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CABLE, SATELLITE AND MULTIPOINT DISTRIBUTION SYSTEMS, 2001

The Canadian statistics presented in this bulletin are for the year ending August 31.

Introduction

The cable industry is going through a fundamental transformation. Only a few years ago, this regulated industry could be described as consisting of territorial monopolies engaged in the delivery of analogue programming services. Since 1997 the regulatory environment has evolved, new technologies and services have emerged, and service providers have been positioning themselves in existing and new markets.

Today, competition in the program delivery market between cable and wireless operators is well established, digital technology is gradually replacing analogue technology, and cable operators are major players in the high speed Internet access market.

This article looks at some indicators of change in this industry. In particular it examines:

- the growth of the video delivery market and the shares of incumbent and alternative providers;
- the financial performance of the industry and its different players;
- the deployment and use of high speed Internet by cable in communities of different sizes and in different regions of the country;
- investment in infrastructure;
- the digitisation of the program delivery activity.

A comparison of the Canadian and American situation is made when comparable statistics are available.

Statistics Canada Statistique Canada

Canada

The multi channel video market[1] is expanding after a period of stability

The rate of adoption of cable television had stabilised in the 90s after a long period of steady growth. In the years leading to the introduction of competition, subscriptions to video programming grew at a rate similar to the growth in the number of households. However, in 1996 and 1997, the yearly increase in subscriptions had fallen to about 1%.

The arrival of new suppliers and the introduction of new products in the second half of the 90s have broadened the customer base of the industry. The number of subscribers grew 5.9% in 2001. This was the largest yearly increase since 1986. Since 1998, the year in which the impact of new wireless entrants became evident, growth in subscriptions has accelerated every year and has outpaced the growth in the number of households.

The battle for market share continued in 2001

The battle for customers between wireless and cable operators remained strong in 2001 and wireless operators are attracting consumers of television programming at a fast rate.

Wireless operators (satellite and MDS) had captured 17.0% of the video programming delivery market at the end of August 2001, up significantly from 10.8% in 2000, and more than double the level of about 6.5% in 1999. Wireless operators had 1.6 million subscribers in 2001, a 66.3% increase from 2000. Cable companies saw their subscriptions decline 1.4% to 7.9 million subscribers.

The market share of Canadian wireless operators is approaching the level attained by operators in the United States (21.9% at the end of December 2001) despite the fact that they have been in operation for a shorter period of time[2].

Wireless operators increased their presence in larger cities[3]

In the early stages of the competitive regime, the alternative wireless providers made most of their gains in areas not served by cable operators and in small and medium-sized communities. The battleground for market share has now reached metropolitan areas.

The number of subscribers to cable services in census metropolitan areas declined in 2001 for the first time in the industry's history. As of August 31, 2001, there were 5.7 million subscribers to cable services in census metropolitan areas, down 0.2% from the year before. Subscriptions fell in 16 of the 25 largest urban areas. In 2000, the number of subscribers to cable services had increased in 13 of these metropolitan areas.

Cable operators in small and medium-sized communities continued to lose customers in 2001. The decline in subscriptions was fastest in small communities at 6.3%. Cable services penetration was below 70.0% in small and medium-sized communities at the end of 2001.

Competition is creating a downward pressure on profits

The introduction of competition in an industry often results in a decline in profitability for the incumbent firms. Entrants often support losses until they have a critical mass of customers. Both phenomena can be observed in this industry.

The profit margin (before interest and taxes) of cable operators was 16.1% in 2001, down from

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[1] *Refers to television programming subscribers whether from cable, satellite or multipoint distribution system operators. Other sections of the article refer to particular segments of the industry.*

[2] *The statistics for the United States presented in this article are taken from various reports prepared by the National Cable and Telecommunications Association (www.ncta.com)*

[3] *A large-size community is here defined as a Census Metropolitan Area (CMA), a medium-sized community as a census agglomeration (CA) and a small-size community as an area located outside a CMA or CA. A CMA is a very large urban area, together with adjacent urban and rural areas that have a high degree of economic and social integration with that urban area. A CA is a large urban area, together with adjacent urban and rural areas that have a high degree of economic and social integration with that urban area. A list of CMAs and CAs can be obtained on Statistics Canada's web site (www.statcan.ca) under Statistical Methods/Standard Classifications/Geography.*

19.5% in 2000 and 21.7% in 1999. The significant expenses incurred to promote existing and new services partly explain the and promotion expenses have grown 3 times faster than revenues. Those expenses represented 6.9 % of operating expenses in 2001, compared to 6.1 % and 5.2 % the previous two years.

Wireless operators sustained losses in those 3 years, but their losses are declining. In 2001, their loss (before interest and taxes) was $293 million or $182 per subscriber, considerably less than in 2000 when it was $393 million or $406 per subscriber. Wireless operators have also aggressively promoted their products. They have in fact spent more on promotion than cable operators in the last 3 years. However, the 10.9% decline in sales and promotion expenses in 2001 partly explains the lower losses incurred by this segment of the industry.

Strong growth in revenues

The revenues for the industry as a whole grew 14.2 % in 2001, an increase comparable to those of the previous two years.

The revenues of wireless operators jumped 78.5 %. This represents a slowdown compared to the previous two years where revenues more than doubled. The revenues of cable operators increased 7.2 %, slightly less than in the previous two years.

Revenue per subscriber was up in both the cable and wireless segments of the industry. The 8.8 % increase in revenue per subscriber for cable operators is due in large part to the provision of new services, in particular Internet access services. Revenues from these services accounted for 12.0% of the revenues of the systems offering them in 2001.

Cable operators offering broadband services are better equipped to face competition

Cable operators offering Internet access services and digital cable fared better in the new competitive environment. They maintained a higher penetration rate than those who did not provide these services (71.6% compared to 66.5%) and generated 17.0% more revenue per subscriber.

