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Cable, satellite and multipoint distribution systems, 2003

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

En route to the "triple play"

The spotlight has been on the cable industry in the last few years in anticipation of its launch of voice over Internet services (VoIP). This launch, now expected in 2005 in major markets, will give Canadians the opportunity to purchase a suite of services from their cable service supplier that includes digital video, high speed Internet and telephone service. This has become known as the "triple play".

It is expected that Canadians will have the choice of purchasing the same suite of services from other suppliers, including telephone companies, opening the door to a new era of competition.

The deployment of VoIP by cable operators will also bring to an end to the fundamental redesign of their underlying technology and business model.

Less than ten years ago, the industry operated a one-way broadcasting system designed to offer a single service, multi-channel video. The growth prospects of the industry were modest at best. The penetration of cable service was already high and had seemingly reached a plateau at about 75%. Growth in revenues was mostly a function of household formation and of the industry's ability to sell their customers an increasing number of television channels. The arrival of competitors in the video market rendered that model obsolete.

Today, the cable industry is well on its way to finish deploying a 2-way broadband network capable of delivering a full complement of digital video and communication services. The growth prospects of the industry are now dependent on its ability to connect a critical mass of broadband homes (an expanding market), to provide them a full suite of entertainment and communication services, and to enhance revenue per

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subscriber by providing value added services such as video-on-demand and very-high-speed Internet.

The Internet technology and the appetite of Canadians for fast Internet are at the core of the cable industry's renewal. High speed Internet was the first endeavour of the industry into mass-market two-way telecommunications services. Launched in selected markets at the end of 1996, this technology was available to nearly 10.7 million homes and was adopted by close to 2.4 million of these homes at the end of August 2003. These 10.7 million homes represent the potential customers of the future for the industry's "triple play".

High speed Internet by cable adopted in more than 2 million homes

In the midst of all the talk about VoIP, the cable industry quietly reached a significant milestone during 2003 by connecting its 2 millionth customer to high speed Internet. At August 31, 2003 there were 2.4 million subscribers to high speed Internet by cable, 26.1% more than a year earlier. This strong growth followed surges of 35.4% in 2002 and 76.1% in 2001.

The 2003 increase in subscription was robust in both large (+24.8%), and small and medium-sized communities (+32.3%) and in all regions of the country. The pace of growth was fastest in the Atlantic Provinces (+45.4%) and Quebec (+34.1%). The availability and uptake of high speed Internet in those regions lagged behind Ontario and the Western Provinces but the robust 2003 growth contributed to a closing of that gap.

Moving closer to universal access of high speed Internet - The cable industry is playing a significant role

Universal access to high speed Internet has been one of the key elements of Canadian government's connectedness agenda. Private sector initiatives were essential to the successful implementation of this policy.

Private sector initiatives were essential to the successful implementation of this policy.

The residential broadband Internet access market is almost entirely dominated by two competing technologies, cable modem and digital subscriber lines (DSL). According to the 2003 Household Internet Use Survey 61% of residential high speed Internet subscribers had adopted cable modem technology at the end of 2002 and 39% had adopted DSL technology.[1]

The economic incentive for the cable and telecommunications industries to deploy these technologies in large urban areas was there, but it was not obvious that such incentives were there for them to do the same outside densely populated areas.

It appears that the cable industry saw opportunities in smaller communities. The avail-ability of Internet by cable in small and medium-sized communities (communities outside Census Metropolitan areas) has steadily increased through the years. The proportion of homes passed by cable that have access to cable Internet leaped from a mere 27.8% in 2000 to 76.0% in 2003. The gap between large and small and medium-sized communities stood at 21.2 percentage points in 2003 compared to 57.8 percentage points in 2000.

Irrespective of community size, Internet by cable was available to 91.0% of homes passed by cable as of August 31, 2003.

It is unlikely that market forces alone will lead to universal access to high speed Internet, whether by cable, DSL or other technology. In recognition of this, the federal and provincial governments have launched a number of initiatives aimed at accelerating the deployment of broadband facilities in smaller communities. The most visible such program at the federal level is the Broadband for Rural and Northern Development Pilot Program launched in September 2002. This

1 *Statistics Canada, The Daily, catalogue 11-001-XIE, Household Internet Use Survey, Thursday July 8, 2004. Also available at www.statcan.ca*

program was designed to support community champions in their efforts to bring broadband technology to their areas. A summary of the main broadband initiatives can be found in the CRTC report on the Status of Competition in Canadian Telecommunications Markets[2] as well as on the following web site: http://broadband.gc.ca.

Stopping the erosion

The entry of satellite and wireless operators into the multi-channel video market at the end of 1997 expanded consumer choice. Cable operators could not escape the reality of an erosion of their traditional customer base. Their challenge was to retain as many subscribers as possible and generate more revenue per subscriber.

