2014-2015 BUSINESS PLANS, OPERATING AND CAPITAL BUDGETS

- BOOK OF APPENDICES -

CONTENT

- Appendix A – Update on DRAP Budget Measures 3
- Appendix B – Olympics, FIFA and Pan Am Games Financial Overview 6
- Appendix C – Reserves 10
- Appendix D – Reductions – Additional Information 12
- Appendix E – Revenues 16
- Appendix F – Cash Forecast 20
- Appendix G – Strategy 2015 and Signature Events 22
- Appendix H – Summary - Hockey Budget 28
- Appendix I – Regional Media Budgets 30
- Appendix J – Non-Media Services Activities and Priorities 33
- Appendix K - Capital Budget – Key Initiatives by Investment Category 44
- Appendix L – Capital Budget – Priorities, Challenges and Risks by Major Components 53
- Appendix M – Capital Budget – Projects Greater than $5M 66

APPENDIX A

UPDATE ON DRAP BUDGET MEASURES

UPDATE ON DRAP BUDGET MEASURES –SUMMARY

- In the 2012-2013 business plans, CBC/Radio-Canada identified significant budget measures totalling $200 million to offset the DRAP funding reduction, Strategy 2015 investment plans, and other financial pressures
- In 2012-2013 and 2013-2014, we have been tracking these initiatives and the latest data, as at the end of December 2013, was presented to the Board in February 2014 in the Reduction Plan Progress Report. A summary of this information is presented on the next page
- The shortfall compared to the original 2012-2013 plans is mainly

UPDATE ON DRAP BUDGET MEASURES – SUMMARY (CONT'D)

ALL SERVICES	Original Plan			Updated Forecast at Q3 of 2013/14			
	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15	2015/16
	$000's	$000's	$000's	$000's	$000's	$000's	$000's
ENGLISH SERVICES							
FRENCH SERVICES							
NON-MEDIA SERVICES							
G&A EFFICIENCIES							
Total Reductions - All Services	**79,953**	**155,535**	**193,474**	**76,474**	**152,951**	**171,860**	**173,606**

Note:

APPENDIX B

OLYMPICS, FIFA AND PAN AM GAMES

FINANCIAL OVERVIEW

OLYMPICS – FINANCIAL UPDATE

In Can$ Millions	2014 Sochi Winter Games Only			
	Original Plan	Updated Plan	Changes	November 22 Board
Revenues (Note 1)				
CBC Advertising & Sub-license agreements				
Radio-Canada Advertising				
Total Revenues				
Operating Costs				
Rights Fee - *restated per contract*				
Production costs & Contingency				
Sales & Promotion				

In Can$ Millions	2016 Rio Summer Games Only			
	Original Plan	Updated Plan	Changes	November 22 Board
Revenues				
CBC Advertising & Sub-license agreements				
Radio-Canada Advertising				
Total Revenues				
Operating Costs				
Rights Fee - *restated per contract*				
Production costs & Contingency				
Sales & Promotion				
Total costs before withholding tax				
Profits/(Loss) before withholding tax				
IOC profit/(loss) share				

In Can$ Millions	Consolidated 2014-2016 Summer Games Only			
	Original Plan	Updated Plan	Changes	November 22 Board
Revenues				
CBC Advertising & Sub-license agreements				
Radio-Canada Advertising				
Total Revenues				
Operating Costs				
Rights Fee - *restated per contract*				
Production costs & Contingency				
Sales & Promotion				

2014 FIFA WORLD CUP – FINANCIAL UPDATE

In Can$ Millions	As per Original Business Case	Updated Plan	Change
Revenues			
CBC Advertising & Sub-license agreements			
Radio-Canada Advertising & Sub-license agreements			
Total Revenues			
Operating Costs			
Rights Fee			
Production costs & Contingency			
Sales & Promotion			

Note:

2015 PAN AM GAMES – FINANCIAL UPDATE

In Can$ Millions	Original Plan
HOST BROADCASTING	
Revenues	
Host Broadcasting Revenue	
Total Revenues	
Operating Costs	
Host Broadcasting Costs	
Total costs	
Profits Host Broadcasting	
DOMESTIC	
Revenues	
CBC Advertising & Sub-license agreements	
Total Revenues	
Operating Costs	
Rights Fee	
Production costs & Contingency	
Sales & Promotion	
Total costs	
Margin on Property	

APPENDIX C
RESERVES

RESERVES

APPENDIX D
REDUCTIONS – ADDITIONAL INFORMATION

ENGLISH SERVICES REDUCTIONS

Initiatives	Net Savings			FTE's			Severance (in $000's)		
	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17
Hockey Restructuring									
Sports									
TV Schedule									
News									
Music/Talk									
Support/Administration									
Total									