The availability and use of high speed Internet by cable are growing at a fast pace

In reaction to the strong competition in their traditional video delivery market, cable operators have made significant investments to upgrade their networks to offer broadband services. High speed Internet access is at the core of this strategy.

As of August 31, 2001, just over 9.4 million homes, or 84.7% of cable homes, had access to cable Internet, up from 69.8% the previous year. This technology is more broadly available in Canada than in the United States where 66.0% of potential cable customers had access to this technology at the end of 2001.

The rate of adoption of cable Internet also progressed rapidly. Almost 15% of homes with access to cable Internet had adopted it as of August 31, 2001. By comparison, the penetration rate in the United States had reached about 8% of homes capable of receiving the service by mid-year 2001.

In total, there were just under 1.4 million subscribers to Internet by cable as of August 31, 2001, up 76.8% from 2000. This strong growth continued in the latter part of 2001 and the number of subscribers surpassed 1.7 million at the end of the year, according to the Household Internet Use Survey.

Some wireless operators were offering high speed Internet access services in 2001. Their offering was at an early stage of development and market penetration was not yet material.

Improved availability of Internet by cable in small communities

In 2001, the deployment of high speed Internet by cable occurred fastest in small communities, where the numbers of homes with access to this technology more than doubled to almost 363,400. This represented 27.0% of homes with access to cable, up from 10.8% in 2000.

Despite the improvement in the availability of this technology in small communities, the gap between them and medium-sized and large communities is still significant. In medium-sized communities, 78.3% had access, compared with 47.3% in 2000.

In large-sized communities, the network upgrades necessary to offer this service were almost completed. Ninety-six per cent of cable homes had access to this broadband technology, up from 85.7%.

There are signs that the gap between large and small communities will continue to close. Investments in cable systems serving small communities amounted to $88.5 million in 2001, up from $74.8 million in 2000.

The top four cable operators, who have aggressively upgraded their networks in large and medium-sized communities in the last years, invested $34.7 million in small communities in 2001. This could signal a wish to offer a suite of broadband services similar to those available in larger communities. If this strategy were adopted, availability of high speed Internet by cable in small communities would progress significantly, since 40% of cable homes in these communities are served by these four enterprises.

Smaller cable operators, who often find it difficult to raise the necessary sums to upgrade their networks, serve the majority of households in smaller communities. Despite this difficulty, smaller cable operators invested $53.8 million in their systems in 2001.

The availability and adoption of high speed Internet by cable varies by region

At the end of 2001, Internet by cable was available to a greater proportion of cable homes in Ontario (91.3%) and the Western Provinces (88.8%) than in Quebec (78.6 %) and the Atlantic Provinces (56.5 %). The adoption of this technology remained significantly higher in Western Canada where more than 20 % of homes with access subscribed to cable Internet. By comparison, the national adoption rate was at 14.8 %.

Analogue distribution is gradually being replaced by digital distribution

More than 25.0% of the 9.5 million subscribers to programming services were receiving their service in digital mode in 2001, up from 15.2% in 2000. The popularity of direct-to-home satellite television largely explains this change, but digital cable is also gaining ground. There were close to 812,000 subscribers to digital cable on August 31, 2001, more than double the number in 2000.

Despite the strong growth in the adoption of digital television by Canadians, the transition to digital television lags behind that observed in the United States where approximately 35.0 %[4] of customers to programming services received a digital package at the end of 2001. The longer history of satellite television and the higher penetration of digital cable (20.0 % of cable customers compared to 10.0 % in Canada) in the United States largely explains this gap.

The introduction of broadband services requires significant investments

Cable operators have invested heavily in infrastructure upgrades to enable the delivery of more programming and non-programming services. In the last 3 years alone (1999 to 2001), the industry has invested $4.8 billion or approximately $428[5] per home passed by cable and close to $605 per subscriber. This level of investment is comparable to investments made by U.S. operators over the same period ($ 287 U.S. per home passed).

Wireless broadcasting distribution undertakings also made significant investments during that period. They spent a total of $873.4 million. This translates into an investment of $544 per subscriber.

[4] *DBS, MMDS and digital cable customers.*

[5] *Total expenditures over the period divided by the number of homes passed at the end of that period. The same formula is used to measure per access investments in this section of the article.*

By comparison, investments in the Canadian public fixed telecommunication network over that period were $13.6 billion or $706 per access to the public switched network and investments in wireless telecommunication networks were $5.6 billion or $463 per subscriber.

Survey and related publications

The annual survey on which this publication is based targets all organisations licensed by the Canadian Radio-television and Telecommunications Commission (CRTC) to operate cable or wireless broadcast distribution undertakings. In terms of industrial classification, the survey population is covered by industry 51322 – Cable and Other Program Distribution of the North American Industrial Classification System (NAICS).

This issue of the Bulletin presents summary statistics for cable and wireless broadcast distribution undertakings. Other issues present summary statistics for the television industry (volume 32, no.1), the radio industry (volume 32, no. 2) and the telecommunications industry (volume 32, no.4 to be published at a later date).

Data quality

The data presented in this Bulletin are of good quality and can be used with confidence. This assessment is based on available data accuracy measures and the judgement of the analysts involved in this survey. These statistics are, however, subject to revision. Revisions are usually the result of late receipt of information, of re-filing by respondents of previously submitted data, or of detection of errors after publication of data. They typically do not have a material impact on the preliminary results. Past revisions accounted for less than 1% of the value for key variables such as total revenues, salaries and wages and number of subscribers.

For more information

In addition to the information provided in this publication, special tables and analytical services are available on a cost recovery basis from the Telecommunications Section; Science, Innovation and Electronic Information Division. Access to selected information on broadcasting industries is also available through CANSIM, Statistics Canada's machine-readable database and retrieval system (table 3570001 for radio and television industries and table 3530001 for the cable industry). For further information, contact Advisory Services Division at 1 800 263-1136; Facsimile No. 1 877 287-4369; infostats@statcan.ca.

