

Catalogue no. 56-207-X

# Television Broadcasting Industries



2007



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# Television Broadcasting Industries

2007

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## 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<sup>s</sup> value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
- p preliminary
- r revised
- x suppressed 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

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## Highlights

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- The operating revenues in the television broadcasting sector reached \$6.2 billion in 2007, up 3.0% compared to 2006, the lowest year-over-year increase since 1997.
- That said, the overall picture for the sector masks some substantial differences between the various industries.
- Conventional television is losing ground. Together, public and private conventional television broadcasters reported revenues just under \$3.5 billion, a 1.3% decline from 2006. This was the first decrease in revenues for this industry in 10 years.
- It was a particularly difficult year for public and non-commercial television. Sales of air time plummeted 8.2%, and grants fell 4.9%.
- The overall market for television advertising was sluggish. Sales of air time for Canadian television broadcasters reached \$3.3 billion in 2007, a 1.8% year-over-year increase. This was only the second time in the past ten years that the annual rate of growth of the television advertising market fell below 2.0%.
- While it was a tough year for conventional television, pay and specialty television kept its momentum. Its revenues rose 9.1% in 2007, settling at \$2.7 billion.
- The pay television segment experienced the strongest growth in 2007. Its revenues rose 13.5% to \$547.4 million, largely as a result of viewers' growing appetite for pay-per-view television and video-on-demand. Revenues from these services rose 25.8% in 2007 to \$197.8 million. This accounted for close to two-thirds of the growth in the pay television segment.
- The profit margin before interest and taxes of private broadcasters rose from 14.2% in 2006 to 15.5% in 2007, and its operating profits increased from \$663.8 million to \$763.2 million. Pay and specialty channels accounted for close to 85.0% of private television profits in 2007.
- Specialty channels generated margins of over 20% for the third consecutive year, whereas those of conventional channels were under 10% for the third time in the past ten years.

# Television broadcasting

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The statistics presented in this publication are for the fiscal year ending August 31 and cover the period from 2003 to 2007. The analysis below includes references to other periods when it is useful to put the industry's recent performance in historical context.

## Significant slowdown in the growth of revenues for television broadcasters

The operating revenues in the television broadcasting sector<sup>1</sup> reached \$6.2 billion in 2007, up 3.0% compared to 2006, the lowest year-over-year increase since 1997. This growth is also almost three times smaller than in 2006.

That said, the overall picture for the sector masks some substantial differences between the various industries.

## Conventional television losing ground

Public and private conventional television broadcasters reported revenues just under \$3.5 billion, a 1.3% decline from 2006. This was the first decrease in revenues for this industry in 10 years.

It was a particularly difficult year for public and non-commercial television. Sales of air time plummeted 8.2%, and grants fell 4.9%. This segment's revenues were \$1.3 billion in 2007, \$70.8 million less than in 2006.

Private conventional television generated \$2.2 billion in revenues in 2007, up 1.1% compared to the previous year. This represents a modest increase for this segment after a year of stagnation in 2006.

Historical data clearly show that the rather modest performance of conventional television in 2007 is part of a general trend. This segment earned 55.9% of the sector's revenues in 2007, compared to 64.4% in 2002 and 79.4% in 1997. This constant and rapid erosion is mainly due to competition from specialty television and the resulting audience fragmentation.

Private conventional television faces a particularly tough challenge in this regard given that its business model is almost exclusively based on the sale of advertising. This represents approximately 94.0% of its annual revenues year after year. But the advertising market is both highly competitive and growing modestly.

This is the context in which the CRTC handed down its May 17, 2007 decision authorizing conventional television broadcasters to gradually increase the number of advertising minutes during prime time. This decision came into force on September 1, 2007, and therefore has not yet had an impact on the results presented here.

## Market sluggishness for television advertising

Sales of air time for Canadian television broadcasters reached \$3.3 billion in 2007, a 1.8% year-over-year increase. This was only the second time in the past ten years that the annual rate of growth of the television advertising market fell below 2.0%, both times having occurred in the past three years.

Conventional television broadcasters, were harder hit by the weak market. Sales of air time by all conventional television broadcasters slightly decreased (-0.3%), from \$2.38 billion in 2006 to \$2.37 billion in 2007. Those of public and non-commercial television broadcasters reached \$322.3 million in 2007, down 8.2% year over year.

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1. The sum of NAICS industries 51512 – Television Broadcasting and 51521 – Pay and Specialty Television.

Specialty television obtained much better results. Its advertising sales rose 7.5% to \$948.3 million, in part thanks to an increase of its audience share from 25.4% in 2006 to 28.0% in 2007.<sup>2</sup> This is nevertheless the weakest year-over-year increase of this segment's advertising revenues in 10 years.

The share of advertising revenue in the television broadcasting sector's business model has shrunk over the years. In 2007, this source represented 53.7% of the sector's total revenues, compared to 59.7% ten years earlier.

On the other hand, the relative importance of subscription revenues exclusive to pay and specialty television is rising.

### **Pay television and specialty television<sup>3</sup> kept its momentum<sup>4</sup>**

While it was a tough year for conventional television, pay and specialty television revenues rose 9.1% in 2007, settling at \$2.7 billion.

The pay television segment experienced the strongest growth in 2007. Its revenues rose 13.5% to \$547.4 million, largely as a result of viewers' growing appetite for pay-per-view television and video-on-demand. Revenues from these services rose 25.8% in 2007 to \$197.8 million. This accounted for close to two-thirds of the growth in the pay television segment.

The specialty television segment also did quite well. Its revenues reached \$2.2 billion, up 8.0% compared to the previous year.

The two main sources of revenue for specialty channels—subscription and advertising revenues—have increased, but less quickly than in 2006. Sales of air time rose by 7.5% to \$948.4 million, and subscription revenues by 8.2% to \$1.2 billion.

Specialty digital channels<sup>5</sup>—the oldest of which appeared on the television landscape in 2002—are gaining ground. They earned close to 11.0% of specialty television revenues in 2007, compared to 3.6% five years earlier. The 93 digital channels on the air in 2007 generated revenues of \$233.2 million, 18.9% more than in 2006. This segment grew almost three times faster than the analog channels.

Specialty television continued to gain ground in the sector and is about to overtake private conventional television and move into first place in terms of revenues. Ten years ago, the size of the specialty television sector was barely one-third that of private conventional television.

### **Relatively stable profits**

The weak growth in 2007 revenues did not harm the profitability of private television broadcasters too much. This group's profit margin before interest and taxes rose from 14.2% in 2006 to 15.5% in 2007, and its operating profits increased from \$663.8 million to \$763.2 million. Pay and specialty channels accounted for close to 85.0% of private television profits in 2007.

