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CABLE, SATELLITE AND MULTIPOINT DISTRIBUTION SYSTEMS, 2002

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

An industry re-inventing itself through technological and product innovations

Innovation and evolution of market conditions often lead to fundamental changes in the structure of an industry. It has clearly been the case for the cable industry.

From the early 50s to the mid-90s, cable operators served nearly 100% of multi-channel video services customers. Over that period, the industry gradually deployed its network to make it available to most Canadian households and the penetration of its services grew steadily before it peaked in the early 90s. This had become a mature industry whose growth was largely dependent on the creation of new households and on its ability to market an expanding number of television programming services.

The opening of the multi-channel video market to competition in 1997 has had a remarkable impact, in more than one way. For customers, it has meant a choice between at least 3 suppliers, a broader array of video services, and the availability of new services such as interactive program guides and high speed Internet. For the industry, it has meant an expansion of their customer base, a fierce battle between suppliers for those customers, a move to digital technology, and the building and upgrading of networks. For cable operators in particular, it has meant a fundamental change in their business model to remain competitive and viable.

Five years after the introduction of competition, the face of the industry has changed dramatically.

- The industry's clientele has expanded by more than 20.0% from 1997 to 2002.
- Digital technology has made significant gains at the expense of analogue technology.

Statistics Canada Statistique Canada

Canada

- Wireless competitors, which had virtually no customers in 1997, have captured a substantial share of the multi-channel video market.
- Cable operators play a major role in the Internet access market.

The statistics presented in this Bulletin give a picture of the evolution of the industry in the recent past.

An expanding market for multi-channel video services

It was expected that satellite and MDS operators would lure away customers from cable operators. Their impact on the demand for multi-channel video services, however, was an unknown. Five years into the new regime, it appears clear that the changes brought about by competition have triggered an increase in the demand for multi-channel video services.

From August 1997 to August 2002, the number of subscribers to multi-channel video services grew from 8.0 million to 9.6 million, a 20.0% increase, far outpacing the growth in household formation. In the five year period preceding the introduction of competition, the number of subscribers grew less than 7.0%, at a pace similar to household formation.

The growth in subscriptions to the services of satellite and MDS operators has outstripped the decline in subscription to the services of cable operators by a good margin. From 1999 to 2002, wireless operators have added 1.5 million customers while cable operators have lost 0.4 million. Although difficult to assess precisely, there is little doubt that a significant proportion of the 1.1 million additional customers either had no access to cable services, or no desire to subscribe to the available cable services.

Dish or cable?

The pie is growing, and the fight for a bigger piece of the pie is fierce. Wireless operators have done relatively well on this battleground.

Small dishes on roofs are becoming part of the Canadian landscape. The number of subscribers of satellite and MDS operators surpassed 2.0 million in 2002, and their market share reached the 20.0% milestone. By comparison, it took cable operators more than 20 years to attract 2.0 million subscribers.

The 25.1% increase in the number of subscribers to satellite and MDS television from August 2001 to August 2002, although very impressive, is a significant slowdown in growth compared to previous years (+66.4% in 2001 and +74.4% in 2000). The pattern of growth in the penetration of this technology is not unlike that observed in the past for different types of consumer information technologies. That pattern is characterized by very fast and accelerating growth when it is first made available, and by decelerating growth in the years that follow[1].

The market share of Canadian wireless operators is approaching the level attained by operators in the United States (+23.6% in June 2003)[2] despite the fact that the Canadian multi-channel video market opened to competition from wireless providers more than 3 years later than the United States.

A shift to digital technology

The entry of satellite and MDS operators into the multi-channel video market not only expanded consumer choice, it also is at the origin of a shift towards digital technology.

At the end of August 2002, more than one third of multi-channel video services customers subscribed to digital wireless or digital cable services. Of these 3.2 million subscribers to digital services, 2.0 million were customers of wireless operators and 1.2 million customers of cable operators. Although wireless providers continued to dominate the digital service market, cable operators are rapidly closing the gap. The number of subscribers to digital cable jumped

[1] *For more information on the penetration histories of various consumer information and communications technologies, see Statistics Canada's Connectedness Series, no. 7, Unveilling the Digital Divide, George Sciadas, October 2002.*

[2] *Federal Communications Commission, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, Comments of the National Cable and Telecommunications Association, September 11, 2003.*

50.5 % in 2002, two times the growth for wireless digital services. This was the second consecutive year that digital cable growth outpaced wireless digital growth.

Digital satellite service is available to almost every home in the country and the footprint of cable digital service is expanding rapidly. In 2002, digital cable was available to nearly 90.0% of homes with access to cable (cable homes). This service was available to virtually all cable homes within large communities, and in smaller communities[3] the technology was available to three quarters of cable homes.

Adapting to a changing environment

The loss of subscribers in their traditional market became a reality that cable operators could not escape. Their challenge was to retain as many subscribers as possible and generate more revenue per subscriber. This meant upgrading the capacity of their distribution network to enable the provision of new services, most importantly high speed Internet and digital video. At the end of August 2002, these upgrades were well under way. Close to 90.0% of homes with access to cable could subscribe to cable modem and/or digital cable services.