Cable, Satellite and Multipoint Distribution Systems
Selected national and regional market and performance indicators

	1999	2000	2001	*99/00*	*00/01*
Subscribers by type of supplier		000		%	
Subscribers to programming services	8,572.9	8,951.1	9,477.4	*4.4*	*5.9*
Clients of cable operators	8,018.5	7,983.1	7,868.2	*-0.4*	*-1.4*
Clients of wireless operators	554.4	967.9	1,609.2	*74.6*	*66.3*
Market share by type of supplier		%			
Cable operators' share	93.5	89.2	83.0	*-4.6*	*-6.9*
Wireless operators' share	6.5	10.8	17.0	*67.2*	*57.0*
Cable penetration by community size		000			
Subscribers to basic cable services					
Large-size communities [1]	5,671.2	5,707.9	5,698.9	*0.6*	*-0.2*
Medium-size communities [2]	1,420.7	1,369.0	1,320.7	*-3.6*	*-3.5*
Small-size communities [3]	926.6	906.2	848.7	*-2.2*	*-6.3*
Total	**8,018.5**	**7,983.1**	**7,868.3**	*-0.4*	*-1.4*
Homes with access to basic cable services					
Large-size communities [1]	7,587.9	7,667.0	7,833.9	*1.0*	*2.2*
Medium-size communities [2]	1,866.2	1,901.8	1,930.1	*1.9*	*1.5*
Small-size communities [3]	1,271.1	1,327.3	1,343.5	*4.4*	*1.2*
Total	**10,725.2**	**10,896.1**	**11,107.4**	*1.6*	*1.9*
Penetration rate		%			
Large-size communities [1]	74.7	74.4	72.7	*-0.4*	*-2.3*
Medium-size communities [2]	76.1	72.0	68.4	*-5.4*	*-4.9*
Small-size communities [3]	72.9	68.3	63.2	*-6.3*	*-7.5*
Total	**74.8**	**73.3**	**70.8**	*-2.0*	*-3.3*
Cable penetration rate by region		000			
Subscribers to basic cable services					
Atlantic Provinces	627.5	607.6	574.0	*-3.2*	*-5.5*
Quebec	1,961.2	1,966.5	1,930.2	*0.3*	*-1.8*
Ontario	3,019.3	3,011.2	2,997.4	*-0.3*	*-0.5*
Western Provinces	2,394.7	2,382.6	2,352.6	*-0.5*	*-1.3*
Territories	15.8	15.1	14.1	*-4.4*	*-6.6*
Homes with access to basic cable services					
Atlantic Provinces [4]	749.3	825.5	829.0	*10.2*	*0.4*
Quebec	2,932.8	2,944.6	2,981.8	*0.4*	*1.3*
Ontario	3,875.7	3,898.7	3,958.2	*0.6*	*1.5*
Western Provinces	3,141.4	3,204.5	3,313.2	*2.0*	*3.4*
Territories	26.1	22.5	25.2	*-13.8*	*12.0*
Penetration rate		%			
Atlantic Provinces [4]	83.7	73.6	69.2	*-12.1*	*-5.9*
Quebec	66.9	66.8	64.7	*-0.1*	*-3.1*
Ontario	77.9	77.2	75.7	*-0.9*	*-2.0*
Western Provinces	76.2	74.4	71.0	*-2.5*	*-4.5*
Territories	60.5	67.1	56.0	*10.9*	*-16.6*

1 A large-size community is here defined as a Census Metropolitan Area (CMA). A CMA is a very large urban area, together with adjacent urban and and rural areas that have a high degree of economic and social integration with that urban area.

2 A medium-size community is here defined as a Census Agglomeration (CA). A CA is a large urban area, together with adjacent urban and rural areas that have a high degree of economic and social integration with that urban area.

3 A small-size community is here defined as a Census Division located outside a CMA or CA.

4 The statistics prior to 2000 underestimate the number of households with access to cable. The 2000 and 2001 statistcs provide a more accurate measure of penetration.

Cable, Satellite and Multipoint Distribution Systems
Selected national and regional market and performance indicators

	1999	2000	2001	*99/00*	*00/01*
Cable penetration rate by type of cable operator		%			%
Operators providing Internet and digital TV	…	74.3	71.6	…	*-3.6*
Operators not providing Internet and digital TV	…	70.3	66.5	…	*-5.4*
Internet by cable deployment by community size		000			
Homes with access to Internet by cable					
Large-size communities [1]	…	6,567.7	7,529.6	…	*14.6*
Medium-size communities [2]	…	898.9	1,498.5	…	*66.7*
Small-size communities [3]	…	143.1	363.4	…	*153.9*
Total	…	**7,609.7**	**9,391.5**	…	*23.4*
Homes with access to Internet by cable / homes with access to cable		%			
Large-size communities [1]	…	85.7	96.1	…	*12.2*
Medium-size communities [2]	…	47.3	77.6	…	*64.3*
Small-size communities [3]	…	10.8	27.0	…	*150.9*
Total	…	**69.8**	**84.6**	…	*21.1*
Internet by cable adoption by community size		000			
Subscribers to Internet by cable					
Large-size communities [1]	…	696.2	1,174.7	…	*68.7*
Medium-size communities [2]	…	80.1	175.8	…	*119.5*
Small-size communities [3]	…	10.1	37.4	…	*270.3*
Total	…	**786.4**	**1,387.9**	…	*76.5*
Subscribers to Internet by cable / homes with access to Internet by cable		%			
Large-size communities [1]	…	10.6	15.6	…	*47.2*
Medium-size communities [2]	…	8.9	11.7	…	*31.7*
Small-size communities [3]	…	7.1	10.3	…	*45.8*
Total	…	**10.3**	**14.8**	…	*43.0*
Internet by cable deployment by region		000			
Homes with access to Internet by cable					
Atlantic Provinces	…	260.3	468.1	…	*79.8*
Quebec	…	1,863.5	2,343.7	…	*25.8*
Ontario	…	2,946.8	3,613.8	…	*22.6*
Western Provinces and Territories	…	2,539.1	2,965.9	…	*16.8*
Homes with access to Internet by cable / homes with access to cable		%			
Atlantic Provinces	…	31.5	56.5	…	*79.4*
Quebec	…	63.3	78.6	…	*24.2*
Ontario	…	75.6	91.3	…	*20.8*
Western Provinces and Territories	…	78.7	88.8	…	*12.8*
Internet by cable adoption by region		000			
Subscribers to Internet by cable					
Atlantic Provinces	…	23.0	50.5	…	*119.6*
Quebec	…	119.1	226.0	…	*89.8*
Ontario	…	305.2	506.1	…	*65.8*
Western Provinces and Territories	…	339.0	605.2	…	*78.5*
Subscribers to Internet by cable / homes with access to Internet by cable		%			
Atlantic Provinces	…	8.8	10.8	…	*22.1*
Quebec	…	6.4	9.6	…	*50.9*
Ontario	…	10.4	14.0	…	*35.2*
Western Provinces and Territories	…	13.4	20.4	…	*52.8*

