<u>Private Conventional</u> CFPL-TV London CHRO-TV Pembroke CHRO-TV-43 Ottawa CHWI-TV Wheatley CITY-TV Toronto CKNX-TV Wingham CKVR-TV Barrie CKVU-TV Vancouver CIVI-TV Victoria CHMI-TV Port. La Prairie CKX-TV Brandon CKAL-TV Calgary CKEM-TV Edmonton  <u>Specialty Television</u> Book Television† Bravo! Canadian Learning Television† Court TV† Drive-In Classics FashionTV MuchLoud MuchMore MuchMusic MuchVibe MusiquePlus (50%) Musimax (50%) Pulse24 PunchMuch (MTV Channel) Razer (MTV 2) Sex-TV Space: The Imagination Station Star-TV TV Land  † 60% owned by CHUM through Learning and Skills Alberta	<u>Specialty Television</u> BBC Canada BBC Kids Food Network Canada Discovery Health Canada HGTV Historia (50%) History Television Independent Film Channel Canada, The Life Network Inc./Réseau Life Inc. Luxe National Geographic Channel Canada Séries+ (50%) Showcase Action Showcase Diva Showcase Television

Note: Unless noted otherwise in parentheses, 100% of financial results for each licensee have been included in total financial results of large broadcaster group for each year of the 1999 to 2005 period. Based on the consolidated method of accounting, parent companies account for 100% of subsidiary revenues, whenever they hold more than 50% economic interest,

Astral Media Inc.	Corus Entertainment Inc.	Quebecor Inc.	Cogeco Inc.
<p><u>Specialty Television</u>  Canal D  Canal Vie, Le  Canal Z  Family Channel (1999, 50%; 2000, 50%)  Historia (50%)  MusiquePlus (50%)  Musimax (50%)  Séries+ (50%)  Teletoon (1999, 20%; 2000, 20%; 2001-2005, 40%)  VRAK-TV</p> <p><u>Pay Television</u>  Movie Network (TMN)  Moviepix  Super Écran  Viewers Choice Pay-Per-View  Canal Indigo (20.04%)†</p> <p>† ownership position held through 50.1% share of Viewer's Choice Pay-Per-View – the managing partner of Canal Indigo with a 40% share o the latter</p>	<p><u>Private Conventional</u>  CHEX-TV Peterborough  CHEX-TV-2 Oshawa  CKWS-TV Kingston</p> <p><u>Specialty Television</u>  Country Music Television (CMT)  Discovery Kids  Documentary Channel, The  Edge TV  W Network (2002-2005, 100%)  Scream (2001-2003, 100%)  Telelatino (2002-2005, 50.5%)  Teletoon (2000, 20%; 2001, 40%; 2002, 40%; 2003, 40%)  TreeHouse TV  YTV</p> <p><u>Pay Television</u>  Encore Avenue (Moviemax!)  Movie Central (Super Channel)</p>	<p><u>Private Conventional</u>  Réseau (TVA) Network  CFCM-TV Québec  CFER-TV Rimouski  CFTM-TV Montréal  CHEM-TV Trois-Rivières  CHLT-TV Sherbrooke  CJPM-TV Chicoutimi  CKXT-TV Toronto</p> <p><u>Specialty Television</u>  MenTV  Canal Mystère (45.05%)  Le Canal Nouvelles (2002-2005, 100%)  Canal Indigo (20%)</p>	<p><u>Private Conventional</u>  TQS Network  CFAP-TV Québec  CFJP-TV Montréal  CFKM-TV Trois-Rivières  CFKS-TV Sherbrooke  CFRS-TV Joncquièrre  CKSH-TV Sherbrooke  CKTM-TV Trois-Rivières  CKTV-TV Joncquièrre  CKTV-TV-1 Saint-Fulgence</p> <p><u>Pay Television</u>  Canal Indigo (1999, 20%; 2000, 20%; 2001, 20%; 2002, 32%; 2003, 32%)</p>

Note: Unless noted otherwise in parentheses, 100% of financial results for each licensee have been included in total financial results of large broadcaster group for each year of the 1999 to 2005 period. Based on the consolidated method of accounting, parent companies account for 100% of subsidiary revenues, whenever they hold more than 50% economic interest,

## Appendix B: List of Industries

The following industries are included in the Statistics Canada data for the category of *all industries* presented in this report:

Agriculture, forestry, fishing and hunting  
Oil and gas extraction and support activities  
Mining (except oil and gas)  
Utilities  
Construction  
Manufacturing  
Wholesale trade  
Retail trade  
Transportation and warehousing

Information and cultural industries  
Real estate and rental and leasing  
Professional, scientific and technical services  
Administrative and support, waste management and remediation services  
Educational, healthcare and social assistance services  
Arts, entertainment and recreation  
Accommodation and food services  
Repair, maintenance and personal services  
Finance and insurance industries (excluding other funds and financial vehicles)