FRENCH SERVICES REDUCTIONS

Initiatives	Net Savings ($000's)			FTE's			Severance (in $000's)		
	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17
PROGRAMMING									
Sports									
Music									
TV Schedule									
Cancel one daily network program. (Net of replacement costs)									
Reduction of number of episode of one daily regional program									
Explora									
News									
Talk Radio									
NON-PROGRAMMING									
Digital									
Support/Administration									
Production (organizational structure review,									
Communications									
Administration -									
Revenue Group Integration									
Revenue Group -									
Archives - operating cost reductions									
Total									

NON-MEDIA REDUCTIONS

Initiatives	Net Savings (in $000's)			FTE's			Severance (in $000's)		
	2014-2015 *	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017
Infrastructure and Technology Services:									
Real Estate Services									
Media Technology Services									
Information Technology									
General and Administrative Services									
Office of the President and CEO									
Branding, Communications and Corporate Affairs									
Corporate Research									
Regulatory Affairs									
People and Culture									
Shared Services									
Finance and Administration									
Total **									

APPENDIX E

REVENUES

OVERALL REVENUE PROJECTIONS

- Over the last few years,
  -
  -
- In comparing the Media's revenue projections versus market projections
  - Conventional – In addition, non-hockey revenues are consistent with market projections
  - Specialty – consistent with market projections
  - Online display – CBC's
  - Online video – CBC/R-C's
  - Mobile - CBC/R-C projection are reasonable considering mobile advertising

REVENUE PERFORMANCE

Revenue Performance vs. Business Plan

	2010-2011	2011-2012	2012-2013	2013-2014
CBC				
Radio-Canada				

Revenue Performance vs. Industry Year-over-Year

	2010-2011		2011-2012		2012-2013		2013-2014	
	Media	Industry+	Media	Industry+	Media	Industry+	Media	Industry+
CBC								
Radio-Canada								

* *As at March 31, 2013 and excluding hockey target*
** ***As at January 31, 2014***
*** *Impacted by NHL lockout and reflects April – December figures for comparative purposes*
\+ *Industry – TVB fiscal year, conventional only*

ADVERTISING REVENUE YOY FORECASTED GROWTH

COMPARISON OF PWC AND ZENITH OUTLOOK * VS. CBC/RC ASSUMPTIONS

Advertising Revenue YOY Forecasted Growth						
Comparison of PWC and ZenithOptimedia Adspend Outlook vs. CBC/RC assumptions						
		2013	2014	2015	2016	Comments
Conventional television advertising in Canada						
	PWC Outlook (June 2013)	1.2%	1.7%	0.9%	1.7%	
	Zenith Outlook (December 2013)	-5.0%	0.5%	-1.9%	-2.0%	
	CBC					
	Radio-Canada					
Specialty channels in Canada						
	PWC Outlook (June 2013)	2.1%	2.6%	1.8%	2.6%	
	Zenith Outlook (December 2013)	3.0%	3.0%	3.1%	3.6%	
	CBC News Network					
	Réseau de l'information					
	Explora					
Online Display (includes TV) Advertising in Canada						
	PWC Outlook (June 2013)	14.7%	14.0%	13.1%	12.6%	
	Zenith Outlook (December 2013)	9.0%	11.0%	12.0%	12.0%	
	CBC					
	Radio-Canada.ca					
Online Video (includes TV) Advertising in Canada						
	PWC Outlook (June 2013)	48.2%	43.1%	38.1%	26.9%	
	Zenith Outlook (December 2013)	25.0%	26.1%	26.9%	28.3%	
	CBC					
	Tou.tv					
Mobile Advertising in Canada						
	PWC Outlook (June 2013)	23.9%	23.6%	22.0%	21.8%	
	Zenith Outlook (December 2013)	50.0%	30.0%	30.1%	24.9%	
	CBC					
	Radio-Canada					

APPENDIX F

CASH FORECAST

2014-2015 CASH FORECAST

	2014/2015 Forecast					2013/2014 Actual (a) / Forecast (f)				
	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total
Opening balance (1)						45,339	60,024	71,859		
Inflows										
Appropriations received (2)						300 000	250,000	248,699		
Revenues (3)						194 379	194,725	164,412		
Outflows										
Expenditures (4)						(447 837)	(421,821)	(454,388)		
Payments to IOC (5)						(31,857)	(11,069)	-		
Ending balance (1)						60,024	71,859	30,582		
						a	a	a		

Note 1:

Note 2: Appropriation drawdowns are planned with the objective of keeping a bank balance sufficient to meet the cash requirements of the Corporation's activities.