Cable operators have indeed lost subscribers for three consecutive years beginning in 2000. The decline in subscriptions has accelerated every year since then to reach 3.1% in 2002, and has been most severe for operators in small and medium-sized communities where it declined by 5.6% in 2002 and 4.8% in 2001.

Despite the loss of subscribers, the revenues of cable operators have increased steadily by more than 7.0% in each year from 1999 to 2002, and their revenue per subscriber at a rate exceeding 8.5%. The systems offering high speed Internet and digital cable sustained the relatively robust performance of this segment of the industry. In 2002, revenues per subscriber for systems that offered both these services were 32.8% higher than those of systems that did not offer these services, or offered only one of the two.

The introduction of high speed Internet by cable was a significant change in the business model of this segment of the industry. This offering has been a key contributor to the industry's revenues and profits. In 2002, revenues from high speed Internet represented 19.2% of the revenues of cable systems providing the service, and for some establishments, that proportion exceeded 30.0%. Only two years earlier, Internet access represented a mere 9.2% of the revenues of operators providing the service.

Towards universal access to Internet by cable

Universal access to basic services has always been a key element of Canada's telecommunications policy. In the last few years, universal access to high speed Internet access has been a concern of governments.

The residential broadband Internet access market is dominated by two competing technologies, cable modem and digital subscriber lines (DSL)[4]. The deployment of both these technologies is relatively recent. First introduced in a few large markets in 1996, the availability of cable modem service has progressed rapidly and was available to nearly 89.0% of homes with access to cable at the end of August 2002.

At the early stage of deployment, cable modem service was mainly a large city phenomenon. Since then, the accessibility of this technology in smaller communities has advanced rapidly. In 2000, the first year for which such figures are available, 32.2% of homes with access to cable in smaller communities could subscribe to cable modem service. Two years later that proportion leaped to 70.6%.

There is however a definite slowdown in the deployment of cable modem technology. The number of homes with access to Internet by cable

[3] A larger community is here defined as a Census Metropolitan Area (CMA) and a smaller community as one located outside a CMA. 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 list of CMAs and CAs can be obtained on Statistics Canada's web site (www.statcan.ca) under Statistical Methods/Standard Classifications/Geography.

[4] According to a CRTC report on the Status of Competition in Canadian telecommunications markets, there were 1.6 million residential subscribers to Internet by cable and 924 thousand residential subscribers to DSL at the end of 2001. These two modes accounted for almost 100% of residential high speed Internet at that time.

progressed 2.1% in large communities and 26.1% in medium and small communities in 2002, considerably less than the increase of 14.4% and 79.1% the previous year.

Sustained but slower growth in the adoption of Internet by cable

Canadians continued to adopt Internet by cable in large numbers in 2002. The number of subscribers reached 1.9 million, up 34.7% from the previous year. The increase was stronger in small and medium-sized communities (+49.1 %) than in larger ones (+32.0%). The strong growth in subscriptions to Internet by cable was nevertheless weaker than in the previous year where adoption of this technology jumped 68.9% in large communities and 138.9% in smaller communities.

The penetration rate of high speed Internet by cable remained significantly lower in smaller communities (+13.6%) than in larger communities (+20.2%) in 2002.

Subscriptions to cable declining in all regions

The downward trend in subscriptions to cable services observed at the national level is apparent in all regions, although the slide has been faster in the Atlantic Provinces, Quebec and the Territories than in other parts of Canada. In 2002, subscriptions fell the most in the Territories (-8.7%) and Quebec (-5.5%) compared to a more modest decline (-1.8%) in Western Canada.

Ontario is the only region of the country where the penetration[5] of cable exceeded 70.0% in 2002. The penetration is below the 67.5% national average in all other regions of the country.

Internet by cable remained more popular in Western Canada

The penetration of Internet by cable[6] increases from east to west. In 2002, the rate of adoption of this technology was almost two times higher in Western Canada (23.9%) than it was in Atlantic Canada (13.1%) and the Province of Quebec (12.4%). However, the gap closed compared to previous years as the growth in subscriptions to this service was faster in the east than in the west.

Improved financial results for cable operators

The new competitive regime has created a downward pressure on the profits of incumbent cable operators. Their profit margin (before interest and taxes) has declined every year since 1998. That trend was stopped in 2002, when the profit margin improved marginally to 16.6% from 16.1% the previous year.

The stabilization of profits seems largely explained by a better control of technical expenses and by the increasing importance of Internet services in the industry's business model.

Wireless operators approaching the breakeven point

Entrants in a market must often support losses until they have a critical mass of customers. The meteoric growth in the market share of wireless operators in the past few years has been expensive for that segment of the industry. It has supported losses since its inception and remained in a deficit position in 2002.