The overall results mask substantial differences between the various segments. For example, the profit margin of specialty channels rose from 22.2% in 2006 to 24.4% in 2007, while that of the conventional channels rose from 4.2% to 5.3% over that same period.

Specialty channels generated margins of over 20% for the third consecutive year, whereas those of conventional channels were under 10% for the third time in the past ten years.

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2. Television viewing hours, TV Basics, Television Bureau of Canada.

3. Specialty channels broadcast theme-specific programs (sports, news, documentaries, etc.) and their business models are based on two sources of revenue: advertising revenue and subscription revenues. Pay television channels rely only on subscription fees and/or payments for pay-per-view programs.

4. The data on specialty and pay television are from the statistical report by the Canadian Radio-television and Telecommunications Commission's Industry Analysis Group.

5. Digital specialty channels are only available to subscribers with a digital receiver.



In 2007, pay channels lost their ranking as the most profitable in the sector—which they had held since 2001—to the specialty channels. This having been said, in 2007 pay channels generated over 21 cents in profits before interest and taxes on every dollar of revenue.

It should be noted that digital specialty channels earned profits before interest and taxes for the first time after five years of losses. However, their \$2.1 million in profits were modest, amounting to less than one cent in profits per dollar of revenue.

## Related products

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### Selected publications from Statistics Canada

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56-001-X Broadcasting and Telecommunications

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### Selected CANSIM tables from Statistics Canada

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357-0001 Radio and television broadcasting industries, by North American Industry Classification System (NAICS), annual

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### Selected surveys from Statistics Canada

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2724 Radio and Television Broadcasting Survey

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### Selected summary tables from Statistics Canada

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- *Radio and television industries, financial and operating statistics*

# Statistical tables

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**Table 1**  
**Selected financial and employment indicators, television broadcasters (NAICS 51512 and 51521) <sup>1</sup>**

	2003	2004	2005	2006	2007	2004/2003	2005/2004	2006/2005	2007/2006
	thousands of dollars					percentage change			
<b>Total revenues by type of broadcaster</b>									
Private conventional television	2,069,920	2,082,902	2,166,063	2,163,622	2,187,197	0.6	4.0	-0.1	1.1
Public and non-commercial television	1,212,567	1,238,192	1,173,731	1,337,943	1,267,134	2.1	-5.2	14.0	-5.3
Specialty television <sup>2</sup>	1,535,013	1,680,826	1,812,297	2,016,719	2,177,777	9.5	7.8	11.3	8.0
Pay television <sup>2</sup>	349,759	384,375	409,795	482,314	547,437	9.9	6.6	17.7	13.5
<b>Total</b>	<b>5,167,259</b>	<b>5,386,295</b>	<b>5,561,885</b>	<b>6,000,598</b>	<b>6,179,545</b>	<b>4.2</b>	<b>3.3</b>	<b>7.9</b>	<b>3.0</b>
	percent					percentage change			
<b>Market share by type of broadcaster (revenue)</b>									
Private conventional television	40.1	38.7	38.9	36.1	35.4	-3.5	0.7	-7.4	-1.8
Public and non-commercial television	23.5	23.0	21.1	22.3	20.5	-2.0	-8.2	5.7	-8.0
Specialty television <sup>2</sup>	29.7	31.2	32.6	33.6	35.2	5.0	4.4	3.1	4.9
Pay television <sup>2</sup>	6.8	7.1	7.4	8.0	8.9	5.4	3.2	9.1	10.2
	thousands of dollars					percentage change			
<b>Total revenues by source</b>									
Air time	2,839,026	2,976,591	3,029,769	3,260,507	3,318,670	4.8	1.8	7.6	1.8
Subscription	1,250,063	1,330,758	1,418,773	1,580,399	1,732,330	6.5	6.6	11.4	9.6
Grants	791,215	775,988	791,786	831,162	790,413	-1.9	2.0	5.0	-4.9
Other	286,954	302,958	321,556	328,529	338,132	5.6	6.1	2.2	2.9
<b>Total</b>	<b>5,167,259</b>	<b>5,386,295</b>	<b>5,561,885</b>	<b>6,000,598</b>	<b>6,179,545</b>	<b>4.2</b>	<b>3.3</b>	<b>7.9</b>	<b>3.0</b>
	thousands of dollars					percentage change			
<b>Total sales of airtime by type of broadcaster</b>									
Private conventional television	1,932,585	1,942,964	2,017,798	2,027,072	2,047,993	0.5	3.9	0.5	1.0
Public and non-commercial television	299,413	325,211	243,389	351,066	322,329	8.6	-25.2	44.2	-8.2
Specialty television <sup>2</sup>	607,029	708,416	768,582	882,370	948,348	16.7	8.5	14.8	7.5
Pay television <sup>2</sup>	.	.	.	.	.	.	.	.	.
<b>Total</b>	<b>2,839,026</b>	<b>2,976,591</b>	<b>3,029,769</b>	<b>3,260,507</b>	<b>3,318,670</b>	<b>4.8</b>	<b>1.8</b>	<b>7.6</b>	<b>1.8</b>
	percent					percentage change			
<b>Market share by type of broadcaster (air time)</b>									
Private conventional television	68.1	65.3	66.6	62.2	61.7	-4.1	2.0	-6.6	-0.7
Public and non-commercial television	10.5	10.9	8.0	10.8	9.7	3.6	-26.5	34.0	-9.8
Specialty television <sup>2</sup>	21.4	23.8	25.4	27.1	28.6	11.3	6.6	6.7	5.6
Pay television <sup>2</sup>	.	.	.	.	.	.	.	.	.
	percent					percentage change			
<b>Profit margin (PBIT) by type of broadcaster (private)</b>									
Private conventional television	14.5	11.2	11.2	4.2	5.3	-23.1	0.3	-62.5	26.2
Specialty television <sup>2</sup>	12.6	19.6	24.7	22.2	24.4	55.2	26.4	-10.1	9.6
Pay television <sup>2</sup>	25.7	22.2	26.4	25.9	21.3	-13.5	18.5	-1.8	-17.6
<b>Total</b>	<b>14.8</b>	<b>15.6</b>	<b>18.2</b>	<b>14.2</b>	<b>15.5</b>	<b>5.6</b>	<b>16.7</b>	<b>-21.8</b>	<b>9.1</b>
	thousands of dollars					percentage change			
<b>Salaries and benefits by type of broadcaster</b>									
Private conventional television	542,415	559,006	569,915	598,454	598,626	3.1	2.0	5.0	0.0
Public and non-commercial television	663,610	644,167	640,890	664,147	665,259	-2.9	-0.5	3.6	0.2
Specialty television <sup>2</sup>	288,457	299,362	314,049	353,926	380,956	3.8	4.9	12.7	7.6
Pay television <sup>2</sup>	19,400	19,514	20,206	21,466	26,865	0.6	3.5	6.2	25.2
<b>Total</b>	<b>1,513,882</b>	<b>1,522,049</b>	<b>1,545,059</b>	<b>1,637,993</b>	<b>1,671,705</b>	<b>0.5</b>	<b>1.5</b>	<b>6.0</b>	<b>2.1</b>
	number					percentage change			
<b>Average weekly number of employees by type of broadcaster</b>									
Private conventional television	7,974	8,072	8,202	8,307	7,972	1.2	1.6	1.3	-4.0
Public and non-commercial television	9,339	9,501	9,140	9,328	9,114	1.7	-3.8	2.1	-2.3
Specialty television <sup>2</sup>	4,543	4,555	4,622	4,972	5,112	0.3	1.5	7.6	2.8
Pay television <sup>2</sup>	329	299	294	327	379	-9.1	-1.7	11.2	15.9
<b>Total</b>	<b>22,185</b>	<b>22,428</b>	<b>22,257</b>	<b>22,934</b>	<b>22,576</b>	<b>1.1</b>	<b>-0.8</b>	<b>3.0</b>	<b>-1.6</b>
	thousands of dollars					percentage change			
<b>Programming and production expenses</b>									
Private conventional television	1,175,527	1,238,769	1,282,810	1,411,796	1,422,274	5.4	3.6	10.1	0.7
Public and non-commercial television	857,221	953,850	853,110	975,649	911,952	11.3	-10.6	14.4	-6.5
Specialty television <sup>2</sup>	859,417	908,801	885,680	1,061,465	1,104,465	5.7	-2.5	19.8	4.1
Pay television <sup>2</sup>	196,598	224,088	227,419	268,688	322,105	14.0	1.5	18.1	19.9
<b>Total</b>	<b>3,088,762</b>	<b>3,325,508</b>	<b>3,249,019</b>	<b>3,717,599</b>	<b>3,760,795</b>	<b>7.7</b>	<b>-2.3</b>	<b>14.4</b>	<b>1.2</b>