Cable operators have indeed lost subscribers every year since 2000. The decline in subscriptions accelerated in 2001 (-1.7%) and 2002 (-2.9%), but 2003 marked a slowdown (-0.7%) in this downward trend.

Cable operators in small and medium-sized communities, the hardest hit by competition from satellite operators from the very beginning, suffered a 1.5% decline in subscriptions in 2003. This was much less than the 4.7% and 5.5% drops experienced in 2002 and 2001 respectively.

There are some notable differences across the country. The sharpest decline subscriptions in 2003 was in the Territories (-4.4%), followed by Quebec (-2.0%), Ontario (-1.1%) and the Atlantic Provinces (-0.7%). The number of subscribers increased 0.9% in the Western Provinces after 3 years of decline.

The broader deployment of digital cable, combined with the popularity of Internet by cable, played an important role in improved customer loyalty for the industry. Digital cable, the second component of the triple play, offers features similar to those of offerings by wireless competitors. Its availability with high speed Internet from a single supplier provides customers with the added convenience of one-stop shopping.

Cable is going digital – So are television viewers

The entry of satellite and wireless operators into the multi-channel video market meant greater consumer choice; it has also meant that video service was inexorably going digital. The cable industry had little choice but to follow suit to protect its traditional market.

By the end of 2003, close to 10.7 million homes, or just over 91% of homes passed by cable, could choose digital cable. Nearly 1.4 million of these homes had chosen to subscribe to that service, a jump of 21.0% compared to the previous year.

The proportion of homes with access to digital cable exceeded 97.0% in large communities and was nearly 77.0% in small and medium-sized communities.

More dishes than ever

The number of subscribers to the multi-channel video services of satellite and wireless cable operators continued to climb in 2003, albeit at a slower pace than in previous years. There were 2.2 million subscribers to these services at August 31, 2003, an increase of 9.2% compared to the previous year. This followed jumps of 25.4% in 2002 and 66.4% in 2001.

The market share of wireless services reached 22.5% in 2003, up from 20.9% in 2002 and 17.0% in 2001.

The growing popularity of satellite television and digital cable is slowly but surely changing the face of multi-channel video services. An ever increasing number of homes are going digital with their television services. In 2003, 36.8% of the 9.8 million subscribers to multi-channel video services (combined cable and wireless) had chosen digital over analogue services. Wireless operators continued to hold the lion's share of the digital market (61.3%) in 2003, but digital cable was the fastest growing segment.

2 *CRTC, Report to the Governor in Council,Status of Competition in Canadian Telecommunications Markets, November 2003. Also available at http://www.crtc,gc.ca*

Improving economics for the cable industry

The financial performance of the cable industry, as measured by profits before interest and taxes, improved in 2003. The profit margin of cable operators was 18.6%, 2 percentage points higher than in the previous period.

Revenue growth was robust at 7.1%, largely as a result of a progression in revenue per subscriber. Despite the loss of subscribers, the revenues of cable operators have increased steadily by more than 7.0% each year from 2000 to 2003. During that period revenue per subscriber jumped from $451.92 in 2000 to $588.97 in 2003.

The cable systems offering both high speed Internet and digital cable sustained the revenue growth for this segment of the industry. In 2003, their revenues per subscriber were 31.0% higher than those of systems that did not offer high speed Internet and digital cable, or offered only one of the two.

High speed Internet has been a key contributor to the industry's revenues. In 2003, high speed Internet revenues for cable operators and their affiliates surpassed $1.0 billion. High speed Internet accounted for 21.0% of the revenues of cable systems providing the service (excluding affiliates). For some establishments, that proportion exceeded 30.0%. Only three years earlier, Internet access represented less than 10.0% of the revenues of operators providing the service.

Wireless operators moving closer to the breakeven point

Newcomers in a market must often support losses to build market share. 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 2003.

However, the situation has improved significantly in the last 2 years. Wireless operators sustained losses (before interest and taxes) representing 9.1% of their revenues in 2003, considerably less than the 26.0% loss incurred in 2002 and the 45.7% loss sustained in 2001.

Losses before interest and taxes declined to $110.0 million in 2003 from $245.9 a year earlier. The improvement resulted mostly from strong revenue growth (+27.1%), a decline of 20.0% in depreciation expenses, and a decline of close to 7.0% in labour expenses.

The downside - A stagnating market for multi-channel video services

The fierce battle for customers between wireless and cable operators was expected in the new competitive regime. The robust increase in the demand for multi-channel video services in the early years of that regime was a positive development for the industry.

The number of subscribers to multi-channel video services, for cable and wireless operators combined, grew 1.4% in 2003. This is a marked slowdown from the growth achieved in 2002 (+1.9%) and 2001 (+5.7%).