## Appendix C: Historical Statistics for Programming and Production Expenditures by Private Conventional Broadcasters

### Current Dollars

\$ millions unless indicated otherwise	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	CAGR: 1994/95 to 2004/05	CAGR: 1994/95 to 1999/00	CAGR: 2000/01 to 2004/05
<b>All Genres</b>														
<u>Foreign Programming</u>														
Total program expenses	290.6	307.2	340.3	365.2	400.4	434.0	466.4	499.0	541.8	567.4	612.0	7.7%	8.4%	7.0%
<u>Canadian Programming</u>														
Independent production	70.7	75.5	71.7	87.5	97.0	100.0	101.4	109.5	121.9	125.6	138.4	6.9%	7.2%	8.1%
Affiliated production	11.1	16.3	15.2	27.6	41.8	47.2	36.7	37.0	28.1	43.5	49.1	16.0%	33.6%	7.5%
Independent + Affiliated production	81.8	91.8	86.9	115.1	138.8	147.2	138.1	146.5	150.0	169.1	187.5	8.6%	12.5%	7.9%
In-house production	333.9	330.1	324.4	313.8	307.4	297.8	310.9	323.6	381.0	392.6	388.5	1.5%	-2.3%	5.7%
Total Canadian Production	468.8	478.5	468.4	484.7	490.1	488.7	502.5	517.2	536.1	569.1	581.3	2.2%	0.8%	3.7%
<b>Drama</b>														
<u>Foreign Programming</u>														
Total program expenses	234.0	237.2	267.0	295.8	315.9	337.4	350.5	365.7	382.1	372.8	401.5	5.5%	7.6%	3.5%
<u>Canadian Programming</u>														
Independent Production	45.1	44.2	42.7	48.8	55.0	59.3	62.3	62.0	79.6	68.3	71.6	4.7%	5.6%	3.5%
Affiliated production	2.5	6.0	6.1	10.2	6.5	7.7	5.8	10.5	6.9	8.1	6.3	9.7%	25.2%	2.1%
Independent + Affiliated production	47.6	50.2	48.8	59.0	61.5	67.0	68.1	72.5	86.5	76.4	77.9	5.0%	7.1%	3.4%
In-house production	5.1	1.2	3.7	0.5	n.m.	n.m.	1.3	2.2	4.0	3.5	2.3	(7.7%)	(55.8%)	15.3%
Total Canadian Production	56.7	54.6	58.6	54.6	64.6	71.0	76.1	77.2	93.1	81.9	82.2	5.6%	6.5%	1.9%

Sources: CRTC financial summaries for private conventional broadcasters.

CAGR – Compound Annual Growth Rate

n.m. not meaningful



## Real Dollars (2005 Base Year)

\$ millions unless indicated otherwise	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	CAGR: 1994/95 to 2004/05	CAGR: 1994/95 to 1999/00	CAGR: 2000/01 to 2004/05
<b>All Genres</b>														
<u>Foreign Programming</u> Total program expenses	355.0	369.3	402.6	428.1	461.3	486.8	510.1	533.8	564.0	579.7	612.0	5.6%	6.5%	4.7%
<u>Canadian Programming</u>														
Independent production	86.4	90.8	84.8	102.6	111.7	112.2	110.9	117.1	126.9	128.3	138.4	4.8%	5.4%	5.7%
Affiliated production	13.6	19.6	18.0	32.4	48.2	52.9	40.1	39.6	29.2	44.4	49.1	13.7%	31.3%	5.2%
Independent + Affiliated production	99.9	110.4	102.8	134.9	159.9	165.1	151.0	156.7	156.1	172.8	187.5	6.5%	10.6%	5.6%
In-house production	407.9	396.8	383.8	367.8	354.1	334.0	340.0	346.2	396.6	401.1	388.5	(0.5%)	(3.9%)	3.4%
Total Canadian Production	572.7	575.2	542.3	568.2	564.6	548.1	549.6	553.3	558.0	581.4	581.3	0.1%	(0.9%)	1.4%
<b>Drama</b>														
<u>Foreign Programming</u> Total program expenses	285.9	285.1	315.9	346.7	363.9	378.4	383.3	391.2	397.7	380.9	401.5	3.5%	5.8%	1.2%
<u>Canadian Programming</u>														
Independent Production	55.1	53.1	50.5	57.2	63.4	66.5	68.1	66.3	82.9	69.8	71.6	2.7%	3.8%	1.2%
Affiliated production	3.1	7.2	7.2	12.0	7.5	8.6	6.3	11.2	7.2	8.3	6.3	7.5%	23.1%	(0.2%)
Independent + Affiliated production	58.2	60.3	57.7	69.2	70.9	75.1	74.5	77.6	90.0	78.1	77.9	3.0%	5.3%	1.1%
In-house production	6.2	1.4	4.4	0.6	n.m.	n.m.	1.4	2.4	4.2	3.6	2.3	(9.5%)	(56.6%)	12.8%
Total Canadian Production	69.3	65.6	69.3	64.0	74.4	79.6	83.2	82.6	96.9	83.7	82.2	3.5%	4.7%	(0.3)%

Sources: CRTC financial summaries for private conventional broadcasters and data consumer for price index (all items) from Statistics Canada.