1. North American Industry Classification System 2007 (51512 - Television Broadcasting and 51521 - Pay and Specialty Television).

2. Statistics collected and published by the Canadian Radio-television and Telecommunications Commission (CRTC), Industry Statistics and Analysis, Broadcast Analysis Branch.

**Table 2**  
**Total television industry, revenue and expense statement, Canada**

	2003	2004	2005	2006	2007
thousands of dollars					
<b>Revenue</b>					
Cable television subscriber revenue	832,335	897,118	957,752	1,053,889	1,157,557
Satellite television subscriber revenue	417,728	433,640	461,021	526,510	574,773
Sales of air time					
Local	379,158	402,415	396,474	412,636	426,772
National and network	2,442,848	2,555,691	2,612,436	2,823,870	2,866,478
Infomercials	17,021	18,485	20,858	24,002	25,420
Sales of air time, total	2,839,026	2,976,591	3,029,769	3,260,507	3,318,670
Government and corporate grants	791,215	775,988	791,786	831,162	790,413
Total production and other	286,954	302,958	321,556	328,529	338,132
<b>Operating revenue, total</b>	<b>5,167,259</b>	<b>5,386,295</b>	<b>5,561,885</b>	<b>6,000,598</b>	<b>6,179,545</b>
<b>Expenses</b>					
Program cost	3,088,762	3,325,508	3,249,019	3,717,599	3,760,795
Technical services	257,957	254,701	255,363	266,052	272,230
Sales and promotion	468,773	477,289	487,872	539,993	547,913
Administration and general	634,538	645,163	679,271	701,168	727,868
Depreciation	218,688	228,276	227,546	243,531	213,177
<b>Operating expenses, total</b>	<b>4,668,718</b>	<b>4,930,936</b>	<b>4,899,070</b>	<b>5,468,343</b>	<b>5,521,983</b>
<b>Profit before interest and taxes</b>	<b>498,541</b>	<b>455,359</b>	<b>662,814</b>	<b>532,255</b>	<b>657,562</b>
Interest expense	143,734	135,908	137,134	128,510	115,417
<b>Expenses, total</b>	<b>4,812,452</b>	<b>5,066,844</b>	<b>5,036,204</b>	<b>5,596,853</b>	<b>5,637,400</b>
Net operating income	354,807	319,451	525,680	403,745	542,145
Other adjustments-income (expense)	25,542	154,786	85,386	133,791	137,164
Net profit (loss) before income taxes	380,349	474,237	611,066	537,536	679,309
Salaries and other staff benefits	1,513,882	1,522,049	1,545,059	1,637,993	1,671,705
number					
Number of employees (weekly average)	22,185	22,428	22,257	22,934	22,576
percentage of revenue					
<b>Revenue</b>					
Cable television subscriber revenue	16.1	16.7	17.2	17.6	18.7
Satellite television subscriber revenue	8.1	8.1	8.3	8.8	9.3
Sales of air time					
Local	7.3	7.5	7.1	6.9	6.9
National and network	47.3	47.4	47.0	47.1	46.4
Infomercials	0.3	0.3	0.4	0.4	0.4
Sales of air time, total	54.9	55.3	54.5	54.3	53.7
Government and corporate grants	15.3	14.4	14.2	13.9	12.8
Total production and other	5.6	5.6	5.8	5.5	5.5
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	59.8	61.7	58.4	62.0	60.9
Technical services	5.0	4.7	4.6	4.4	4.4
Sales and promotion	9.1	8.9	8.8	9.0	8.9
Administration and general	12.3	12.0	12.2	11.7	11.8
Depreciation	4.2	4.2	4.1	4.1	3.4
<b>Operating expenses, total</b>	<b>90.4</b>	<b>91.5</b>	<b>88.1</b>	<b>91.1</b>	<b>89.4</b>
<b>Profit before interest and taxes</b>	<b>9.6</b>	<b>8.5</b>	<b>11.9</b>	<b>8.9</b>	<b>10.6</b>
Interest expense	2.8	2.5	2.5	2.1	1.9
<b>Expenses, total</b>	<b>93.1</b>	<b>94.1</b>	<b>90.5</b>	<b>93.3</b>	<b>91.2</b>
Net operating income	6.9	5.9	9.5	6.7	8.8
Other adjustments-income (expense)	0.5	2.9	1.5	2.2	2.2
Net profit (loss) before income taxes	7.4	8.8	11.0	9.0	11.0
Salaries and other staff benefits	29.3	28.3	27.8	27.3	27.1