1 A large-size community is here defined as a Census Metropolitan Area (CMA). A CMA is a very large urban area, together with adjacent urban and and rural areas that have a high degree of economic and social integration with that urban area.

2 A medium-size community is here defined as a Census Agglomeration (CA). A CA is a large urban area, together with adjacent urban and rural areas that have a high degree of economic and social integration with that urban area.

3 A small-size community is here defined as a Census Division located outside a CMA or CA.

... Figures not appropriate or not applicable.

Cable, Satellite and Multipoint Distribution Systems
Selected national and regional market and performance indicators

	1999	2000	2001	99/00	00/01
Financial performance by type of supplier		$ million		%	
Revenues					
Cable operators	3,323.1	3,607.7	3,867.4	*8.6*	*7.2*
Wireless operators	171.1	390.6	697.3	*128.2*	*78.5*
Profit (loss) before interest and taxes					
Cable operators	720.9	705.0	622.5	*-2.2*	*-11.7*
Wireless operators	-240.4	-393.3	-293.0	*63.6*	*-25.5*
Profit margin		%			
Cable operators	21.7	19.5	16.1	*-9.9*	*-17.6*
Wireless operators	-140.5	-100.7	-42.0	*-28.3*	*-58.3*
Financial performance by type of cable operator					
Cable operators providing Internet access and digital TV					
Revenues ($ million)	…	2,767.3	3,374.4	…	*21.9*
Revenue per subscriber ($)	…	462.35	502.27	…	*8.6*
Profit (loss) before interest and taxes ($ million)	…	522.2	543.9	…	*4.2*
Profit margin (%)	…	18.9	16.1	…	*-14.6*
Cable operators not providing Internet access and digital TV					
Revenues ($ million)	…	840.4	493.0		*-41.3*
Revenue per subscriber ($)	…	420.67	428.75		*1.9*
Profit (loss) before interest and taxes ($ million)	…	182.8	78.6		*-57.0*
Profit margin (%)	…	21.7	15.9		*-26.7*
Digital television subscribers		000			
Subscribers to digital cable	…	390.8	811.7	…	*107.7*
Subscribers to digital satellite and MDS	…	967.0	1,608.7	…	*66.4*
Digital television penetration		%			
Digitization rate	…	15.2	25.5	…	*68.3*
Investments		$ million			
Additions to the cable network by community size					
Large-size communities [1]	…	1,214.5	1,796.1	…	*47.9*
Medium-size communities [2]	…	234.6	243.2	…	*3.7*
Small-size communities [3]	…	74.8	88.5	…	*18.3*
All communities with access to cable services	…	1,523.9	2,127.8	…	*39.6*
Additions per home passed by cable		$			
Large-size communities [1]	…	158.41	229.28	…	*44.7*
Medium-size communities [2]	…	123.36	126.01	…	*2.1*
Small-size communities [3]	…	56.35	65.85	…	*16.9*
All communities with access to cable services	…	139.86	191.57	…	*37.0*

[1] A large-size community is here defined as a Census Metropolitan Area (CMA). A CMA is a very large urban area, together with adjacent urban and and rural areas that have a high degree of economic and social integration with that urban area.

[2] A medium-size community is here defined as a Census Agglomeration (CA). A CA is a large urban area, together with adjacent urban and rural areas that have a high degree of economic and social integration with that urban area.

[3] A small-size community is here defined as a Census Division located outside a CMA or CA.

... Figures not appropriate or not applicable.