The high penetration of multi-channel video services (9.8 million subscribers) render the issue of signal theft that much more important for the industry. By some estimates, there are as many as 1 million illegal dishes in Canada, a significant potential loss for the industry.[3]

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 51751 – Cable and Other Program Distribution of the North

3 *Satellite Theft Signal, Presentation to the Ontario Liberal Caucus Members, The Coalition Against Satellite Signal Theft (CASST), June 2003. Available at www.ccta.ca/english/publications/speeches-presentations/2003/pdf/06-12.pdf*

American Industrial Classification System (NAICS 2002).

This issue of the Bulletin presents summary statistics for cable and wireless broadcast distribution undertakings. Other volumes of this publication present 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 also available from 1998 on CANSIM, Statistics Canada’s machine-readable database and retrieval system (table 353-0003). Selected data for previous years are available in table 353-0001. That table has been terminated and replaced by a new table 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.

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
^{p}	preliminary
^{r}	revised figures
x	supressed to meet the confidentiality requirements of the Statistics Act
^{E}	use with caution
F	too unreliable to be published

Abbreviations

n.e.c. not elsewhere classified

North American Industry Classification System - NAICS (catalogue 12-501-XPE)

5175 Cable and Other Program Distribution

Cable, satellite and multipoint distribution systems
Selected national and regional market and performance indicators

	2000	2001	2002	2003	00/01	01/02	02/03
Subscribers by type of supplier			000			%	
Subscribers to programming services	8,950.3	9,457.3	9,641.4	9,777.2	*5.7*	*1.9*	*1.4*
Clients of cable operators	7,983.2	7,848.1	7,622.8	7,572.8	*-1.7*	*-2.9*	*-0.7*
Clients of wireless operators	967.1	1,609.2	2,018.6	2,204.4	*66.4*	*25.4*	*9.2*
Market share by type of supplier			%				
Cable operators' share	89.2	83.0	79.1	77.5	*-7.0*	*-4.7*	*-2.0*
Wireless operators' share	10.8	17.0	20.9	22.5	*57.5*	*23.0*	*7.7*
Cable penetration by community size			000				
Subscribers to basic cable services							
Large-size communities [1]	5,707.9	5,699.0	5,572.7	5,556.0	*-0.2*	*-2.2*	*-0.3*
Small and medium-size communities [2]	2,275.2	2,149.1	2,047.9	2,016.9	*-5.5*	*-4.7*	*-1.5*
Total	**7,983.2**	**7,848.1**	**7,622.8**	**7,572.8**	***-1.7***	***-2.9***	***-0.7***
Homes with access to basic cable services							
Large-size communities [1]	7,671.1	7,833.8	8,048.7	8,287.5	*2.1*	*2.7*	*3.0*
Small and medium-size communities [2]	3,232.7	3,248.7	3,348.0	3,441.9	*0.5*	*3.1*	*2.8*
Total	**10,903.8**	**11,082.5**	**11,402.7**	**11,729.4**	***1.6***	***2.9***	***2.9***
Penetration rate			%				
Large-size communities [1]	74.4	72.7	69.2	67.0	*-2.2*	*-4.8*	*-3.2*
Small and medium-size communities [2]	70.4	66.2	61.2	58.6	*-6.0*	*-7.5*	*-4.2*
Total	**73.2**	**70.8**	**66.9**	**64.6**	***-3.3***	***-5.6***	***-3.4***
Cable penetration by region			000				
Subscribers to basic cable services							
Atlantic provinces	607.6	574.2	546.1	542.2	*-5.5*	*-4.9*	*-0.7*
Quebec	1,966.6	1,929.7	1,827.0	1,791.1	*-1.9*	*-5.3*	*-2.0*
Ontario	3,011.2	2,981.8	2,930.4	2,899.1	*-1.0*	*-1.7*	*-1.1*
Western provinces	2,382.6	2,348.0	2,304.9	2,326.5	*-1.5*	*-1.8*	*0.9*
Territories	15.1	14.4	14.5	13.8	*-4.4*	*0.4*	*-4.4*
Homes with access to basic cable services							
Atlantic provinces [3]	825.5	828.6	835.6	843.5	*0.4*	*0.9*	*0.9*
Quebec	2,949.2	2,981.6	3,029.2	3,069.3	*1.1*	*1.6*	*1.3*
Ontario	3,898.7	3,934.3	4,075.3	4,208.6	*0.9*	*3.6*	*3.3*
Western provinces	3,204.4	3,312.1	3,436.7	3,582.3	*3.4*	*3.8*	*4.2*
Territories	26.0	26.0	25.9	25.7	*-0.2*	*-0.2*	*-1.1*
Penetration rate			%				
Atlantic provinces [3]	73.6	69.3	65.4	64.3	*-5.9*	*-5.7*	*-1.6*
Quebec	66.7	64.7	60.3	58.4	*-2.9*	*-6.8*	*-3.2*
Ontario	77.2	75.8	71.9	68.9	*-1.9*	*-5.1*	*-4.2*
Western provinces	74.4	70.9	67.1	64.9	*-4.7*	*-5.4*	*-3.2*
Territories	57.9	55.4	55.8	53.9	*-4.3*	*0.6*	*-3.3*

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).