**Table 3-1**  
**Private conventional television, revenue and expense statement — Canada**

	2003	2004	2005	2006	2007
	thousands of dollars				
<b>Revenue</b>					
Sales of air time					
Local	345,529	367,140	363,250	376,998	389,988
National and network	1,570,035	1,557,339	1,633,689	1,626,072	1,632,585
Infomercials	17,021	18,485	20,858	24,002	25,420
Sales of air time, total	1,932,585	1,942,964	2,017,798	2,027,072	2,047,993
Total production and other	137,335	139,938	148,265	136,550	139,204
<b>Operating revenue, total</b>	<b>2,069,920</b>	<b>2,082,902</b>	<b>2,166,063</b>	<b>2,163,622</b>	<b>2,187,197</b>
<b>Expenses</b>					
Program cost	1,175,527	1,238,769	1,282,810	1,411,796	1,422,274
Technical services	63,864	65,255	68,101	72,082	72,035
Sales and promotion	213,119	219,672	227,636	248,731	230,716
Administration and general	236,814	244,454	266,013	259,599	269,741
Depreciation	80,273	82,215	78,848	80,470	76,393
<b>Operating expenses, total</b>	<b>1,769,596</b>	<b>1,850,365</b>	<b>1,923,407</b>	<b>2,072,679</b>	<b>2,071,160</b>
<b>Profit before interest and taxes</b>	<b>300,324</b>	<b>232,537</b>	<b>242,656</b>	<b>90,943</b>	<b>116,037</b>
Interest expense	50,320	51,384	49,039	53,918	56,859
<b>Expenses, total</b>	<b>1,819,916</b>	<b>1,901,749</b>	<b>1,972,446</b>	<b>2,126,596</b>	<b>2,128,018</b>
Net operating income	250,004	181,154	193,617	37,025	59,179
Other adjustments-income (expense)	-61,642	-68,954	-107,901	-56,838	-60,489
Net profit (loss) before income taxes	188,362	112,199	85,715	-19,813	-1,311
Provision for income taxes	13,959	17,092	24,513	-12,423	6,845
Net profit (loss) after income taxes	174,403	95,107	61,202	-7,390	-8,156
Salaries and other staff benefits	542,415	559,006	569,915	598,454	598,626
	number				
Number of employees (weekly average)	7,974	8,072	8,202	8,307	7,972
	percentage of revenue				
<b>Revenue</b>					
Sales of air time					
Local	16.7	17.6	16.8	17.4	17.8
National and network	75.9	74.8	75.4	75.2	74.6
Infomercials	0.8	0.9	1.0	1.1	1.2
Sales of air time, total	93.4	93.3	93.2	93.7	93.6
Total production and other	6.6	6.7	6.8	6.3	6.4
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	56.8	59.5	59.2	65.3	65.0
Technical services	3.1	3.1	3.1	3.3	3.3
Sales and promotion	10.3	10.5	10.5	11.5	10.5
Administration and general	11.4	11.7	12.3	12.0	12.3
Depreciation	3.9	3.9	3.6	3.7	3.5
<b>Operating expenses, total</b>	<b>85.5</b>	<b>88.8</b>	<b>88.8</b>	<b>95.8</b>	<b>94.7</b>
<b>Profit before interest and taxes</b>	<b>14.5</b>	<b>11.2</b>	<b>11.2</b>	<b>4.2</b>	<b>5.3</b>
Interest expense	2.4	2.5	2.3	2.5	2.6
<b>Expenses, total</b>	<b>87.9</b>	<b>91.3</b>	<b>91.1</b>	<b>98.3</b>	<b>97.3</b>
Net operating income	12.1	8.7	8.9	1.7	2.7
Other adjustments-income (expense)	-3.0	-3.3	-5.0	-2.6	-2.8
Net profit (loss) before income taxes	9.1	5.4	4.0	-0.9	-0.1
Provision for income taxes	0.7	0.8	1.1	-0.6	0.3
Net profit (loss) after income taxes	8.4	4.6	2.8	-0.3	-0.4
Salaries and other staff benefits	26.2	26.8	26.3	27.7	27.4

**Table 3-2**  
**Private conventional television, revenue and expense statement — Atlantic Provinces**

	2003	2004	2005	2006	2007
	thousands of dollars				
<b>Revenue</b>					
Sales of air time					
Local	23,014	23,442	24,080	25,862	26,559
National and network	48,323	47,300	50,711	48,400	47,726
Infomercials	560	309	489	779	655
Sales of air time, total	71,897	71,050	75,280	75,041	74,940
Total production and other	1,988	1,815	1,950	2,192	2,695
<b>Operating revenue, total</b>	<b>73,885</b>	<b>72,866</b>	<b>77,230</b>	<b>77,233</b>	<b>77,635</b>
<b>Expenses</b>					
Program cost	52,514	52,631	54,249	59,179	62,093
Technical services	5,493	5,151	4,952	4,888	4,850
Sales and promotion	8,585	8,403	9,424	9,588	8,449
Administration and general	11,414	11,166	12,413	12,688	12,216
Depreciation	2,729	2,398	2,709	2,547	2,046
<b>Operating expenses, total</b>	<b>80,734</b>	<b>79,749</b>	<b>83,747</b>	<b>88,890</b>	<b>89,652</b>
<b>Profit before interest and taxes</b>	<b>-6,849</b>	<b>-6,883</b>	<b>-6,517</b>	<b>-11,657</b>	<b>-12,017</b>
Interest expense	84	87	101	2,322	2,640
<b>Expenses, total</b>	<b>80,818</b>	<b>79,835</b>	<b>83,848</b>	<b>91,212</b>	<b>92,292</b>
Net operating income	-6,933	-6,970	-6,617	-13,979	-14,657
Other adjustments-income (expense)	-6,057	-3,801	-3,633	-3,347	-2,870
Net profit (loss) before income taxes	-12,989	-10,771	-10,250	-17,326	-17,527
Provision for income taxes	-12	170	-14	126	101
Net profit (loss) after income taxes	-12,978	-10,942	-10,236	-17,453	-17,628
Salaries and other staff benefits	25,607	24,339	24,769	25,501	26,217
	number				
Number of employees (weekly average)	368	369	364	357	353
	percentage of revenue				
<b>Revenue</b>					
Sales of air time					
Local	31.1	32.2	31.2	33.5	34.2
National and network	65.4	64.9	65.7	62.7	61.5
Infomercials	0.8	0.4	0.6	1.0	0.8
Sales of air time, total	97.3	97.5	97.5	97.2	96.5
Total production and other	2.7	2.5	2.5	2.8	3.5
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	71.1	72.2	70.2	76.6	80.0
Technical services	7.4	7.1	6.4	6.3	6.2
Sales and promotion	11.6	11.5	12.2	12.4	10.9
Administration and general	15.4	15.3	16.1	16.4	15.7
Depreciation	3.7	3.3	3.5	3.3	2.6
<b>Operating expenses, total</b>	<b>109.3</b>	<b>109.4</b>	<b>108.4</b>	<b>115.1</b>	<b>115.5</b>
<b>Profit before interest and taxes</b>	<b>-9.3</b>	<b>-9.4</b>	<b>-8.4</b>	<b>-15.1</b>	<b>-15.5</b>
Interest expense	0.1	0.1	0.1	3.0	3.4
<b>Expenses, total</b>	<b>109.4</b>	<b>109.6</b>	<b>108.6</b>	<b>118.1</b>	<b>118.9</b>
Net operating income	-9.4	-9.6	-8.6	-18.1	-18.9
Other adjustments-income (expense)	-8.2	-5.2	-4.7	-4.3	-3.7
Net profit (loss) before income taxes	-17.6	-14.8	-13.3	-22.4	-22.6
Provision for income taxes	0.0	0.2	0.0	0.2	0.1
Net profit (loss) after income taxes	-17.6	-15.0	-13.3	-22.6	-22.7
Salaries and other staff benefits	34.7	33.4	32.1	33.0	33.8