TABLE 1. Cable Television, Financial and Operating Data, Canada, 1998-2001

	2001		2000		1999		1998	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	3,523,522,605	91.1	3,317,867,694	92.0	3,126,983,106	94.1	2,868,304,923	95.0
Connection (installation and re-connect)	54,217,594	1.4	61,144,140	1.7	65,569,060	2.0	61,349,482	2.0
Community channel sponsorship	3,098,073	0.1	4,977,808	0.1	3,705,424	0.1	1,912,868	0.1
Converters	68,658,348	1.8	44,356,919	1.2	35,623,340	1.1	34,979,236	1.2
Other revenue	217,943,032	5.6	179,393,177	5.0	91,235,877	2.7	54,223,179	1.8
Revenue - Total	**3,867,439,647**	**100.0**	**3,607,739,741**	**100.0**	**3,323,116,812**	**100.0**	**3,020,769,688**	**100.0**
Expenses:								
Programming (Basic Tier)	75,177,959	1.9	84,975,998	2.4	81,583,805	2.5	83,245,402	2.8
Affiliation payments	920,855,650	23.8	880,530,087	24.4	787,719,079	23.7	667,344,912	22.1
Technical Services	616,518,918	15.9	560,906,573	15.5	540,676,658	16.3	479,700,650	15.9
Sales and promotion	163,707,073	4.2	135,779,569	3.8	106,962,059	3.2	110,598,367	3.7
Administration and general	599,221,310	15.5	575,429,169	15.9	536,685,700	16.2	513,492,560	17.0
Expenses - Total	**2,375,480,922**	**61.4**	**2,237,621,417**	**62.0**	**2,053,627,298**	**61.8**	**1,854,381,891**	**61.4**
Operating income	1,491,958,725	38.6	1,370,118,324	38.0	1,269,489,514	38.2	1,166,387,797	38.6
Depreciation	869,426,354	22.5	665,163,439	18.4	548,588,780	16.5	449,921,107	14.9
Profit before interest and taxes	**622,532,371**	**16.1**	**704,954,885**	**19.5**	**720,900,734**	**21.7**	**716,466,690**	**23.7**
Interest expense	595,554,890	15.4	578,893,230	16.0	639,931,923	19.3	676,185,662	22.4
Other adjustments-income (expense)	-51,299,346	-1.2	-71,833,543	-1.9	90,363,961	2.7	541,191,055	17.9
Net income (loss) before income taxes	**-24,321,859**	**-0.5**	**54,228,097**	**1.5**	**171,332,759**	**5.2**	**581,516,503**	**19.3**
Provision for income taxes	-95,942,935	-2.4	53,436,933	1.5	168,707,919	5.1	183,387,918	6.1
Net income (loss) after income taxes	**71,621,063**	**1.9**	**791,164**	**0.0**	**2,624,849**	**0.1**	**398,128,585**	**13.2**
Salaries and other staff benefits	590,181,248	15.3	555,614,441	15.4	486,140,174	14.6	419,559,651	13.9
Number of employees (weekly average)	12,595		12,125		10,945		9,105	
Number of subscribers (Basic Services)	7,868,222	...	7,983,148	...	8,018,461	...	7,993,566	...
Households served by cable - Total	11,107,416	...	10,896,077	...	10,725,189	...	10,564,603	...
Households in licensed area - Total	11,279,358	...	11,076,645	...	10,925,220	...	10,851,037	...

... Figures not appropriate or not applicable.

Note: Totals may not add due to rounding.

TABLE 2. Wireless Broadcasting Distribution Undertakings[1], Financial and Operating Data, Canada, 1998-2001

	2001		2000		1999		1998	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect) -	655,443,180	94.0	369,068,258	94.5	164,837,836	96.3	42,152,910	93.6
Connection (installation and re-connect)	999,922	0.1	3,150,060	0.8	2,658,968	1.6	1,230,490	2.7
Community channel sponsorship	136,296	0.0	88,801	0.0	275,224	0.2	62,788	0.1
Other revenue - Autres revenus	40,693,125	5.8	18,307,503	4.7	3,371,582	2.0	1,568,327	3.5
Revenue - Total	**697,272,522**	**100.0**	**390,614,623**	**100.0**	**171,143,612**	**100.0**	**45,014,515**	**100.0**
Expenses:								
Programming (Basic Tier)	634,054	0.1	768,977	0.2	136,001	0.1	250,467	0.6
Affiliation payments	340,833,970	48.9	202,387,138	51.8	94,547,392	55.2	21,690,426	48.2
Technical Services	191,059,915	27.4	144,951,518	37.1	53,942,364	31.5	42,337,875	94.1
Sales and promotion	249,871,098	35.8	280,336,370	71.8	198,127,701	115.8	94,151,861	209.2
Administration and general	125,257,118	18.0	110,153,031	28.2	40,130,176	23.4	29,628,266	65.8
Expenses - Total	**907,656,153**	**130.2**	**738,597,034**	**189.1**	**386,883,634**	**226.1**	**188,058,895**	**417.8**
Operating income	-210,383,631	-30.1	-347,982,411	-89.0	-215,740,022	-126.0	-143,044,380	-317.7
Depreciation	82,636,062	11.9	45,270,085	11.6	24,695,011	14.4	14,183,590	31.5
Profit before interest and taxes	**-293,019,693**	**-41.9**	**-393,252,496**	**-100.6**	**-240,435,033**	**-140.4**	**-157,227,970**	**-349.2**
Interest expense	30,351,938	4.4	1,438,327	0.4	4,204,769	2.5	3,707,547	8.2
Other adjustments-income (expense)	-27,315,824	-3.8	-28,454,793	-7.2	-1,049,893	-0.5	-11,403,001	-25.2
Net income (loss) before income taxes	**-350,687,455**	**-50.2**	**-423,145,616**	**-108.2**	**-245,689,696**	**-143.5**	**-172,338,518**	**-382.8**
Provision for income taxes	-181,647,601	-26.0	-5,843,432	-1.4	-120,882	0.0	-100,243	-0.1
Net income (loss) after income taxes	**-169,039,854**	**-24.1**	**-417,302,183**	**-106.7**	**-245,568,814**	**-143.4**	**-172,238,275**	**-382.5**
Salaries and other staff benefit	101,055,729	14.5	80,005,337	20.5	44,884,684	26.2	13,189,384	29.3
Number of employees (weekly average)	2,105	...	1,984	...	1252	...	367	...
Historical cost of fixed assets	204,333,914	...	153,407,695	...	117,390,337	...	54,222,462	...
Accumulated depreciation	46,079,351	...	34,154,321	...	17,112,850	...	7,425,059	...
Net book value	158,254,564	...	119,253,374	...	100,277,488	...	46,797,403	...
Subscriptions (direct and indirect) - (Basic Tier)	1,609,203	...	967,905	...	554,427	...	233,354	...