However, the situation had improved significantly in 2002. Losses before interest and taxes declined in 2002 to $229.1 million from $292.8 a year earlier. That represented a loss of close to $0.24 per dollar of revenue, much less than the loss of $0.42 per dollar of revenue incurred in 2001.

The improvement resulted mostly from strong revenue growth (+37.2%) and a decline in sales and promotion expenses (-8.9%). These may well be early signs that this segment of the industry is getting closer to the critical mass of customers needed to cover its costs.

[5] *The number of subscribers to cable services as a percentage of homes with access to cable.*

[6] *The number of subscribers to Internet by cable as a percentage of homes with access to Internet by cable.*

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, or will present, summary statistics for the television industry, the radio industry and the telecommunications industry.

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 the 2002 reference year, the CRTC exempted a number of small cable operators from completing the Annual Return for the purpose of licensing. In order to continue providing total industry estimates, Statistics Canada continued surveying these small operators, but with a simplified questionnaire. Some of the variables for these small operators are therefore estimated. These estimates do not have a material impact on the statistics presented here.

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. Selected data for the cable industry are available for 2001 and previous years on CANSIM, Statistics Canada's machine-readable database and retrieval system (table 3530001). That table has been terminated and will be replaced by a new table in the coming year to reflect changes in the structure of the industry and of the survey. For further information, contact Advisory Services Division at 1 800 263 1136, fax 1 877 287-4369, infostats@statcan.ca.

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

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

	1999	2000	2001	2002	99/00	00/01	01/02
Subscribers by type of supplier		000				%	
Subscribers to programming services	8,573.0	8,950.3	9,474.2	9,636.0	*4.4*	*5.9*	*1.7*
Clients of cable operators	8,018.6	7,983.2	7,865.0	7,622.6	*-0.4*	*-1.5*	*-3.1*
Clients of wireless operators	554.4	967.1	1,609.2	2,013.4	*74.4*	*66.4*	*25.1*
Market share by type of supplier		%					
Cable operators' share	93.5	89.2	83.0	79.1	*-4.6*	*-6.9*	*-4.7*
Wireless operators' share	6.5	10.8	17.0	20.9	*67.1*	*57.2*	*23.0*
Cable penetration by community size		000					
Subscribers to basic cable services							
Large-size communities [1]	5,671.2	5,707.9	5,699.0	5,575.6	*0.6*	*-0.2*	*-2.2*
Small and Medium-size communities [2]	2,347.4	2,275.2	2,165.9	2,044.8	*-3.1*	*-4.8*	*-5.6*
Total	**8,018.6**	**7,983.2**	**7,865.0**	**7,622.6**	*-0.4*	*-1.5*	*-3.1*
Homes with access to basic cable services							
Large-size communities [1]	7,587.9	7,671.1	7,833.8	7,954.1	*1.1*	*2.1*	*1.5*
Small and Medium-size communities [2]	3,137.4	3,232.7	3,269.7	3,332.6	*3.0*	*1.1*	*1.9*
Total	**10,725.3**	**10,903.8**	**11,103.5**	**11,292.6**	*1.7*	*1.8*	*1.7*
Penetration rate		%					
Large-size communities [1]	74.7	74.4	72.7	70.1	*-0.4*	*-2.2*	*-3.6*
Small and Medium-size communities [2]	74.8	70.4	66.2	61.4	*-5.9*	*-5.9*	*-7.4*
Total	**74.8**	**73.2**	**70.8**	**67.5**	*-2.1*	*-3.3*	*-4.7*
Cable penetration rate by region		000					
Subscribers to basic cable services							
Atlantic Provinces	627.5	607.6	574.2	545.8	*-3.2*	*-5.5*	*-4.9*
Quebec	1,961.3	1,966.6	1,929.8	1,823.9	*0.3*	*-1.9*	*-5.5*
Ontario	3,019.3	3,011.2	2,994.0	2,930.0	*-0.3*	*-0.6*	*-2.1*
Western Provinces	2,394.7	2,382.6	2,352.5	2,309.7	*-0.5*	*-1.3*	*-1.8*
Territories	15.8	15.1	14.4	13.2	*-4.4*	*-4.4*	*-8.7*
Homes with access to basic cable services							
Atlantic Provinces [3]	749.3	825.5	828.6	828.6	*10.2*	*0.4*	*0.0*
Quebec	2,932.9	2,949.2	2,981.3	3,033.3	*0.6*	*1.1*	*1.7*
Ontario	3,875.7	3,898.7	3,954.6	3,966.3	*0.6*	*1.4*	*0.3*
Western Provinces	3,141.4	3,204.4	3,313.0	3,440.4	*2.0*	*3.4*	*3.8*
Territories	26.1	26.0	26.0	24.0	*-0.1*	*-0.2*	*-7.6*
Penetration rate		%					
Atlantic Provinces [3]	83.8	73.6	69.3	65.9	*-12.1*	*-5.9*	*-4.9*
Quebec	66.9	66.7	64.7	60.1	*-0.3*	*-2.9*	*-7.1*
Ontario	77.9	77.2	75.7	73.9	*-0.9*	*-2.0*	*-2.4*
Western Provinces	76.2	74.4	71.0	67.1	*-2.5*	*-4.5*	*-5.5*
Territories	60.5	57.9	55.4	54.7	*-4.3*	*-4.3*	*-1.2*

[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 small or medium-size community is here defined as a community located outside a Census Metropolitan Area (CMA).