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

	2000	2001	2002	2003	00/01	01/02	02/03
Cable penetration rate by type of cable operator		%				%	
Operators providing internet and digital TV	74.3	71.6	67.6	65.1	*-3.6*	*-5.7*	*-3.7*
Operators not providing internet and digital TV	70.1	66.4	59.7	55.3	*-5.3*	*-10.1*	*-7.3*
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	7,770.7	8,054.6	*14.4*	*3.4*	*3.7*
Small and medium-size communities [2]	898.9	1,829.2	2,320.3	2,615.4	*103.5*	*26.9*	*12.7*
Total	**7,609.7**	**9,343.4**	**10,091.0**	**10,670.0**	***22.8***	***8.0***	***5.7***
Homes with access to internet by cable / homes with access to cable			%				
Large-size communities [1]	85.6	95.9	96.5	97.2	*12.0*	*0.7*	*0.7*
Small and medium-size communities [2]	27.8	56.3	69.3	76.0	*102.5*	*23.1*	*9.6*
Total	**69.8**	**84.3**	**88.5**	**91.0**	***20.8***	***5.0***	***2.8***
Internet by cable adoption by community size			000				
Subscribers to internet by cable							
Large-size communities [1]	696.2	1,176.0	1,552.6	1,937.6	*68.9*	*32.0*	*24.8*
Small and medium-size communities [2]	90.2	208.8	322.0	425.9	*131.6*	*54.2*	*32.3*
Total	**786.3**	**1,384.8**	**1,874.7**	**2,363.5**	***76.1***	***35.4***	***26.1***
Subscribers to internet by cable / homes with access to internet by cable			%				
Large-size communities [1]	10.6	15.7	20.0	24.1	*47.6*	*27.7*	*20.4*
Small and medium-size communities [2]	10.0	11.4	13.9	16.3	*13.8*	*21.6*	*17.3*
Total	**10.3**	**14.8**	**18.6**	**22.2**	***43.4***	***25.3***	***19.2***
Internet by cable deployment by region			000				
Homes with access to internet by cable							
Atlantic provinces	260.3	472.9	557.4	622.6	*81.7*	*17.9*	*11.7*
Quebec	1,863.5	2,343.7	2,489.7	2,628.9	*25.8*	*6.2*	*5.6*
Ontario	2,946.8	3,560.5	3,832.7	4,024.6	*20.8*	*7.6*	*5.0*
Western provinces and Territories	2,539.1	2,966.3	3,211.2	3,394.0	*16.8*	*8.3*	*5.7*
Homes with access to internet by cable / homes with access to cable			%				
Atlantic provinces	31.5	57.1	66.7	73.8	*81.0*	*16.9*	*10.7*
Quebec	63.2	78.6	82.2	85.7	*24.4*	*4.6*	*4.2*
Ontario	75.6	90.5	94.0	95.6	*19.7*	*3.9*	*1.7*
Western provinces and Territories	79.2	89.6	93.4	94.7	*13.0*	*4.3*	*1.4*
					...	...	
Internet by cable adoption by region			000				
Subscribers to internet by cable							
Atlantic provinces	23.0	51.9	77.4	112.5	*125.4*	*49.1*	*45.4*
Quebec	119.1	226.0	309.5	415.2	*89.7*	*37.0*	*34.1*
Ontario	305.2	504.9	716.4	914.1	*65.4*	*41.9*	*27.6*
Western provinces and Territories	339.0	602.0	771.4	921.7	*77.6*	*28.1*	*19.5*
Subscribers to internet by cable / homes with access to internet by cable			%				
Atlantic provinces	8.8	11.0	13.9	18.1	*24.1*	*26.5*	*30.2*
Quebec	6.4	9.6	12.4	15.8	*50.8*	*28.9*	*27.0*
Ontario	10.4	14.2	18.7	22.7	*36.9*	*31.8*	*21.5*
Western provinces and Territories	13.3	20.3	24.0	27.2	*52.0*	*18.4*	*13.1*

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).