[1] Satellite, Multi-point distribution system and subscription television.

... Figures not appropriate or not applicable.

Note: Totals may not add due to rounding.

TABLE 3. Cable Television, Financial and Operating Data, Atlantic Provinces[1], 1998-2001

	2001		2000		1999		1998	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	252,436,620	91.3	248,423,765	93.1	237,351,877	94.8	218,922,269	93.8
Connection (installation and re-connect)	3,454,444	1.2	4,443,076	1.7	4,183,257	1.7	3,803,423	1.6
Community channel sponsorship	333,242	0.1	974,464	0.4	754,842	0.3	480,685	0.2
Converters	2,201,450	0.8	1,178,969	0.4	1,073,376	0.4	1,407,628	0.6
Other revenue	18,126,439	6.6	11,849,002	4.4	6,907,741	2.8	8,668,563	3.7
Revenue - Total	**276,552,194**	**100.0**	**266,869,279**	**100.0**	**250,271,093**	**100.0**	**233,282,568**	**100.0**
Expenses:								
Programming (Basic Tier)	5,609,815	2.0	6,442,634	2.4	5,775,128	2.3	6,612,990	2.8
Affiliation payments	59,121,862	21.4	56,724,968	21.3	56,502,092	22.6	45,907,231	19.7
Technical Services	42,814,806	15.5	40,757,699	15.3	45,214,005	18.1	42,531,674	18.2
Sales and promotion	10,402,522	3.8	8,203,620	3.1	4,629,022	1.8	4,255,639	1.8
Administration and general	56,451,900	20.4	51,589,820	19.3	46,172,171	18.4	45,975,048	19.7
Expenses - Total	**174,400,914**	**63.1**	**163,718,746**	**61.3**	**158,292,421**	**63.2**	**145,282,582**	**62.3**
Operating income	102,151,280	36.9	103,150,533	38.7	91,978,672	36.8	87,999,986	37.7
Depreciation	57,169,278	20.7	39,746,235	14.9	33,952,718	13.6	31,369,546	13.4
Profit before interest and taxes	**44,982,002**	**16.3**	**63,404,298**	**23.8**	**58,025,954**	**23.2**	**56,630,440**	**24.3**
Interest expense	59,066,319	21.4	41,234,351	15.5	35,626,658	14.2	30,962,853	13.3
Other adjustments-income (expense)	-22,804,658	-8.1	33,756,589	12.6	-5,755,819	-2.2	-5,028,795	-2.1
Net income (loss) before income taxes	**-36,888,974**	**-13.2**	**55,926,534**	**21.0**	**16,643,478**	**6.7**	**20,638,792**	**8.8**
Provision for income taxes	-8,587,909	-3.0	10,065,786	3.8	8,191,970	3.3	11,181,331	4.8
Net income (loss) after income taxes	**-28,301,064**	**-10.1**	**45,860,748**	**17.2**	**8,451,513**	**3.4**	**9,457,461**	**4.1**
Salaries and other staff benefits	46,938,445	17.0	38,924,807	14.6	33,410,190	13.3	31,881,136	13.7
Number of employees (weekly average)	1,290		1,164		977		878	
Number of subscribers (Basic Services)	573,972	...	607,646	...	627,538	...	624,505	...
Households served by cable - Total [2]	829,029	...	825,485	...	749,294	...	736,086	...
Households in licensed area - Total [2]	846,633	...	846,763	...	782,183	...	767,703	...

[1] This table does not include the results of wireless broadcasting distribution.

[2] The statistics prior to 2000 underestimate the number of households

... Figures not appropriate or not applicable.

Note: Totals may not add due to rounding.

TABLE 4. Cable Television, Financial and Operating Data, Québec[1], 1998-2001

	2001		2000		1999		1998	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	716,714,682	92.3	708,319,020	93.3	687,568,812	93.3	656,054,788	93.5
Connection (installation and re-connect)	15,120,786	1.9	17,366,037	2.3	18,816,276	2.6	16,719,308	2.4
Community channel sponsorship	952,841	0.1	1,147,675	0.2	916,310	0.1	364,061	0.1
Converters	19,217,983	2.5	6,541,795	0.9	1,376,143	0.2	869,544	0.1
Other revenue	24,571,526	3.2	26,173,961	3.4	27,887,016	3.8	27,653,868	3.9
Revenue - Total	**776,577,822**	**100.0**	**759,548,486**	**100.0**	**736,564,558**	**100.0**	**701,661,569**	**100.0**
Expenses:								
Programming (Basic Tier)	17,658,906	2.3	19,536,620	2.6	18,713,644	2.5	19,762,227	2.8
Affiliation payments	206,988,833	26.7	194,157,962	25.6	181,794,202	24.7	167,716,558	23.9
Technical Services	137,670,517	17.7	142,836,667	18.8	127,834,202	17.4	114,616,600	16.3
Sales and promotion	31,193,963	4.0	29,061,210	3.8	23,334,860	3.2	24,827,683	3.5
Administration and general	128,981,441	16.6	120,624,708	15.9	121,662,818	16.5	126,862,711	18.1
Expenses - Total	**522,493,661**	**67.3**	**506,217,167**	**66.6**	**473,339,728**	**64.3**	**453,785,779**	**64.7**
Operating income	254,084,161	32.7	253,331,319	33.4	263,224,830	35.7	247,875,790	35.3
Depreciation	122,689,994	15.8	122,619,446	16.1	107,913,814	14.7	108,247,067	15.4
Profit before interest and taxes	**131,394,167**	**16.9**	**130,711,873**	**17.2**	**155,311,016**	**21.1**	**139,628,723**	**19.9**
Interest expense	127,306,840	16.4	92,129,436	12.1	103,896,381	14.1	159,624,000	22.7
Other adjustments-income (expense)	-79,966,355	-10.2	5,080,733	0.7	-34,787,764	-4.6	251,843,460	35.9
Net income (loss) before income taxes	**-75,879,035**	**-9.7**	**43,663,170**	**5.7**	**16,626,871**	**2.3**	**231,879,053**	**33.0**
Provision for income taxes	-45,823,320	-5.8	23,909,056	3.1	27,841,356	3.8	68,235,404	9.7
Net income (loss) after income taxes	**-30,055,718**	**-3.8**	**19,754,114**	**2.6**	**-11,214,487**	**-1.4**	**163,643,649**	**23.3**
Salaries and other staff benefits	174,329,353	22.4	186,158,945	24.5	153,128,358	20.8	108,685,881	15.5
Number of employees (weekly average)	2,983		3,279		3,257		2,423	
Number of subscribers (Basic Services)	1,930,164	...	1,966,539	...	1,961,160	...	1,935,956	...
Households served by cable - Total	2,981,825	...	2,944,916	...	2,932,761	...	2,901,958	...
Households in licensed area - Total	3,017,046	...	2,974,597	...	2,971,798	...	2,953,354	...