Note 3:

Note 4:

Note 5:

APPENDIX G
STRATEGY 2015 AND SIGNATURE EVENTS

STRATEGY 2015 ACCOMPLISHMENTS

More Canadian

- Delivered Signature Events in each media line
- CBC TV significantly increased Canadian content in primetime pursuant to the “Canadianization” initiative
- In 2013-2014, for a second consecutive year, ICI Radio-Canada Télé achieved outstanding successes with its audiences. Similarly, both CBC and Radio-Canada’s radios experienced historic share successes in their various markets. All of these are witnessed in the key indicators for 2013–2014, including Canadian content

More Regional

- Implemented new CBC Television services and increased radio and digital weekend local news services in Edmonton, Ottawa, Montreal and the Maritimes
- Expanded CBC Television Monday to Friday late night news in Vancouver, Calgary, Edmonton, Toronto, Ottawa, Montreal and the Maritimes from 10 minutes to 30 minutes
- Opened the Eastern Quebec Broadcast Centre in Rimouski and the Gaspésie–Îles-de-la-Madeleine Broadcast Centre in Matane
- Radio-Canada completed its 24/7 regional news offering with the addition of week-end editions of its *Téléjournal* in Est-du-Québec and in Ontario
- Implemented new local CBC Radio and digital services in Kamloops, Saskatoon, Kitchener-Waterloo and Kelowna; launched CBC’s first digital station in Hamilton, Ontario
-

STRATEGY 2015 ACCOMPLISHMENTS (*CONTINUED*)

- More Digital
  - Entered partnerships and renewed existing agreements,
  - CBC/Radio-Canada launched Curio.ca, Canada's largest educational content website
  - CBCMusic.ca portal expanded from 40 to 50 channels, and we introduced CBC/R-C Music mobile apps for Android and Blackberry 10. We further developed Tou.TV and launched an Olympic website and re-launched the kidsCBC.ca website
- Cost-effective and accountable
  - French Services carried out a number of transformation initiatives: tapeless environment; content life cycle and savings related to support functions
  - English Services completed a review of administrative services and digital operations as well as program budgets

STRATEGY 2015: COLLABORATION & AGILITY

The following are four strategic projects that go beyond regular collaboration between our networks and contribute to the efficient management of resources:

-
-

- Sochi Winter Olympics, FIFA, Pan Am, Rio Summer Olympics – one company approach from planning to closing, across all departments (Sports, Digital, News, Radio and Communications), shared crews and technical infrastructure, resulting in highly efficient, multiplatform, high quality delivery to Canadians
- The Corporation will be launching an integrated Revenue group (amalgamation of English and French Revenue groups)

ENGLISH SERVICES – SIGNATURE EVENTS

Signature Events Defined

Represents "special" programming - a departure from regular content

Offers some legacy impact, cultural significance, nation building or nation sharing

Is showcased across all or almost all our platforms

Includes a significant public engagement component intended to appeal to a broad audience

2013-2014 Events

Canada Day *(Live from Parliament Hill & Canada Day in the Capital)*	Olympics
Canadian Country Music Awards	Wild Canada
Scotiabank Giller Prize	Hockey Day in Canada
Canadian Screen Awards	
Culture Days	
Canada Reads	

*2014-2015 Tentative Events * Current List (not final)*

FIFA

FRENCH SERVICES – SIGNATURE EVENTS

Signature Events Defined

Represents "special" programming - a departure from regular content

Offers some legacy impact, cultural significance, nation building or nation sharing

Is showcased across all or almost all our platforms

Includes a significant public engagement component intended to appeal to a broad audience

2013-2014 Events

1 000 jours pour la planète	Soirée du 31 décembre
Prix des lecteurs	Soirée Excellence La Presse
Fête du Canada	Olympiques à Sotchi
400 ans de Champlain en Outaouais	
28e Gala des Prix Gémeaux	
35e Gala de l'ADISQ + 50e de la Place des Arts	

*2014-2015 Tentative Events * Current List (not final)*

FIFA	

APPENDIX H
SUMMARY – HOCKEY BUDGET

SUMMARY – HOCKEY BUDGET

Current vs. Rogers Value in Kind

Current Budget for HNIC - Fiscal 2014-2015	
Revenues	
Rights	
Production Costs	
Staff Costs	
Variable Production Costs	
Studio Crew	
Other	
Facilities	
PFCO	
Total Production Costs	
Revenue Group	
Communications	
Net Margin	