CAGR – Compound Annual Growth Rate

n.m. not meaningful

## Appendix D: Allocation of Television Services Licensees in CAVCO database

To produce the data tables in Section 7, licensee television services listed in the CAVCO database were allocated to the large broadcaster with a controlling interest (an economic interest of greater than 50%). The following table lists the licensee broadcasters included in each large broadcaster group.

<b>CBC</b>	<b>CTV/Bell Globemedia</b>	<b>CanWest Global Communications Corp.</b>	<b>CHUM Limited</b>	<b>Alliance Atlantis Communications Inc.</b>
Canadian Broadcasting Corporation (CBC) Canadian Broadcasting Corporation (Newsworld) Société Radio-Canada (CBVT Québec) Société Radio-Canada (Réseau de l'Information) (RDI) Société Radio-Canada (SRC)	Discovery Channel Canada Animal Planet Canada Company Atlantic Television Network (ATV) Bell ExpressVu CFCF-TV, CFCN-TV, CFRN-TV CFTO-TV, CJOH-TV, CKCK-TV CKCO-TV, CKY-TV Comedy Network CTV Inc. CTV Sports Net Inc. CTV Television Inc. Discovery Civilization Channel ESPN Classic Canada Réseau des sports, Le The NHL Network Inc. Travel Canada Inc. Travel TV TSN WTSN	CanWest Global Broadcasting Inc. CanWest Television Inc. CHCH-TV, CHEK-TV, CICT-TV CITV-TV, CJNT-TV, CKMI-TV Extreme Sports Channel Global Communications Limited Global Television Network Inc. Prime TV WIC Television Ltd.	Access Network Book Television Bravo! Canadian Learning Television Ltd. CHUM Limited/CHUM Limitée CITY-TV CKVR-TV New VI, The New VR, The Space: The Imagination Station Star-TV	Alliance Atlantis Broadcasting Inc. Food Network Canada Health Network Canada HGTV Canada Inc. (Home & Garden Television) History and Entertainment Network (H & E) History Television Inc. Independent Film Channel Canada, The Jasper Broadcasting Inc. Jasper Junior Broadcasting Inc. Life Network Inc./Réseau Life Inc. National Geographic Channel (Canada) Showcase Television Inc.
<b>Astral Media Inc.</b>	<b>Corus Entertainment Inc.</b>	<b>TVA</b>	<b>TQS</b>	
Astral Television Networks Inc./Astral Télé Réseaux Inc. Canal D Canal Famille Canal Vie, Le Canal Z Family Channel Movie Network (TMN) Super Écran VRAK-TV	Corus Premium Television Country Music Television (CMT) Documentary Channel, The Lifestyle Television (WTN) Movie Central Moviemax Super Channel Teletatino Network Inc. TreeHouse TV WIC Premium Television Ltd. YTV Canada Inc.	Groupe TVA inc./TVA Group inc.	CFAP-TV Cogeco Radio-Télévision inc. TQS inc.	

## Glossary

<b>BDU</b>	Broadcasting Distribution Undertaking – Cable television companies and direct-to-home satellite service providers.
<b>CAGR – Compound Annual Growth Rate</b>	The average annual growth rate over of period of time (geometric average).
<b>Conventional Broadcaster</b>	Refers to television services licensed to broadcast over-the-air signals. They also receive carriage on BDUs.
<b>CPE</b>	Canadian Program Expenditures
<b>EBIT</b>	Earnings Before Interest and Taxes - A measure of company profitability that is calculated before the deduction of interest payments and taxes.
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation and Amortization - A measure of company profitability before the deduction of non-cash expenses as well as interest payments and taxes.
<b>EBT</b>	Earnings Before and Taxes - A measure of company profitability that is calculated before the deduction of taxes.
<b>Independently Produced Canadian Programming</b>	Refers to television programs made by Canadian production companies not controlled by the broadcaster acquiring the programming.
<b>In-House Production</b>	Refers to television programs produced by the television broadcasters.
<b>Large Broadcaster</b>	Includes the private conventional, and specialty and pay television services controlled by BCE Inc., CanWest Global Communications Corp., Alliance Atlantis Communications Inc., Quebecor Inc., CHUM Limited, Astral Media Inc., Corus Entertainment Inc., and Cogeco Inc.
<b>Real Dollars</b>	The term real dollars refers to time-series data denominated in dollars for which the effect of inflation has been removed. This allows one to draw comparisons between dollar amounts in two different time periods on the basis of the same purchasing power.
<b>Specialty and Pay Television Service</b>	Refers to the various television services which either focus on particular program genres or themes, or provide television programming to viewers for a fee. Specialty and pay television services are only available from BDUs.