[1] This table does not include the results of wireless broadcasting distribution.

... Figures not appropriate or not applicable.

Note: Totals may not add due to rounding.

TABLE 5. Cable Television, Financial and Operating Data, Ontario[1], 1998-2001

	2001		2000		1999		1998	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	1,352,791,791	87.1	1,273,363,935	90.4	1,191,576,780	94.0	1,096,468,208	95.4
Connection (installation and re-connect)	21,160,580	1.4	21,568,847	1.5	23,525,896	1.9	24,459,974	2.1
Community channel sponsorship	1,509,561	0.1	1,717,100	0.1	901,596	0.1	347,282	0.0
Converters	29,426,506	1.9	20,171,089	1.4	19,005,048	1.5	19,501,118	1.7
Other revenue	148,591,686	9.6	91,171,065	6.5	32,570,394	2.6	8,565,929	0.7
Revenue - Total	**1,553,480,120**	**100.0**	**1,407,992,042**	**100.0**	**1,267,579,717**	**100.0**	**1,149,342,511**	**100.0**
Expenses:								
Programming (Basic Tier)	26,256,050	1.7	31,985,313	2.3	32,316,205	2.5	31,344,630	2.7
Affiliation payments	339,586,876	21.9	348,926,774	24.8	299,094,016	23.6	245,349,173	21.3
Technical Services	252,099,334	16.2	210,427,750	14.9	197,466,313	15.6	181,177,864	15.8
Sales and promotion	73,030,951	4.7	47,826,519	3.4	36,445,847	2.9	42,876,270	3.7
Administration and general	226,796,708	14.6	202,861,913	14.4	178,609,922	14.1	168,609,053	14.7
Expenses - Total	**917,769,918**	**59.1**	**842,028,271**	**59.8**	**743,932,296**	**58.7**	**669,356,990**	**58.2**
Operating income	635,710,202	40.9	565,963,771	40.2	523,647,421	41.3	479,985,521	41.8
Depreciation	391,476,493	25.2	284,585,572	20.2	231,512,365	18.3	175,737,955	15.3
Profit before interest and taxes	**244,233,709**	**15.7**	**281,378,199**	**20.0**	**292,135,056**	**23.0**	**304,247,566**	**26.5**
Interest expense	211,129,508	13.6	239,016,642	17.0	295,495,847	23.3	302,662,463	26.3
Other adjustments-income (expense)	57,597,491	3.7	-90,183,278	-6.3	136,795,802	10.8	266,048,786	23.1
Net income (loss) before income taxes	**90,701,697**	**5.8**	**-47,821,732**	**-3.3**	**133,435,000**	**10.5**	**267,647,439**	**23.3**
Provision for income taxes	-1,427,044	0.0	-4,047,640	-0.2	79,672,926	6.3	50,328,502	4.4
Net income (loss) after income taxes	**92,128,737**	**5.9**	**-43,774,091**	**-3.0**	**53,762,075**	**4.2**	**217,318,937**	**18.9**
Salaries and other staff benefits	223,305,029	14.4	166,596,653	11.8	151,403,321	11.9	143,112,953	12.5
Number of employees (weekly average)	4,387		3,433		3,233		2,835	
Number of subscribers (Basic Services)	2,997,364	...	3,011,243	...	3,019,324	...	3,026,687	...
Households served by cable - Total	3,958,137	...	3,898,709	...	3,875,673	...	3,852,204	...
Households in licensed area - Total	4,011,005	...	3,959,045	...	3,929,205	...	3,938,627	...

[1] This table does not include the results of wireless broadcasting distribution.

... Figures not appropriate or not applicable.

Note: Totals may not add due to rounding.

TABLE 6. Cable Television, Financial and Operating Data, Western Provinces[1], 1998-2001