**Table 3-3**  
**Private conventional television, revenue and expense statement — Quebec**

	2003	2004	2005	2006	2007
	thousands of dollars				
<b>Revenue</b>					
Sales of air time					
Local	93,524	102,972	99,080	102,593	101,181
National and network	299,097	296,320	307,400	303,225	293,493
Infomercials	5,562	6,410	6,636	7,221	8,114
Sales of air time, total	398,183	405,702	413,115	413,038	402,788
Total production and other	59,859	60,090	66,873	70,926	62,929
<b>Operating revenue, total</b>	<b>458,042</b>	<b>465,792</b>	<b>479,988</b>	<b>483,964</b>	<b>465,717</b>
<b>Expenses</b>					
Program cost	223,446	233,420	245,905	276,479	274,920
Technical services	15,078	14,394	15,167	17,856	17,657
Sales and promotion	54,530	55,982	61,079	63,781	60,797
Administration and general	87,041	87,793	86,182	77,622	70,274
Depreciation	20,332	20,180	19,438	19,146	18,623
<b>Operating expenses, total</b>	<b>400,427</b>	<b>411,769</b>	<b>427,771</b>	<b>454,883</b>	<b>442,270</b>
<b>Profit before interest and taxes</b>	<b>57,614</b>	<b>54,023</b>	<b>52,217</b>	<b>29,081</b>	<b>23,446</b>
Interest expense	5,647	7,644	7,015	9,404	11,612
<b>Expenses, total</b>	<b>406,074</b>	<b>419,413</b>	<b>434,786</b>	<b>464,287</b>	<b>453,883</b>
Net operating income	51,968	46,379	45,201	19,677	11,834
Other adjustments-income (expense)	-10,647	-8,560	-32,913	-5,826	-4,719
Net profit (loss) before income taxes	41,321	37,819	12,288	13,851	7,115
Provision for income taxes	15,248	13,527	9,417	9,138	18,107
Net profit (loss) after income taxes	26,073	24,291	2,872	4,713	-10,993
Salaries and other staff benefits	142,817	148,474	153,718	160,261	166,739
	number				
Number of employees (weekly average)	2,120	2,131	2,271	2,345	2,368
	percentage of revenue				
<b>Revenue</b>					
Sales of air time					
Local	20.4	22.1	20.6	21.2	21.7
National and network	65.3	63.6	64.0	62.7	63.0
Infomercials	1.2	1.4	1.4	1.5	1.7
Sales of air time, total	86.9	87.1	86.1	85.3	86.5
Total production and other	13.1	12.9	13.9	14.7	13.5
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	48.8	50.1	51.2	57.1	59.0
Technical services	3.3	3.1	3.2	3.7	3.8
Sales and promotion	11.9	12.0	12.7	13.2	13.1
Administration and general	19.0	18.8	18.0	16.0	15.1
Depreciation	4.4	4.3	4.0	4.0	4.0
<b>Operating expenses, total</b>	<b>87.4</b>	<b>88.4</b>	<b>89.1</b>	<b>94.0</b>	<b>95.0</b>
<b>Profit before interest and taxes</b>	<b>12.6</b>	<b>11.6</b>	<b>10.9</b>	<b>6.0</b>	<b>5.0</b>
Interest expense	1.2	1.6	1.5	1.9	2.5
<b>Expenses, total</b>	<b>88.7</b>	<b>90.0</b>	<b>90.6</b>	<b>95.9</b>	<b>97.5</b>
Net operating income	11.3	10.0	9.4	4.1	2.5
Other adjustments-income (expense)	-2.3	-1.8	-6.9	-1.2	-1.0
Net profit (loss) before income taxes	9.0	8.1	2.6	2.9	1.5
Provision for income taxes	3.3	2.9	2.0	1.9	3.9
Net profit (loss) after income taxes	5.7	5.2	0.6	1.0	-2.4
Salaries and other staff benefits	31.2	31.9	32.0	33.1	35.8