[3] The statistics prior to 2000 underestimate the number of households with access to cable. The statistics for more recent years provide a more accurate measure of penetration.

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

	1999	2000	2001	2002	99/00	00/01	01/02
Cable penetration rate by type of cable operator		%				%	
Operators providing Internet and digital TV	...	74.3	71.6	68.3	...	*-3.7*	*-4.6*
Operators not providing Internet and digital TV	...	70.1	66.7	59.5	...	*-5.0*	*-10.7*
Internet by cable deployment by community size			000				
Homes with access to Internet by cable							
Large-size communities [1]	...	6,567.7	7,514.2	7,673.4	...	*14.4*	*2.1*
Small and Medium-size communities [2]	...	1,042.0	1,866.6	2,354.4	...	*79.1*	*26.1*
Total	**...**	**7,609.7**	**9,380.8**	**10,027.8**	...	*23.3*	*6.9*
Homes with access to Internet by cable / homes with access to cable			%				
Large-size communities [1]	...	85.6	95.9	96.5	...	*12.0*	*0.6*
Small and Medium-size communities [2]	...	32.2	57.1	70.6	...	*77.1*	*23.8*
Total	**...**	**69.8**	**84.5**	**88.8**	...	*21.1*	*5.1*
Internet by cable adoption by community size			000				
Subscribers to Internet by cable							
Large-size communities [1]	...	696.2	1,176.0	1,552.8	...	*68.9*	*32.0*
Small and Medium-size communities [2]	...	90.2	215.4	321.1	...	*138.9*	*49.1*
Total	**...**	**786.3**	**1,391.4**	**1,873.9**	...	*76.9*	*34.7*
Subscribers to Internet by cable / homes with access to Internet by cable			%				
Large-size communities [1]	...	10.6	15.7	20.2	...	*47.6*	*29.3*
Small and Medium-size communities [2]	...	8.7	11.5	13.6	...	*33.4*	*18.2*
Total	**...**	**10.3**	**14.8**	**18.7**	...	*43.5*	*26.0*
Internet by cable deployment by region			000				
Homes with access to Internet by cable							
Atlantic Provinces	...	260.3	472.9	589.0	...	*81.7*	*24.6*
Quebec	...	1,863.5	2,343.7	2,491.3	...	*25.8*	*6.3*
Ontario	...	2,946.8	3,586.4	3,727.3	...	*21.7*	*3.9*
Western Provinces and Territories	...	2,539.1	2,977.8	3,220.2	...	*17.3*	*8.1*
Homes with access to Internet by cable / homes with access to cable			%				
Atlantic Provinces	...	31.5	57.1	71.1	...	*81.0*	*24.6*
Quebec	...	63.2	78.6	82.1	...	*24.4*	*4.5*
Ontario	...	75.6	90.7	94.0	...	*20.0*	*3.6*
Western Provinces and Territories	...	79.2	89.9	93.6	...	*13.4*	*4.1*
Internet by cable adoption by region			000				
Subscribers to Internet by cable							
Atlantic Provinces	...	23.0	51.9	77.4	...	*125.4*	*49.1*
Quebec	...	119.1	226.0	309.5	...	*89.7*	*37.0*
Ontario	...	305.2	505.7	716.4	...	*65.7*	*41.7*
Western Provinces and Territories	...	339.0	607.9	770.6	...	*79.3*	*26.8*
Subscribers to Internet by cable / homes with access to Internet by cable			%				
Atlantic Provinces	...	8.8	11.0	13.1	...	*24.1*	*19.7*
Quebec	...	6.4	9.6	12.4	...	*50.8*	*28.9*
Ontario	...	10.4	14.1	19.2	...	*36.1*	*36.3*
Western Provinces and Territories	...	13.3	20.4	23.9	...	*52.9*	*17.2*

[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 rural areas that have a high degree of economic and social integration with that urban area.
[2] A small or medium-size community is here defined as a community located outside a Census Metropolitan Area (CMA).
... Figures not appropriate or not applicable.