APPENDIX I
REGIONAL MEDIA BUDGETS

ENGLISH SERVICES – REGIONAL BUDGETS

	2013-2014 Current Budget ($000's)	2013-2014 Forecast ($000's)	2014-2015 Proposed Budget ($000's)	2015-2016 Forecast ($000's)	2016-2017 Forecast ($000's)
APPLICATION OF FUNDS					
Newfoundland					
Maritimes					
Quebec					
Ottawa					
Ontario					
CBC North					
Manitoba					
Saskatchewan					
Calgary					
Edmonton					
British Columbia					
Regional reserve					
TOTAL APPLICATION OF FUNDS					
2014-15 Reductions to be allocated:					
TOTAL APPLICATION OF FUNDS AFTER REDUCTIONS					

Excludes Regional Finance & Admin (included in G&A)

FRENCH SERVICES – REGIONAL BUDGETS

	2013-2014 Current Budget (in $000's)	2013-2014 Forecast (in $000's)	2014-2015 Proposed Budget (in $000's)	2015-2016 Forecast (in $000's)	2016-2017 Forecast (in $000's)
APPLICATION OF FUNDS					
Atlantic					
Québec / Regions of Québec					
Ottawa-Gatineau / Ontario					
West					
Ottawa Production Centre					
Management					
TOTAL - APPLICATION OF FUNDS					-

APPENDIX J

NON-MEDIA ACTIVITIES AND PRIORITIES

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

1. Infrastructure and Technology Services budget in 2014-2015)

a) Real Estate Services budget in 2014-2015)

- Operates and maintains 4,428,441 sq.ft. of owned and leased production, technical and office space in 83 facilities across Canada and 7 foreign locations
- Building operations and maintenance represents of the budget.
- Rent and taxes represents of the budget
- Interest expense on TBC bonds represents of the budget
- Priorities for 2014-2015:
  -
  -
  -
  -

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

b) Media Technology Services (MTS) (budget in 2014-2015)

- Provides transmission, distribution, collection and telecommunication services to media and support services
- Operates 27 digital TV transmitters and 717 radio transmitters at 539 owned and leased sites. The transmission division represents $ of the MTS budget and generates in site-sharing and co-location revenues
- Analog TV transmitter site decommissioning of planned for 2014-2015 will be delayed to 2015-2016 to help manage Corporate budget pressures
- Priorities for 2014-2015:
  -
  -
  -

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

c) Information Technology Services budget in 2014-2015)

- Provides software and computing services for broadcasting and support systems
- Hardware and software maintenance provided by external suppliers represents of the IT budget
- Priorities for 2014-2015:
  -
  -
  -
  -

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

2. General and Administrative Services budget in 2014-2015)

- Provides support services to media and meet external compliance requirements

A benchmarking study conducted by the Hackett Group in March 2013 concluded that the cost of General and Administrative Services at CBC/Radio-Canada compared favourably to organizations of similar size and complexity.

a) People and Culture budget in 2014-2015)

- Provides Human Resources services including labour relations, training and development, compensation, workforce planning, recruitment, performance appraisal and benefits administration for all components
- Priorities for 2014-2015:
  -
  -
  -
  -
  -
  -

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

b) Corporate Finance and Administration budget in 2014-2015)

- Provides financial reporting, budgeting, procurement, treasury, internal control, insurance and taxation services
- Priorities for 2014-2015:
  -
  -
  -
  -
  -

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

c) Shared Services budget in 2014-2015)

- Provides payroll and HR transaction services, accounts payable, billing and collections and Information Technology support services
- Priorities for 2014-2015:
  -
  -
  -
  -

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

d) General Counsel, Corporate Secretariat and Compliance budget in 2014-2015)

- Provides legal advice on commercial transactions and media liability issues, corporate policy administration, Board of Directors administration, and Access to Information request management
- Priorities for 2014-2015:
  -
  -
  -

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

e) Branding, Communications and Corporate Affairs budget in 2014-2015)

- Provides corporate communications services, government relations and translation services
- Priorities for 2014-2015:
  - Public Engagement and Public Relations
    -
    -
    -
    -
  - Brand Enhancement and Reputation Management
    -
    -
    -
  - Internal Communications:
    -

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

f) Corporate Research budget in 2014-2015)

- Manages audience rating and survey contracts and provides research services and reports
- Priorities for 2014-2015:
  -
  -
  -
  -
  -

g) Internal Audit budget in 2014-2015)

- Internal Audit is an outsourced service that audits processes and activities to measure compliance to internal controls, policies and best practices
- Priorities for 2014-2015:
  - The 2014-2015 Audit Plan was presented to the Audit committee in February 2014