	2001		2000		1999		1998	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	1,192,313,857	95.3	1,077,800,994	92.7	1,000,793,544	94.6	887,954,814	95.8
Connection (installation and re-connect)	14,303,140	1.1	17,521,755	1.5	18,800,256	1.8	16,064,440	1.7
Community channel sponsorship	159,865	0.0	1,020,151	0.1	772,504	0.1	529,229	0.1
Converters	17,669,057	1.4	16,335,090	1.4	14,148,117	1.3	13,200,946	1.4
Other revenue	26,303,958	2.1	49,445,292	4.3	23,468,672	2.2	9,003,449	1.0
Revenue - Total	**1,250,749,875**	**100.0**	**1,162,123,278**	**100.0**	**1,057,983,094**	**100.0**	**926,752,878**	**100.0**
Expenses:								
Programming (Basic Tier)	25,465,548	2.0	26,834,102	2.3	24,582,068	2.3	25,365,422	2.7
Affiliation payments	312,751,774	25.0	277,864,692	23.9	248,213,513	23.5	206,201,808	22.2
Technical Services	181,989,754	14.6	165,074,252	14.2	168,445,752	15.9	139,892,269	15.1
Sales and promotion	48,928,866	3.9	50,563,576	4.4	42,473,637	4.0	38,525,981	4.2
Administration and general	182,313,984	14.6	195,935,685	16.9	185,945,566	17.6	168,130,029	18.1
Expenses - Total	**751,449,925**	**60.1**	**716,272,320**	**61.6**	**669,660,534**	**63.3**	**578,115,509**	**62.4**
Operating income	499,299,950	39.9	445,850,958	38.4	388,322,560	36.7	348,637,369	37.6
Depreciation	296,749,272	23.7	217,075,349	18.7	173,866,116	16.4	133,259,339	14.4
Profit before interest and taxes	**202,550,678**	**16.2**	**228,775,609**	**19.7**	**214,456,444**	**20.3**	**215,378,030**	**23.2**
Interest expense	197,740,188	15.8	206,193,332	17.7	204,615,076	19.3	182,768,776	19.7
Other adjustments-income (expense)	-7,007,973	-0.5	-20,432,141	-1.7	-2,347,718	-0.1	34,652,582	3.7
Net income (loss) before income taxes	**-2,197,480**	**-0.1**	**2,150,134**	**0.2**	**7,493,647**	**0.7**	**67,261,836**	**7.3**
Provision for income taxes	-39,953,779	-3.1	23,525,883	2.0	54,312,989	5.1	52,743,962	5.7
Net income (loss) after income taxes	**37,756,292**	**3.0**	**-21,375,750**	**-1.7**	**-46,819,337**	**-4.3**	**14,517,874**	**1.6**
Salaries and other staff benefits	143,502,642	11.5	161,514,579	13.9	146,061,938	13.8	133,837,396	14.4
Number of employees (weekly average)	3,895		4,207		3,437		2,930	
Number of subscribers (Basic Services)	2,352,647	...	2,382,640	...	2,394,665	...	2,389,953	...
Households served by cable - Total	3,313,183	...	3,204,481	...	3,141,398	...	3,049,733	...
Households in licensed area - Total	3,378,021	...	3,273,278	...	3,213,938	...	3,165,252	...

[1] This table does not include the results of wireless broadcasting distribution.

... Figures not appropriate or not applicable.

Note: Totals may not add due to rounding.

TABLE 7. Cable Television, Financial and Operating Data, N.W.T., Nunavut, and Yukon[1], 1998-2001

	2001		2000		1999		1998	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	9,265,655	91.9	9,959,980	88.9	9,692,093	90.4	8,904,844	91.5
Connection (installation and re-connect)	178,644	1.8	244,425	2.2	243,375	2.3	302,337	3.1
Community channel sponsorship	142,564	1.4	118,418	1.1	360,172	3.4	191,611	2.0
Converters	143,352	1.4	129,976	1.2	20,656	0.2	0	0.0
Other revenue	349,423	3.5	753,857	6.7	402,054	3.8	331,370	3.4
Revenue - Total	**10,079,636**	**100.0**	**11,206,656**	**100.0**	**10,718,350**	**100.0**	**9,730,162**	**100.0**
Expenses:								
Programming (Basic Tier)	187,640	1.9	177,329	1.6	196,760	1.8	160,133	1.6
Affiliation payments	2,406,305	23.9	2,855,691	25.5	2,115,256	19.7	2,170,142	22.3
Technical Services	1,944,507	19.3	1,810,205	16.2	1,716,386	16.0	1,482,243	15.2
Sales and promotion	150,771	1.5	124,644	1.1	78,693	0.7	112,794	1.2
Administration and general	4,677,277	46.4	4,417,043	39.4	4,295,223	40.1	3,915,719	40.2
Expenses - Total	**9,366,504**	**92.9**	**9,384,913**	**83.7**	**8,402,319**	**78.4**	**7,841,031**	**80.6**
Operating income	713,132	7.1	1,821,743	16.3	2,316,031	21.6	1,889,131	19.4
Depreciation	1,341,317	13.3	1,136,837	10.1	1,343,767	12.5	1,307,200	13.4
Profit before interest and taxes	**-628,185**	**-6.1**	**684,906**	**6.1**	**972,264**	**9.1**	**581,931**	**6.0**
Interest expense	312,035	3.1	319,469	2.9	297,961	2.8	167,570	1.7
Other adjustments-income (expense)	882,149	8.8	-55,446	-0.4	-3,540,540	-32.9	-6,324,978	-64.9
Net income (loss) before income taxes	**-58,067**	**-0.5**	**309,991**	**2.8**	**-2,866,237**	**-26.6**	**-5,910,617**	**-60.6**
Provision for income taxes	-150,883	-1.4	-16,152	0.0	-1,311,322	-12.1	898,719	9.2
Net income (loss) after income taxes	**92,816**	**0.9**	**326,143**	**2.9**	**-1,554,915**	**-14.4**	**-6,809,336**	**-69.9**
Salaries and other staff benefits	2,105,779	20.9	2,419,457	21.6	2,136,367	19.9	2,042,285	21.0
Number of employees (weekly average)	40		42		41		39	
Number of subscribers (Basic Services)	14,075	...	15,080	...	15,774	...	16,465	...
Households served by cable - Total	25,242	...	22,486	...	26,063	...	24,622	...
Households in licensed area - Total	26,653	...	22,962	...	28,096	...	26,101	...

[1] This table does not include the results of wireless broadcasting distribution.

... Figures not appropriate or not applicable.

Note: Totals may not add due to rounding.

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