Cable, satellite and multipoint distribution systems
Selected national and regional market and performance indicators

	2000	2001	2002	2003	00/01	01/02	02/03
Financial performance by type of supplier		$ million				%	
Revenues							
Cable operators	3,607.8	3,860.4	4,163.6	4,460.2	*7.0*	*7.9*	*7.1*
Wireless operators	390.4	679.4	946.8	1,203.4	*74.0*	*39.4*	*27.1*
Profit (loss) before interest and taxes							
Cable operators	705.1	621.2	690.0	831.0	*-11.9*	*11.1*	*20.4*
Wireless operators	-393.3	-310.4	-245.9	-110.0	*-21.1*	*-20.8*	*-55.3*
Profit margin		%					
Cable operators	19.5	16.1	16.6	18.6	*-17.7*	*3.0*	*12.4*
Wireless operators	-100.7	-45.7	-26.0	-9.1	*-54.6*	*-43.1*	*-64.8*
Financial performance by type of cable operator							
Cable operators providing internet access and digital TV							
Revenues ($ million)	2,754.5	3,365.0	3,903.2	4,302.9	*22.2*	*16.0*	*10.2*
Revenue per subscriber ($)	462.24	502.51	557.30	595.40	*8.7*	*10.9*	*6.8*
Profit (loss) before interest and taxes ($ million)	518.8	541.8	637.4	831.3	*4.4*	*17.6*	*30.4*
Profit margin (%)	18.8	16.1	16.3	19.3	*-14.5*	*1.4*	*18.3*
Cable operators not providing internet access and digital TV							
Revenues ($ million)	853.3	495.4	260.5	157.3	*-41.9*	*-47.4*	*-39.6*
Revenue per subscriber ($)	421.55	430.15	420.65	454.70	*2.0*	*-2.2*	*8.1*
Profit (loss) before interest and taxes ($ million)	186.3	79.3	52.6	-0.3	*-57.4*	*-33.7*	*-100.6*
Profit margin (%)	21.8	16.0	20.2	-0.2	*-26.6*	*26.2*	*-101.0*
Digital television subscribers		000					
Subscribers to digital cable	387.2	806.5	1,150.8	1,392.6	*108.3*	*42.7*	*21.0*
Subscribers to digital satellite and MDS	967.1	1,609.2	2,018.6	2,204.4	*66.4*	*25.4*	*9.2*
Digital television penetration		%					
Digitization rate	15.1	25.5	32.9	36.8	*68.8*	*28.7*	*11.9*

Table 1. Cable television, financial and operating data, Canada, 2000-2003

	2003		2002		2001		2000	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	4,232,900,261	94.9	3,950,721,857	94.9	3,671,535,873	95.1	3,424,250,079	94.9
Connection (installation and re-connect)	48,670,489	1.1	62,614,609	1.5	54,096,866	1.4	61,144,225	1.7
Community channel sponsorship	4,809,307	0.1	4,394,290	0.1	3,256,864	0.1	4,977,719	0.1
Other revenue	173,810,360	3.9	145,890,010	3.5	131,516,082	3.4	117,387,014	3.2
Revenue - Total	**4,460,190,423**	**100.0**	**4,163,620,769**	**100.0**	**3,860,405,681**	**100.0**	**3,607,759,041**	**100.0**
Expenses:								
Programming (basic tier)	80,783,940	1.8	83,943,656	2.0	75,096,876	1.9	84,975,998	2.4
Affiliation payments	940,221,187	21.1	945,969,731	22.7	919,226,237	23.8	880,544,779	24.4
Technical services	681,105,893	15.3	610,695,882	14.7	615,605,983	15.9	560,912,697	15.5
Sales and promotion	175,128,449	3.9	175,768,682	4.2	163,484,169	4.2	135,779,569	3.8
Administration and general	704,890,423	15.8	652,581,355	15.7	597,389,507	15.5	575,316,347	15.9
Depreciation	1,047,089,333	23.5	1,004,672,410	24.1	868,445,245	22.5	665,169,331	18.4
Expenses - Total	**3,629,219,234**	**81.4**	**3,473,631,712**	**83.4**	**3,239,248,029**	**83.9**	**2,902,698,742**	**80.5**
Profit before interest and taxes	**830,971,189**	**18.6**	**689,989,057**	**16.6**	**621,157,652**	**16.1**	**705,060,299**	**19.5**
Interest expense	457,724,368	10.3	583,771,192	14.0	594,919,918	15.4	578,894,209	16.0
Salaries and other staff benefits	619,114,473	13.9	631,310,650	15.2	625,631,595	16.2	555,614,441	15.4
Number of employees (weekly average)	11,528		12,069		12,569		12,125	
Number of subscribers (basic services)	7,572,833	...	7,622,830	...	7,848,119	...	7,983,150	...
Households served by cable - Total	11,729,373	...	11,402,710	...	11,082,524	...	10,903,822	...
Households in licensed area - Total	11,889,351	...	11,612,267	...	11,243,314	...	11,085,800	...

Note: Totals may not add due to rounding.