**Table 3-4**  
**Private conventional television, revenue and expense statement — Ontario**

	2003	2004	2005	2006	2007
thousands of dollars					
<b>Revenue</b>					
Sales of air time					
Local	91,786	98,804	97,935	97,500	103,333
National and network	779,847	756,738	775,049	780,349	796,837
Infomercials	7,561	7,666	8,446	8,815	9,227
Sales of air time, total	879,194	863,208	881,430	886,665	909,396
Total production and other	50,173	49,941	50,945	32,944	39,392
<b>Operating revenue, total</b>	<b>929,367</b>	<b>913,148</b>	<b>932,374</b>	<b>919,609</b>	<b>948,788</b>
<b>Expenses</b>					
Program cost	520,592	567,083	573,330	622,871	639,477
Technical services	25,800	27,737	29,511	29,768	29,792
Sales and promotion	78,667	81,151	83,575	91,106	81,689
Administration and general	80,447	80,667	91,125	94,140	110,877
Depreciation	35,332	36,540	35,608	38,063	33,846
<b>Operating expenses, total</b>	<b>740,838</b>	<b>793,178</b>	<b>813,149</b>	<b>875,949</b>	<b>895,681</b>
<b>Profit before interest and taxes</b>	<b>188,529</b>	<b>119,970</b>	<b>119,225</b>	<b>43,660</b>	<b>53,107</b>
Interest expense	31,902	33,797	34,933	25,101	23,131
<b>Expenses, total</b>	<b>772,740</b>	<b>826,975</b>	<b>848,082</b>	<b>901,050</b>	<b>918,812</b>
Net operating income	156,627	86,173	84,292	18,559	29,976
Other adjustments-income (expense)	-24,533	-37,909	-69,322	-28,256	-25,295
Net profit (loss) before income taxes	132,094	48,265	14,970	-9,697	4,681
Provision for income taxes	2,798	7,553	17,648	-15,377	-10,583
Net profit (loss) after income taxes	129,296	40,711	-2,679	5,680	15,264
Salaries and other staff benefits	200,172	208,355	211,525	221,757	223,270
number					
Number of employees (weekly average)	2,735	2,864	2,826	2,899	2,713
percentage of revenue					
<b>Revenue</b>					
Sales of air time					
Local	9.9	10.8	10.5	10.6	10.9
National and network	83.9	82.9	83.1	84.9	84.0
Infomercials	0.8	0.8	0.9	1.0	1.0
Sales of air time, total	94.6	94.5	94.5	96.4	95.8
Total production and other	5.4	5.5	5.5	3.6	4.2
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	56.0	62.1	61.5	67.7	67.4
Technical services	2.8	3.0	3.2	3.2	3.1
Sales and promotion	8.5	8.9	9.0	9.9	8.6
Administration and general	8.7	8.8	9.8	10.2	11.7
Depreciation	3.8	4.0	3.8	4.1	3.6
<b>Operating expenses, total</b>	<b>79.7</b>	<b>86.9</b>	<b>87.2</b>	<b>95.3</b>	<b>94.4</b>
<b>Profit before interest and taxes</b>	<b>20.3</b>	<b>13.1</b>	<b>12.8</b>	<b>4.7</b>	<b>5.6</b>
Interest expense	3.4	3.7	3.7	2.7	2.4
<b>Expenses, total</b>	<b>83.1</b>	<b>90.6</b>	<b>91.0</b>	<b>98.0</b>	<b>96.8</b>
Net operating income	16.9	9.4	9.0	2.0	3.2
Other adjustments-income (expense)	-2.6	-4.2	-7.4	-3.1	-2.7
Net profit (loss) before income taxes	14.2	5.3	1.6	-1.1	0.5
Provision for income taxes	0.3	0.8	1.9	-1.7	-1.1
Net profit (loss) after income taxes	13.9	4.5	-0.3	0.6	1.6
Salaries and other staff benefits	21.5	22.8	22.7	24.1	23.5

**Table 3-5**  
**Private conventional television, revenue and expense statement — Manitoba, Saskatchewan, Alberta and British Columbia**

	2003	2004	2005	2006	2007
	thousands of dollars				
<b>Revenue</b>					
Sales of air time					
Local	137,204	141,923	142,156	151,043	158,915
National and network	442,768	456,981	500,529	494,098	494,530
Infomercials	3,339	4,100	5,287	7,187	7,424
Sales of air time, total	583,311	603,004	647,973	652,328	660,869
Total production and other	25,315	28,092	28,498	30,488	34,188
<b>Operating revenue, total</b>	<b>608,626</b>	<b>631,097</b>	<b>676,471</b>	<b>682,816</b>	<b>695,057</b>
<b>Expenses</b>					
Program cost	378,975	385,635	409,326	453,267	445,784
Technical services	17,492	17,973	18,470	19,570	19,736
Sales and promotion	71,338	74,136	73,557	84,256	79,781
Administration and general	57,913	64,828	76,293	75,149	76,374
Depreciation	21,879	23,097	21,093	20,715	21,880
<b>Operating expenses, total</b>	<b>547,597</b>	<b>565,669</b>	<b>598,740</b>	<b>652,957</b>	<b>643,555</b>
<b>Profit before interest and taxes</b>	<b>61,029</b>	<b>65,428</b>	<b>77,731</b>	<b>29,859</b>	<b>51,501</b>
Interest expense	12,687	9,856	6,990	17,090	19,476
<b>Expenses, total</b>	<b>560,284</b>	<b>575,525</b>	<b>605,730</b>	<b>670,047</b>	<b>663,032</b>
Net operating income	48,342	55,572	70,741	12,769	32,025
Other adjustments-income (expense)	-20,405	-18,684	-2,034	-19,409	-27,604
Net profit (loss) before income taxes	27,937	36,887	68,707	-6,640	4,421
Provision for income taxes	-4,075	-4,159	-2,538	-6,310	-779
Net profit (loss) after income taxes	32,012	41,046	71,246	-330	5,200
Salaries and other staff benefits	173,819	177,838	179,903	190,936	182,400
	number				
Number of employees (weekly average)	2,751	2,709	2,741	2,706	2,538
	percentage of revenue				
<b>Revenue</b>					
Sales of air time					
Local	22.5	22.5	21.0	22.1	22.9
National and network	72.7	72.4	74.0	72.4	71.1
Infomercials	0.5	0.6	0.8	1.1	1.1
Sales of air time, total	95.8	95.5	95.8	95.5	95.1
Total production and other	4.2	4.5	4.2	4.5	4.9
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	62.3	61.1	60.5	66.4	64.1
Technical services	2.9	2.8	2.7	2.9	2.8
Sales and promotion	11.7	11.7	10.9	12.3	11.5
Administration and general	9.5	10.3	11.3	11.0	11.0
Depreciation	3.6	3.7	3.1	3.0	3.1
<b>Operating expenses, total</b>	<b>90.0</b>	<b>89.6</b>	<b>88.5</b>	<b>95.6</b>	<b>92.6</b>
<b>Profit before interest and taxes</b>	<b>10.0</b>	<b>10.4</b>	<b>11.5</b>	<b>4.4</b>	<b>7.4</b>
Interest expense	2.1	1.6	1.0	2.5	2.8
<b>Expenses, total</b>	<b>92.1</b>	<b>91.2</b>	<b>89.5</b>	<b>98.1</b>	<b>95.4</b>
Net operating income	7.9	8.8	10.5	1.9	4.6
Other adjustments-income (expense)	-3.4	-3.0	-0.3	-2.8	-4.0
Net profit (loss) before income taxes	4.6	5.8	10.2	-1.0	0.6
Provision for income taxes	-0.7	-0.7	-0.4	-0.9	-0.1
Net profit (loss) after income taxes	5.3	6.5	10.5	0.0	0.7
Salaries and other staff benefits	28.6	28.2	26.6	28.0	26.2