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

	1999	2000	2001	2002	99/00	00/01	01/02
Financial performance by type of supplier		$ million				%	
Revenues							
Cable operators	3,323.1	3,607.8	3,867.0	4,159.1	*8.6*	*7.2*	*7.6*
Wireless operators	167.3	390.4	697.0	956.0	*133.3*	*78.5*	*37.2*
Profit (loss) before interest and taxes							
Cable operators	720.9	705.1	622.6	689.5	*-2.2*	*-11.7*	*10.7*
Wireless operators	-243.6	-393.3	-292.8	-229.1	*61.4*	*-25.6*	*-21.7*
Profit margin		%					
Cable operators	21.7	19.5	16.1	16.6	*-9.9*	*-17.6*	*3.0*
Wireless operators	-145.6	-100.7	-42.0	-24.0	*-30.8*	*-58.3*	*-42.9*
Financial performance by type of cable operator							
Cable operators providing Internet access and digital TV							
Revenues ($ million)	...	2,754.5	3,373.4	3,906.8	...	*22.5*	*15.8*
Revenue per subscriber ($)	...	462.24	502.21	556.48	...	*8.6*	*10.8*
Profit (loss) before interest and taxes ($ million)	...	518.8	543.4	638.3	...	*4.8*	*17.5*
Profit margin (%)	...	18.8	16.1	16.3	...	*-14.5*	*1.4*
Cable operators not providing Internet access and digital TV							
Revenues ($ million)	...	853.3	493.5	252.3	...	*-42.2*	*-48.9*
Revenue per subscriber ($)	...	421.55	430.01	419.07	...	*2.0*	*-2.5*
Profit (loss) before interest and taxes ($ million)	...	186.3	79.2	51.3	...	*-57.5*	*-35.2*
Profit margin (%)	...	21.8	16.0	20.3	...	*-26.5*	*26.7*
Digital television subscribers		000					
Subscribers to digital cable	...	387.2	808.6	1,217.1	...	*108.8*	*50.5*
Subscribers to digital satellite and MDS	...	967.1	1,609.2	2,013.4	...	*66.4*	*25.1*
Digital television penetration		%					
Digitization rate	...	15.1	25.5	33.5	...	*68.7*	*31.4*

... Figures not appropriate or not applicable.

TABLE 1. Cable Television, Financial and Operating Data, Canada, 1999-2002

	2002		2001		2000		1999	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	3,944,755,124	94.8	3,667,017,856	94.8	3,423,541,610	94.9	3,161,262,140	95.1
Connection (installation and re-connect)	62,482,257	1.5	54,225,067	1.4	61,144,225	1.7	62,876,160	1.9
Community channel sponsorship	4,254,360	0.1	3,265,744	0.1	4,977,719	0.1	3,705,424	0.1
Converters	74,536,524	1.8	68,658,348	1.8	44,356,919	1.2	35,623,340	1.1
Other revenue	73,057,770	1.8	73,820,626	1.9	73,738,564	2.0	59,682,917	1.8
Revenue - Total	**4,159,086,039**	**100.0**	**3,866,987,637**	**100.0**	**3,607,759,041**	**100.0**	**3,323,149,982**	**100.0**
Expenses:								
Programming (Basic Tier)	83,610,620	2.0	75,177,959	1.9	84,975,998	2.4	81,583,805	2.5
Affiliation payments	945,233,847	22.7	920,879,371	23.8	880,544,779	24.4	787,735,276	23.7
Technical Services	609,756,702	14.7	616,530,249	15.9	560,912,697	15.5	540,685,579	16.3
Sales and promotion	175,630,490	4.2	163,704,057	4.2	135,779,569	3.8	106,962,059	3.2
Administration and general	650,558,323	15.6	598,596,282	15.5	575,316,347	15.9	536,689,872	16.2
Expenses - Total	**2,464,687,442**	**59.3**	**2,374,887,930**	**61.4**	**2,237,529,411**	**62.0**	**2,053,656,588**	**61.8**
Operating income	1,694,398,597	40.7	1,492,099,707	38.6	1,370,229,630	38.0	1,269,493,394	38.2
Depreciation	1,004,858,708	24.2	869,482,184	22.5	665,169,331	18.4	548,594,629	16.5
Profit before interest and taxes	**689,539,889**	**16.6**	**622,617,523**	**16.1**	**705,060,299**	**19.5**	**720,898,765**	**21.7**
Interest expense	582,190,722	14.0	595,595,091	15.4	578,894,209	16.0	639,933,494	19.3
Salaries and other staff benefits	629,950,942	15.1	626,562,157	16.2	555,614,441	15.4	486,140,174	14.6
Number of employees (weekly average)	12,011		12,585		12,125		10,945	
Number of subscribers (Basic Services)	7,622,584	...	7,864,964	...	7,983,150	...	8,018,553	...
Households served by cable - Total	11,292,626	...	11,103,501	...	10,903,822	...	10,725,299	...
Households in licensed area - Total	11,500,861	...	11,274,878	...	11,085,637	...	10,925,330	...