Table 2. Wireless broadcasting distribution undertakings[1], financial and operating data, Canada, 2000-2003

	2003		2002		2001		2000	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	1,160,649,065	96.5	922,989,225	97.5	655,443,180	96.5	369,068,258	94.5
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	42,671,399	3.5	23,523,587	2.5	22,815,930	3.4	18,126,602	4.6
Revenue - Total	**1,203,354,396**	**100.0**	**946,750,626**	**100.0**	**679,395,327**	**100.0**	**390,433,722**	**100.0**
Expenses:								
Programming (basic tier)	74,573	0.0	89,291	0.0	634,054	0.1	768,977	0.2
Affiliation payments	517,455,416	43.0	426,725,098	45.1	340,833,970	50.2	202,387,138	51.8
Technical services	206,852,337	17.2	206,389,292	21.8	190,703,363	28.1	144,829,172	37.1
Sales and promotion	279,820,491	23.3	229,826,641	24.3	249,844,379	36.8	280,313,269	71.8
Administration and general	181,550,635	15.1	170,092,007	18.0	125,133,106	18.4	110,138,868	28.2
Depreciation	127,619,949	10.6	159,553,991	16.9	82,636,062	12.2	45,270,085	11.6
Expenses - Total	**1,313,373,399**	**109.1**	**1,192,676,320**	**126.0**	**989,784,932**	**145.7**	**783,707,509**	**200.7**
Profit before interest and taxes	**-110,019,003**	**-9.0**	**-245,925,694**	**-25.9**	**-310,389,605**	**-45.6**	**-393,273,787**	**-100.6**
Interest expense	42,202,593	3.5	31,342,747	3.3	30,351,938	4.5	1,438,327	0.4
Salaries and other staff benefit	104,718,226	8.7	112,434,246	11.9	100,878,462	14.8	79,881,769	20.5
Number of employees (weekly average)	2,213	...	2,237	...	2,100	...	1,980	...
Subscriptions (direct and indirect) - (basic tier)	2,204,397	...	2,018,571	...	1,609,203	...	967,118	...

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

Note: Totals may not add due to rounding.

Table 3. Cable television, financial and operating data, Atlantic provinces[1], 2000-2003

	2003		2002		2001		2000	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	309,021,336	91.0	279,614,517	92.9	263,456,877	95.6	250,813,619	94.0
Connection (installation and re-connect)	3,242,680	1.0	3,146,081	1.0	3,454,444	1.3	4,443,076	1.7
Community channel sponsorship	629,744	0.2	361,676	0.1	333,242	0.1	974,464	0.4
Other revenue	26,526,729	7.8	17,923,073	5.9	8,374,723	3.0	10,638,117	3.9
Revenue - Total	**339,420,488**	**100.0**	**301,045,340**	**100.0**	**275,619,285**	**100.0**	**266,869,279**	**100.0**
Expenses:								
Programming (basic tier)	6,203,928	1.8	6,120,932	2.0	5,609,815	2.0	6,442,634	2.4
Affiliation payments	77,472,542	22.8	61,775,158	20.5	59,121,862	21.5	56,724,968	21.3
Technical services	42,569,971	12.5	38,372,161	12.7	42,814,806	15.5	40,757,699	15.3
Sales and promotion	12,062,408	3.6	8,978,441	3.0	10,402,522	3.8	8,203,620	3.1
Administration and general	45,217,989	13.3	43,541,285	14.5	55,518,991	20.1	51,589,820	19.3
Depreciation	81,667,252	24.1	74,714,194	24.8	57,169,278	20.7	39,746,235	14.9
Expenses - Total	**265,194,099**	**78.1**	**233,502,174**	**77.6**	**230,637,283**	**83.7**	**203,464,981**	**76.2**
Profit before interest and taxes	**74,226,389**	**21.9**	**67,543,166**	**22.4**	**44,982,002**	**16.3**	**63,404,298**	**23.8**
Interest expense	57,181,690	16.8	66,545,986	22.1	59,066,319	21.4	41,234,351	15.5
Salaries and other staff benefits	43,724,179	12.9	40,022,738	13.3	46,938,445	17.0	38,924,807	14.6
Number of employees (weekly average)	1,287		1,321		1,298		1,164	
Number of subscribers (basic services)	542,241	...	546,092	...	574,208	...	607,646	...
Households served by cable - Total [2]	843,529	...	835,611	...	828,568	...	825,485	...
Households in licensed area - Total [2]	860,977	...	855,129	...	846,172	...	846,763	...

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

2 The statistics prior to 2002 underestimate the number of households

Note: Totals may not add due to rounding.