**Table 4**  
**Public and non-commercial television, revenue and expense statement, Canada**

	2003	2004	2005	2006	2007
	thousands of dollars				
<b>Revenue</b>					
Sales of air time					
Local	18,350	18,357	16,203	16,576	17,085
National and network	281,063	306,853	227,187	334,490	305,244
Sales of air time, total	299,413	325,211	243,389	351,066	322,329
Government and corporate grants	791,215	775,988	791,787	831,162	790,413
Total production and other	121,939	136,993	138,554	155,716	154,393
<b>Operating revenue, total</b>	<b>1,212,567</b>	<b>1,238,192</b>	<b>1,173,731</b>	<b>1,337,943</b>	<b>1,267,134</b>
<b>Expenses</b>					
Program cost	857,221	953,850	853,110	975,649	911,952
Technical services	72,454	77,334	81,939	84,661	83,127
Sales and promotion	78,360	86,916	85,078	93,670	100,201
Administration and general	187,824	204,224	184,303	206,576	196,337
Depreciation	101,725	107,142	105,029	108,955	81,128
<b>Operating expenses, total</b>	<b>1,297,583</b>	<b>1,429,466</b>	<b>1,309,461</b>	<b>1,469,512</b>	<b>1,372,744</b>
<b>Profit before interest and taxes</b>	<b>-85,016</b>	<b>-191,273</b>	<b>-135,730</b>	<b>-131,569</b>	<b>-105,610</b>
Interest expense	629	533	388	358	282
<b>Expenses, total</b>	<b>1,298,212</b>	<b>1,429,999</b>	<b>1,309,849</b>	<b>1,469,870</b>	<b>1,373,026</b>
Net operating income	-85,645	-191,806	-136,118	-131,927	-105,892
Other adjustments-income (expense)	83,833	193,903	138,405	128,219	115,324
Net profit (loss) before income taxes	-1,812	2,097	2,287	-3,708	9,432
Salaries and other staff benefits	663,610	644,167	640,890	664,147	665,259
	number				
Number of employees (weekly average)	9,339	9,501	9,140	9,328	9,114
	percentage of revenue				
<b>Revenue</b>					
Sales of air time					
Local	1.5	1.5	1.4	1.2	1.3
National and network	23.2	24.8	19.4	25.0	24.1
Sales of air time, total	24.7	26.3	20.7	26.2	25.4
Government and corporate grants	65.3	62.7	67.5	62.1	62.4
Total production and other	10.1	11.1	11.8	11.6	12.2
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	70.7	77.0	72.7	72.9	72.0
Technical services	6.0	6.2	7.0	6.3	6.6
Sales and promotion	6.5	7.0	7.2	7.0	7.9
Administration and general	15.5	16.5	15.7	15.4	15.5
Depreciation	8.4	8.7	8.9	8.1	6.4
<b>Operating expenses, total</b>	<b>107.0</b>	<b>115.4</b>	<b>111.6</b>	<b>109.8</b>	<b>108.3</b>
<b>Profit before interest and taxes</b>	<b>-7.0</b>	<b>-15.4</b>	<b>-11.6</b>	<b>-9.8</b>	<b>-8.3</b>
Interest expense	0.1	0.0	0.0	0.0	0.0
<b>Expenses, total</b>	<b>107.1</b>	<b>115.5</b>	<b>111.6</b>	<b>109.9</b>	<b>108.4</b>
Net operating income	-7.1	-15.5	-11.6	-9.9	-8.4
Other adjustments-income (expense)	6.9	15.7	11.8	9.6	9.1
Net profit (loss) before income taxes	-0.1	0.2	0.2	-0.3	0.7
Salaries and other staff benefits	54.7	52.0	54.6	49.6	52.5

**Table 5-1**  
**Pay and specialty television, revenue and expense statement — Pay and specialty television**

	2003	2004	2005	2006	2007
thousands of dollars					
<b>Revenue</b>					
Cable television subscriber revenue	832,335	897,118	957,752	1,053,889	1,157,557
Satellite television subscriber revenue	417,728	433,640	461,021	526,510	574,773
Sales of air time					
Local	15,279	16,918	17,021	19,062	19,699
National and network	591,750	691,498	751,561	863,308	928,648
Sales of air time, total	607,029	708,416	768,582	882,370	948,348
Total production and other	27,680	26,027	34,737	36,264	44,535
<b>Operating revenue, total</b>	<b>1,884,772</b>	<b>2,065,201</b>	<b>2,222,092</b>	<b>2,499,033</b>	<b>2,725,214</b>
<b>Expenses</b>					
Program cost	1,056,015	1,132,888	1,113,098	1,330,153	1,426,570
Technical services	121,640	112,113	105,323	109,309	117,068
Sales and promotion	177,294	170,701	175,158	197,592	216,995
Administration and general	209,899	196,485	228,954	234,993	261,790
Depreciation	36,690	38,918	43,669	54,106	55,655
<b>Operating expenses, total</b>	<b>1,601,538</b>	<b>1,651,105</b>	<b>1,666,203</b>	<b>1,926,152</b>	<b>2,078,078</b>
<b>Profit before interest and taxes</b>	<b>283,234</b>	<b>414,095</b>	<b>555,889</b>	<b>572,881</b>	<b>647,135</b>
Interest expense	92,786	83,991	87,707	74,234	58,277
<b>Expenses, total</b>	<b>1,694,324</b>	<b>1,735,097</b>	<b>1,753,910</b>	<b>2,000,387</b>	<b>2,136,355</b>
Net operating income	190,448	330,104	468,182	498,647	588,859
Other adjustments-income (expense)	3,351	29,838	54,883	62,409	82,330
Net profit (loss) before income taxes	193,799	359,942	523,065	561,056	671,189
Salaries and other staff benefits	307,858	318,876	334,255	375,392	407,821
number					
Number of employees (weekly average)	4,872	4,854	4,916	5,299	5,491
percentage of revenue					
<b>Revenue</b>					
Cable television subscriber revenue	44.2	43.4	43.1	42.2	42.5
Satellite television subscriber revenue	22.2	21.0	20.7	21.1	21.1
Sales of air time					
Local	0.8	0.8	0.8	0.8	0.7
National and network	31.4	33.5	33.8	34.5	34.1
Sales of air time, total	32.2	34.3	34.6	35.3	34.8
Total production and other	1.5	1.3	1.6	1.5	1.6
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	56.0	54.9	50.1	53.2	52.3
Technical services	6.5	5.4	4.7	4.4	4.3
Sales and promotion	9.4	8.3	7.9	7.9	8.0
Administration and general	11.1	9.5	10.3	9.4	9.6
Depreciation	1.9	1.9	2.0	2.2	2.0
<b>Operating expenses, total</b>	<b>85.0</b>	<b>79.9</b>	<b>75.0</b>	<b>77.1</b>	<b>76.3</b>
<b>Profit before interest and taxes</b>	<b>15.0</b>	<b>20.1</b>	<b>25.0</b>	<b>22.9</b>	<b>23.7</b>
Interest expense	4.9	4.1	3.9	3.0	2.1
<b>Expenses, total</b>	<b>89.9</b>	<b>84.0</b>	<b>78.9</b>	<b>80.0</b>	<b>78.4</b>
Net operating income	10.1	16.0	21.1	20.0	21.6
Other adjustments-income (expense)	0.2	1.4	2.5	2.5	3.0
Net profit (loss) before income taxes	10.3	17.4	23.5	22.5	24.6
Salaries and other staff benefits	16.3	15.4	15.0	15.0	15.0