NON-MEDIA SERVICES – ACTIVITIES AND PRIORITIES

3. Corporate Expenses budget in 2014-2015)

- Represents personnel and financial service costs that relate to all components

a) Severance Pay and Other Personnel Costs budget in 2014-2015)

Includes corporate wide personnel costs such as severance on normal retirements of supplemental pension plan payments of group life insurance of and Worker's Compensation of

b) Dental Plan and EAP budget in 2014-2015)

Includes the union dental plan premium budget of and Employee Assistance Plan budget of

c) Training and Development budget in 2014-2015)

The total training budget is Allocations of have been reflected in media budgets related to specific training requirements. The remaining reflected in this budget relates to corporate-wide training programs, training administration and unallocated training funds for non-media components

d) Insurance and Taxes budget in 2014-2015)

Includes property and casualty insurance premiums of and a provision for claims expenses of Also includes letter of credit fees of the pension solvency deficit letter of credit fee of paid to government and travel agency fees of

APPENDIX K
CAPITAL BUDGET
KEY INITIATIVES BY INVESTMENT CATEGORY

CAPITAL BUDGET 2014-2015 - 3-YEAR PLAN HIGHLIGHTS

PRODUCTION INFRASTRUCTURE

s.18(a)
s.18(b)
s.21(1)(b)

CAPITAL BUDGET 2014-2015 - 3-YEAR PLAN HIGHLIGHTS

PRODUCTION INFRASTRUCTURE (CONT'D)

s.18(a)
s.18(b)
s.21(1)(b)

CAPITAL BUDGET 2014-2015 - 3-YEAR PLAN HIGHLIGHTS

ENTERPRISE SYSTEMS & TECHNOLOGY INFRASTRUCTURE

s.18(a)
s.18(b)
s.21(1)(b)

CAPITAL BUDGET 2014-2015 - 3-YEAR PLAN HIGHLIGHTS

ENTERPRISE SYSTEMS & TECHNOLOGY INFRASTRUCTURE (CONT'D)

s.18(a)
s.18(b)
s.21(1)(b)

CAPITAL BUDGET 2014-2015 - 3-YEAR PLAN HIGHLIGHTS

PRESENTATION, COLLECTION, DISTRIBUTION & DELIVERY

s.18(a)
s.18(b)
s.21(1)(b)

CAPITAL BUDGET 2014-2015 - 3-YEAR PLAN HIGHLIGHTS

PRESENTATION, COLLECTION, DISTRIBUTION & DELIVERY (CONT'D)

s.18(a)
s.18(b)
s.21(1)(b)

CAPITAL BUDGET 2014-2015 - 3-YEAR PLAN HIGHLIGHTS

PROPERTY MANAGEMENT

s.18(a)
s.18(b)
s.21(1)(b)

CAPITAL BUDGET 2014-2015 - 3-YEAR PLAN HIGHLIGHTS

FLEET & MINOR CAPITAL PURCHASES

s.18(a)
s.18(b)
s.21(1)(b)

APPENDIX L
CAPITAL BUDGET PRIORITIES, CHALLENGES AND RISKS BY MAJOR COMPONENT

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

English Services

English Television

- Priorities
  -
  -
  -
  -
  -
  -
  -
- Challenges
  -
  -
  -
  -
  -

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

English Services

English Television (Cont'd)

- Risks

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

<u>English Services</u>

English Radio

- ❑ Priorities
- ❑ Challenges
- ❑ Risks

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

<u>French Services</u>

French Television

- Priorities

- Challenges

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

French Services

French Television (cont`d)

- Risks

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

French Services

French Radio

- ❑ Priorities
- ❑ Risks

French New Media

- ❑ Priorities
- ❑ Challenges
- ❑ Risks

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

Enterprise Wide

- Priorities

- Challenges/Risks

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

s.18(b)

s.21(1)(b)

Real Estate

- ❑ Priorities:

- ❑ Challenges

- ❑ Risks

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

s.18(a)
s.18(b)
s.21(1)(b)

MTS/Telecommunications

- ❑ Priorities
- ❑ Challenges
- ❑ Risks
- ❑

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

MTS/Transmission

- ❑ Priorities

- ❑ Challenges

- ❑ Risks

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

Information Technology

- Priorities
- Challenges
- Risks

CAPITAL BUDGET 2014-2015
PRIORITIES, CHALLENGES AND RISKS

Fleet Management

- ❑ Priorities
- ❑ Risks

APPENDIX M
CAPITAL BUDGET PROJECTS
GREATER THAN $5M

CAPITAL BUDGET 2014-2015

RECOMMENDED CAPITAL BUDGET / PROJECTS > $5M

PROJECTS APPROVED (in 000's)

PROJECTS PLANNED (in 000's)