Table 4. Cable television, financial and operating data, Québec[1], 2000-2003

	2003		2002		2001		2000	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	684,943,135	93.3	704,368,271	92.9	716,621,966	92.3	702,018,655	92.4
Connection (installation and re-connect)	11,454,260	1.6	14,514,403	1.9	15,120,378	1.9	17,366,382	2.3
Community channel sponsorship	839,321	0.1	838,920	0.1	952,841	0.1	1,147,675	0.2
Other revenue	36,657,358	5.0	38,605,333	5.1	43,786,935	5.7	39,045,970	5.2
Revenue - Total	**733,894,074**	**100.0**	**758,326,934**	**100.0**	**776,482,123**	**100.0**	**759,578,680**	**100.0**
Expenses:								
Programming (basic tier)	17,349,789	2.4	17,224,022	2.3	17,658,906	2.3	19,536,620	2.6
Affiliation payments	211,897,075	28.9	208,884,221	27.5	206,981,366	26.7	194,172,805	25.6
Technical services	129,163,161	17.6	128,056,867	16.9	137,680,495	17.7	142,842,791	18.8
Sales and promotion	21,066,124	2.9	30,026,334	4.0	31,189,841	4.0	29,061,210	3.8
Administration and general	137,052,580	18.7	128,300,170	16.9	128,928,900	16.6	120,632,609	15.9
Depreciation	128,641,035	17.5	130,007,862	17.1	122,674,195	15.8	122,625,338	16.1
Expenses - Total	**645,169,765**	**87.9**	**642,499,474**	**84.7**	**645,113,704**	**83.1**	**628,871,373**	**82.8**
Profit before interest and taxes	**88,724,309**	**12.1**	**115,827,460**	**15.3**	**131,368,419**	**16.9**	**130,707,307**	**17.2**
Interest expense	79,986,582	10.9	95,268,301	12.6	127,299,849	16.4	92,130,415	12.1
Salaries and other staff benefits	137,727,134	18.8	147,966,753	19.5	174,322,261	22.5	186,158,945	24.5
Number of employees (weekly average)	2,503		2,374		2,983		3,279	
Number of subscribers (basic services)	1,791,120	...	1,826,994	...	1,929,748	...	1,966,623	...
Households served by cable - Total	3,069,270	...	3,029,181	...	2,981,569	...	2,949,203	...
Households in licensed area - Total	3,122,312	...	3,088,855	...	3,016,714	...	2,979,047	...

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

Note: Totals may not add due to rounding.

Table 5. Cable television, financial and operating data, Ontario[1], 2000-2003

	2003		2002		2001		2000	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	1,774,274,953	95.2	1,618,314,858	95.7	1,482,241,117	95.8	1,352,528,411	96.1
Connection (installation and re-connect)	15,750,953	0.8	21,014,177	1.2	21,032,379	1.4	21,568,847	1.5
Community channel sponsorship	2,646,844	0.1	2,105,607	0.1	1,500,681	0.1	1,717,100	0.1
Other revenue	71,273,335	3.8	49,291,165	2.9	42,123,990	2.7	32,177,678	2.3
Revenue - Total	**1,863,946,096**	**100.0**	**1,690,725,810**	**100.0**	**1,546,898,166**	**100.0**	**1,407,992,042**	**100.0**
Expenses:								
Programming (basic tier)	32,694,695	1.8	32,044,177	1.9	26,174,967	1.7	31,985,313	2.3
Affiliation payments	348,017,053	18.7	366,347,104	21.7	337,930,479	21.8	348,926,774	24.8
Technical services	304,201,561	16.3	253,361,070	15.0	251,175,068	16.2	210,427,750	14.9
Sales and promotion	102,360,832	5.5	86,099,645	5.1	72,811,063	4.7	47,826,519	3.4
Administration and general	284,358,075	15.3	248,699,349	14.7	225,589,933	14.6	202,861,913	14.4
Depreciation	472,309,407	25.3	444,758,157	26.3	390,439,554	25.2	284,585,572	20.2
Expenses - Total	**1,543,941,622**	**82.8**	**1,431,309,499**	**84.7**	**1,304,121,063**	**84.3**	**1,126,613,843**	**80.0**
Profit before interest and taxes	**320,004,474**	**17.2**	**259,416,311**	**15.3**	**242,777,103**	**15.7**	**281,378,199**	**20.0**
Interest expense	222,916,815	12.0	188,102,135	11.1	210,454,335	13.6	239,016,642	17.0
Salaries and other staff benefits	225,283,458	12.1	218,751,691	12.9	222,374,467	14.4	166,596,653	11.8
Number of employees (weekly average)	3,470		3,493		4,172		3,433	
Number of subscribers (basic services)	2,899,115	...	2,930,426	...	2,981,763	...	3,011,243	...
Households served by cable - Total	4,208,604	...	4,075,303	...	3,934,295	...	3,898,709	...
Households in licensed area - Total	4,252,360	...	4,123,993	...	3,985,314	...	3,959,045	...

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

Note: Totals may not add due to rounding.