... 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, 1999-2002

	2002		2001		2000		1999	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect) -	920,389,795	96.3	655,443,180	94.0	369,068,258	94.5	161,015,433	96.2
Connection (installation and re-connect)	X	X	X	X	X	X	X	X
Community channel sponsorship	X	X	X	X	X	X	X	X
Other revenue - Autres revenus	35,315,961	3.7	40,435,148	5.8	18,126,602	4.6	3,371,582	2.0
Revenue - Total	**956,047,880**	**100.0**	**697,014,545**	**100.0**	**390,433,722**	**100.0**	**167,321,209**	**100.0**
Expenses:								
Programming (Basic Tier)	89,291	0.0	634,054	0.1	768,977	0.2	136,001	0.1
Affiliation payments	425,415,097	44.5	340,833,970	48.9	202,387,138	51.8	94,510,015	56.5
Technical Services	204,449,884	21.4	190,703,363	27.4	144,829,172	37.1	53,792,854	32.1
Sales and promotion	229,470,721	24.0	249,844,379	35.8	280,313,269	71.8	198,115,493	118.4
Administration and general	168,587,045	17.6	125,133,106	18.0	110,138,868	28.2	39,666,236	23.7
Expenses - Total	**1,028,012,038**	**107.5**	**907,148,870**	**130.1**	**738,437,424**	**189.1**	**386,220,599**	**230.8**
Operating income	-71,964,158	-7.4	-210,134,325	-30.0	-348,003,702	-89.0	-218,899,390	-130.7
Depreciation	157,159,542	16.4	82,636,062	11.9	45,270,085	11.6	24,695,011	14.8
Profit before interest and taxes	**-229,123,700**	**-23.9**	**-292,770,387**	**-41.9**	**-393,273,787**	**-100.6**	**-243,594,401**	**-145.5**
Interest expense	30,191,204	3.2	30,351,938	4.4	1,438,327	0.4	4,204,769	2.5
Salaries and other staff benefit	111,438,157	11.7	100,878,462	14.5	79,881,769	20.5	44,746,760	26.7
Number of employees (weekly average)	2,824	...	2,100	...	1,980	...	1,250	...
Subscriptions (direct and indirect) - (Basic Tier)	2,013,396	...	1,609,203	...	967,118	...	554,427	...

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

X Supressed to meet the confidentiality requirements of the Statistics Act.

... 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], 1999-2002

	2002		2001		2000		1999	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	279,527,084	92.9	263,456,877	95.6	250,813,619	94.0	238,396,056	95.3
Connection (installation and re-connect)	3,145,076	1.0	3,454,444	1.3	4,443,076	1.7	4,183,257	1.7
Community channel sponsorship	360,889	0.1	333,242	0.1	974,464	0.4	754,842	0.3
Converters [2]	349,882	0.1	2,201,450	0.8	1,178,969	0.4	1,073,376	0.4
Other revenue	17,570,396	5.8	6,173,273	2.2	9,459,148	3.5	5,863,562	2.3
Revenue - Total	**300,953,320**	**100.0**	**275,619,285**	**100.0**	**266,869,279**	**100.0**	**250,271,093**	**100.0**
Expenses:								
Programming (Basic Tier)	6,016,589	2.0	5,609,815	2.0	6,442,634	2.4	5,775,128	2.3
Affiliation payments	61,775,158	20.5	59,121,862	21.5	56,724,968	21.3	56,502,092	22.6
Technical Services	38,757,593	12.9	42,814,806	15.5	40,757,699	15.3	45,214,005	18.1
Sales and promotion	8,891,753	3.0	10,402,522	3.8	8,203,620	3.1	4,629,022	1.8
Administration and general	43,379,741	14.4	55,518,991	20.1	51,589,820	19.3	46,172,171	18.4
Expenses - Total	**158,820,838**	**52.8**	**173,468,005**	**62.9**	**163,718,746**	**61.3**	**158,292,421**	**63.2**
Operating income	142,132,482	47.2	102,151,280	37.1	103,150,533	38.7	91,978,672	36.8
Depreciation	74,704,657	24.8	57,169,278	20.7	39,746,235	14.9	33,952,718	13.6
Profit before interest and taxes	**67,427,825**	**22.4**	**44,982,002**	**16.3**	**63,404,298**	**23.8**	**58,025,954**	**23.2**
Interest expense	66,545,816	22.1	59,066,319	21.4	41,234,351	15.5	35,626,658	14.2
Salaries and other staff benefits	40,060,261	13.3	46,938,445	17.0	38,924,807	14.6	33,410,190	13.3
Number of employees (weekly average)	1,325		1,298		1,164		977	
Number of subscribers (Basic Services)	545,848	...	574,208	...	607,646	...	627,538	...
Households served by cable - Total [3]	828,596	...	828,568	...	825,485	...	749,294	...
Households in licensed area - Total [3]	846,205	...	846,172	...	846,763	...	782,183	...

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

[2] The decline in revenues for the rental and sale of converters is a consequence of adjustments for subsidies provided by suppliers.