Table 6. Cable television, financial and operating data, Western provinces[1], 2000-2003

	2003		2002		2001		2000	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	1,456,400,864	96.3	1,339,612,818	95.5	1,199,733,144	95.9	1,108,929,414	95.4
Connection (installation and re-connect)	17,985,100	1.2	23,752,198	1.7	14,303,280	1.1	17,521,495	1.5
Community channel sponsorship	299,017	0.0	804,886	0.1	159,865	0.0	1,020,062	0.1
Other revenue	37,859,017	2.5	38,983,182	2.8	36,520,057	2.9	34,641,416	3.0
Revenue - Total	**1,512,543,995**	**100.0**	**1,403,153,084**	**100.0**	**1,250,716,343**	**100.0**	**1,162,112,384**	**100.0**
Expenses:								
Programming (basic tier)	24,382,866	1.6	28,329,423	2.0	25,465,548	2.0	26,834,102	2.3
Affiliation payments	300,654,886	19.9	307,058,045	21.9	312,744,760	25.0	277,864,541	23.9
Technical services	203,366,976	13.4	189,399,534	13.5	181,991,107	14.6	165,074,252	14.2
Sales and promotion	39,577,510	2.6	50,571,318	3.6	48,929,326	3.9	50,563,576	4.4
Administration and general	233,427,652	15.4	227,418,837	16.2	182,294,566	14.6	195,935,685	16.9
Depreciation	363,259,251	24.0	354,118,256	25.2	296,750,933	23.7	217,075,349	18.7
Expenses - Total	**1,164,669,140**	**77.0**	**1,156,895,411**	**82.4**	**1,048,176,239**	**83.8**	**933,347,518**	**80.3**
Profit before interest and taxes	**347,874,855**	**23.0**	**246,257,673**	**17.6**	**202,540,104**	**16.2**	**228,764,866**	**19.7**
Interest expense	97,379,235	6.4	233,683,955	16.7	197,741,595	15.8	206,193,332	17.7
Salaries and other staff benefits	210,315,958	13.9	222,218,073	15.8	179,726,982	14.4	161,514,579	13.9
Number of employees (weekly average)	4,231		4,837		4,073		4,207	
Number of subscribers (basic services)	2,326,522	...	2,304,852	...	2,347,990	...	2,382,558	...
Households served by cable - Total	3,582,310	...	3,436,682	...	3,312,097	...	3,204,380	...
Households in licensed area - Total	3,627,863	...	3,517,532	...	3,367,686	...	3,273,168	...

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

Note: Totals may not add due to rounding.

Table 7. Cable television, financial and operating data, N.W.T., Nunavut, and Yukon[1], 2000-2003

	2003		2002		2001		2000	
	$	%	$	%	$	%	$	%
Revenue:								
Subscriptions (direct and indirect)	8,259,973	79.5	8,811,393	85.0	9,482,769	88.7	9,959,980	88.9
Connection (installation and re-connect)	237,496	2.3	187,750	1.8	186,385	1.7	244,425	2.2
Community channel sponsorship	394,381	3.8	283,201	2.7	310,235	2.9	118,418	1.1
Other revenue	1,493,921	14.4	1,087,257	10.5	710,377	6.6	883,833	7.9
Revenue - Total	**10,385,770**	**100.0**	**10,369,601**	**100.0**	**10,689,764**	**100.0**	**11,206,656**	**100.0**
Expenses:								
Programming (basic tier)	152,662	1.5	225,102	2.2	187,640	1.8	177,329	1.6
Affiliation payments	2,179,631	21.0	1,905,203	18.4	2,447,770	22.9	2,855,691	25.5
Technical services	1,804,224	17.4	1,506,250	14.5	1,944,507	18.2	1,810,205	16.2
Sales and promotion	61,575	0.6	92,944	0.9	151,417	1.4	124,644	1.1
Administration and general	4,834,127	46.5	4,621,714	44.6	5,057,117	47.3	4,296,320	38.3
Depreciation	1,212,388	11.7	1,073,941	10.4	1,411,285	13.2	1,136,837	10.1
Expenses - Total	**10,244,608**	**98.6**	**9,425,154**	**90.9**	**11,199,740**	**104.8**	**10,401,027**	**92.8**
Profit before interest and taxes	**141,162**	**1.4**	**944,447**	**9.1**	**-509,976**	**-4.7**	**805,629**	**7.2**
Interest expense	260,046	2.5	170,815	1.6	357,820	3.3	319,469	2.9
Salaries and other staff benefits	2,063,744	19.9	2,351,395	22.7	2,269,440	21.2	2,419,457	21.6
Number of employees (weekly average)	37		44		43		42	
Number of subscribers (basic services)	13,835	...	14,466	...	14,410	...	15,080	...
Households served by cable - Total	25,660	...	25,933	...	25,995	...	26,045	...
Households in licensed area - Total	25,839	...	26,758	...	27,428	...	27,777	...

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

Note: Totals may not add due to rounding.