[3] The statistics prior to 2001 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], 1999-2002

	2002		2001		2000		1999	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	702,513,964	92.9	716,621,966	92.3	702,018,655	92.4	683,599,951	92.8
Connection (installation and re-connect)	14,478,799	1.9	15,120,378	1.9	17,366,382	2.3	18,817,536	2.6
Community channel sponsorship	835,084	0.1	952,841	0.1	1,147,675	0.2	916,310	0.1
Converters	16,593,434	2.2	19,217,983	2.5	6,541,795	0.9	1,376,143	0.2
Other revenue	21,977,210	2.9	24,568,952	3.2	32,504,175	4.3	31,887,787	4.3
Revenue - Total	**756,398,498**	**100.0**	**776,482,123**	**100.0**	**759,578,680**	**100.0**	**736,597,728**	**100.0**
Expenses:								
Programming (Basic Tier)	17,175,094	2.3	17,658,906	2.3	19,536,620	2.6	18,713,644	2.5
Affiliation payments	208,512,494	27.6	206,981,366	26.7	194,172,805	25.6	181,810,399	24.7
Technical Services	127,861,130	16.9	137,680,495	17.7	142,842,791	18.8	127,843,123	17.4
Sales and promotion	30,005,607	4.0	31,189,841	4.0	29,061,210	3.8	23,334,860	3.2
Administration and general	127,749,373	16.9	128,928,900	16.6	120,632,609	15.9	121,666,990	16.5
Expenses - Total	**511,303,696**	**67.6**	**522,439,509**	**67.3**	**506,246,035**	**66.6**	**473,369,018**	**64.3**
Operating income	245,094,802	32.4	254,042,614	32.7	253,332,645	33.4	263,228,710	35.7
Depreciation	129,965,757	17.2	122,674,195	15.8	122,625,338	16.1	107,919,663	14.7
Profit before interest and taxes	**115,129,045**	**15.2**	**131,368,419**	**16.9**	**130,707,307**	**17.2**	**155,309,047**	**21.1**
Interest expense	95,177,658	12.6	127,299,849	16.4	92,130,415	12.1	103,897,952	14.1
Salaries and other staff benefits	147,716,852	19.5	174,322,261	22.5	186,158,945	24.5	153,128,358	20.8
Number of employees (weekly average)	2,362		2,983		3,279		3,257	
Number of subscribers (Basic Services)	1,823,882	...	1,929,848	...	1,966,623	...	1,961,252	...
Households served by cable - Total	3,033,342	...	2,981,328	...	2,949,203	...	2,932,871	...
Households in licensed area - Total	3,095,778	...	3,016,473	...	2,978,884	...	2,971,908	...

[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], 1999-2002

	2002		2001		2000		1999	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	1,618,429,066	95.7	1,478,935,451	95.2	1,352,528,411	96.1	1,217,605,910	96.1
Connection (installation and re-connect)	20,992,147	1.2	21,160,580	1.4	21,568,847	1.5	22,080,611	1.7
Community channel sponsorship	2,112,900	0.1	1,509,561	0.1	1,717,100	0.1	901,596	0.1
Converters	33,354,832	2.0	29,426,506	1.9	20,171,089	1.4	19,005,048	1.5
Other revenue	16,025,458	0.9	22,448,025	1.4	12,006,589	0.9	7,986,552	0.6
Revenue - Total	**1,690,914,405**	**100.0**	**1,553,480,122**	**100.0**	**1,407,992,042**	**100.0**	**1,267,579,717**	**100.0**
Expenses:								
Programming (Basic Tier)	31,967,544	1.9	26,256,050	1.7	31,985,313	2.3	32,316,205	2.5
Affiliation payments	366,341,762	21.7	339,586,876	21.9	348,926,774	24.8	299,094,016	23.6
Technical Services	252,784,682	14.9	252,099,334	16.2	210,427,750	14.9	197,466,313	15.6
Sales and promotion	86,097,096	5.1	73,030,951	4.7	47,826,519	3.4	36,445,847	2.9
Administration and general	248,181,031	14.7	226,796,708	14.6	202,861,913	14.4	178,609,922	14.1
Expenses - Total	**985,372,113**	**58.3**	**917,769,918**	**59.1**	**842,028,271**	**59.8**	**743,932,296**	**58.7**
Operating income	705,542,292	41.7	635,710,204	40.9	565,963,771	40.2	523,647,421	41.3
Depreciation	445,155,985	26.3	391,476,493	25.2	284,585,572	20.2	231,512,365	18.3
Profit before interest and taxes	**260,386,307**	**15.4**	**244,233,711**	**15.7**	**281,378,199**	**20.0**	**292,135,056**	**23.0**
Interest expense	186,697,791	11.0	211,129,508	13.6	239,016,642	17.0	295,495,847	23.3
Salaries and other staff benefits	218,039,580	12.9	223,305,029	14.4	166,596,653	11.8	151,403,321	11.9
Number of employees (weekly average)	3,469		4,188		3,433		3,233	
Number of subscribers (Basic Services)	2,929,966	...	2,993,996	...	3,011,243	...	3,019,324	...
Households served by cable - Total	3,966,296	...	3,954,612	...	3,898,709	...	3,875,673	...
Households in licensed area - Total	4,015,685	...	4,007,005	...	3,959,045	...	3,929,205	...

[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], 1999-2002

	2002		2001		2000		1999	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	1,336,270,583	95.3	1,198,520,793	95.8	1,108,220,945	95.4	1,011,968,130	95.7
Connection (installation and re-connect)	23,720,234	1.7	14,303,280	1.1	17,521,495	1.5	17,551,381	1.7
Community channel sponsorship	804,869	0.1	159,865	0.0	1,020,062	0.1	772,504	0.1
Converters	23,582,581	1.7	17,669,057	1.4	16,335,090	1.4	14,148,117	1.3
Other revenue	17,136,847	1.2	20,063,351	1.6	19,014,795	1.6	13,542,962	1.3
Revenue - Total	**1,401,515,115**	**100.0**	**1,250,716,343**	**100.0**	**1,162,112,384**	**100.0**	**1,057,983,094**	**100.0**
Expenses:								
Programming (Basic Tier)	28,314,752	2.0	25,465,548	2.0	26,834,102	2.3	24,582,068	2.3
Affiliation payments	306,803,906	21.9	312,741,497	25.0	277,864,541	23.9	248,213,513	23.5
Technical Services	189,036,809	13.5	181,991,107	14.6	165,074,252	14.2	168,445,752	15.9
Sales and promotion	50,543,333	3.6	48,929,326	3.9	50,563,576	4.4	42,473,637	4.0
Administration and general	226,779,243	16.2	182,294,566	14.6	195,935,685	16.9	185,945,566	17.6
Expenses - Total	**801,478,042**	**57.2**	**751,422,043**	**60.1**	**716,272,169**	**61.6**	**669,660,534**	**63.3**
Operating income	600,037,073	42.8	499,294,300	39.9	445,840,215	38.4	388,322,560	36.7
Depreciation	354,011,565	25.3	296,750,933	23.7	217,075,349	18.7	173,866,116	16.4
Profit before interest and taxes	**246,025,508**	**17.6**	**202,543,367**	**16.2**	**228,764,866**	**19.7**	**214,456,444**	**20.3**
Interest expense	233,601,767	16.7	197,741,595	15.8	206,193,332	17.7	204,615,076	19.3
Salaries and other staff benefits	221,918,092	15.8	179,726,982	14.4	161,514,579	13.9	146,061,938	13.8
Number of employees (weekly average)	4,818		4,073		4,207		3,437	
Number of subscribers (Basic Services)	2,309,738	...	2,352,502	...	2,382,558	...	2,394,665	...
Households served by cable - Total	3,440,372	...	3,312,998	...	3,204,380	...	3,141,398	...
Households in licensed area - Total	3,518,387	...	3,377,800	...	3,273,168	...	3,213,938	...

[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], 1999-2002

	2002		2001		2000		1999	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	8,014,427	86.1	9,482,769	88.7	9,959,980	88.9	9,692,093	90.4
Connection (installation and re-connect)	146,001	1.6	186,385	1.7	244,425	2.2	243,375	2.3
Community channel sponsorship	140,618	1.5	310,235	2.9	118,418	1.1	360,172	3.4
Converters	655,795	7.0	143,352	1.3	129,976	1.2	20,656	0.2
Other revenue	347,859	3.7	567,025	5.3	753,857	6.7	402,054	3.8
Revenue - Total	**9,304,701**	**100.0**	**10,689,764**	**100.0**	**11,206,656**	**100.0**	**10,718,350**	**100.0**
Expenses:								
Programming (Basic Tier)	136,641	1.5	187,640	1.8	177,329	1.6	196,760	1.8
Affiliation payments	1,800,527	19.4	2,447,770	22.9	2,855,691	25.5	2,115,256	19.7
Technical Services	1,316,488	14.1	1,944,507	18.2	1,810,205	16.2	1,716,386	16.0
Sales and promotion	92,701	1.0	151,417	1.4	124,644	1.1	78,693	0.7
Administration and general	4,468,935	48.0	5,057,117	47.3	4,296,320	38.3	4,295,223	40.1
Expenses - Total	**7,712,753**	**82.9**	**9,788,455**	**91.6**	**9,264,190**	**82.7**	**8,402,319**	**78.4**
Operating income	1,591,948	17.1	901,309	8.4	1,942,466	17.3	2,316,031	21.6
Depreciation	1,020,744	11.0	1,411,285	13.2	1,136,837	10.1	1,343,767	12.5
Profit before interest and taxes	**571,204**	**6.1**	**-509,976**	**-4.7**	**805,629**	**7.2**	**972,264**	**9.1**
Interest expense	167,690	1.8	357,820	3.3	319,469	2.9	297,961	2.8
Salaries and other staff benefits	2,216,157	23.8	2,269,440	21.2	2,419,457	21.6	2,136,367	19.9
Number of employees (weekly average)	37		43		42		41	
Number of subscribers (Basic Services)	13,150	...	14,410	...	15,080	...	15,774	...
Households served by cable - Total	24,020	...	25,995	...	26,045	...	26,063	...
Households in licensed area - Total	24,806	...	27,428	...	27,777	...	28,096	...

[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.