**Source(s):** Canadian Radio-television and Telecommunications Commission (CRTC), Industry Statistics and Analysis, Broadcast Operations.

**Table 5-2**  
**Pay and specialty television, revenue and expense statement — Specialty television**

	2003	2004	2005	2006	2007
	thousands of dollars				
<b>Revenue</b>					
Cable television subscriber revenue	645,162	684,050	723,410	772,486	832,809
Satellite television subscriber revenue	255,907	265,235	292,066	334,349	364,819
Sales of air time					
Local	15,279	16,918	17,021	19,062	19,699
National and network	591,750	691,498	751,561	863,308	928,648
Sales of air time, total	607,029	708,416	768,582	882,370	948,348
Total production and other	26,915	23,125	28,240	27,515	31,800
<b>Operating revenue, total</b>	<b>1,535,013</b>	<b>1,680,826</b>	<b>1,812,297</b>	<b>2,016,719</b>	<b>2,177,777</b>
<b>Expenses</b>					
Program cost	859,417	908,801	885,680	1,061,465	1,104,465
Technical services	107,105	99,408	93,425	96,323	100,518
Sales and promotion	150,473	142,121	150,095	169,433	181,311
Administration and general	192,722	172,303	204,174	207,007	226,091
Depreciation	31,970	29,566	31,018	34,426	34,976
<b>Operating expenses, total</b>	<b>1,341,687</b>	<b>1,352,199</b>	<b>1,364,391</b>	<b>1,568,654</b>	<b>1,647,362</b>
<b>Profit before interest and taxes</b>	<b>193,326</b>	<b>328,627</b>	<b>447,906</b>	<b>448,065</b>	<b>530,415</b>
Interest expense	89,644	80,892	83,303	69,028	45,023
<b>Expenses, total</b>	<b>1,431,331</b>	<b>1,433,091</b>	<b>1,447,694</b>	<b>1,637,683</b>	<b>1,692,385</b>
Net operating income	103,682	247,735	364,603	379,036	485,392
Other adjustments-income (expense)	5,079	21,908	44,092	44,799	60,896
Net profit (loss) before income taxes	108,761	269,643	408,695	423,835	546,288
Salaries and other staff benefits	288,457	299,362	314,049	353,926	380,956
	number				
Number of employees (weekly average)	4,543	4,555	4,622	4,972	5,112
	percentage of revenue				
<b>Revenue</b>					
Cable television subscriber revenue	42.0	40.7	39.9	38.3	38.2
Satellite television subscriber revenue	16.7	15.8	16.1	16.6	16.8
Sales of air time					
Local	1.0	1.0	0.9	0.9	0.9
National and network	38.6	41.1	41.5	42.8	42.6
Sales of air time, total	39.5	42.1	42.4	43.8	43.5
Total production and other	1.8	1.4	1.6	1.4	1.5
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	56.0	54.1	48.9	52.6	50.7
Technical services	7.0	5.9	5.2	4.8	4.6
Sales and promotion	9.8	8.5	8.3	8.4	8.3
Administration and general	12.6	10.3	11.3	10.3	10.4
Depreciation	2.1	1.8	1.7	1.7	1.6
<b>Operating expenses, total</b>	<b>87.4</b>	<b>80.4</b>	<b>75.3</b>	<b>77.8</b>	<b>75.6</b>
<b>Profit before interest and taxes</b>	<b>12.6</b>	<b>19.6</b>	<b>24.7</b>	<b>22.2</b>	<b>24.4</b>
Interest expense	5.8	4.8	4.6	3.4	2.1
<b>Expenses, total</b>	<b>93.2</b>	<b>85.3</b>	<b>79.9</b>	<b>81.2</b>	<b>77.7</b>
Net operating income	6.8	14.7	20.1	18.8	22.3
Other adjustments-income (expense)	0.3	1.3	2.4	2.2	2.8
Net profit (loss) before income taxes	7.1	16.0	22.6	21.0	25.1
Salaries and other staff benefits	18.8	17.8	17.3	17.5	17.5

**Source(s):** Canadian Radio-television and Telecommunications Commission (CRTC), Industry Statistics and Analysis, Broadcast Operations.

**Table 5-3**  
**Pay and specialty television, revenue and expense statement — Pay television**

	2003	2004	2005	2006	2007
thousands of dollars					
<b>Revenue</b>					
Cable television subscriber revenue	187,174	213,068	234,342	281,404	324,748
Satellite television subscriber revenue	161,821	168,405	168,956	192,161	209,954
Sales of air time					
Local	.	.	.	.	.
National and network	.	.	.	.	.
Sales of air time, total	.	.	.	.	.
Total production and other	764	2,902	6,497	8,749	12,735
<b>Operating revenue, total</b>	<b>349,759</b>	<b>384,375</b>	<b>409,795</b>	<b>482,314</b>	<b>547,437</b>
<b>Expenses</b>					
Program cost	196,598	224,088	227,419	268,688	322,105
Technical services	14,535	12,705	11,898	12,985	16,550
Sales and promotion	26,820	28,580	25,063	28,159	35,684
Administration and general	17,178	24,182	24,781	27,986	35,699
Depreciation	4,720	9,352	12,651	19,680	20,679
<b>Operating expenses, total</b>	<b>259,851</b>	<b>298,906</b>	<b>301,812</b>	<b>357,498</b>	<b>430,716</b>
<b>Profit before interest and taxes</b>	<b>89,908</b>	<b>85,469</b>	<b>107,983</b>	<b>124,816</b>	<b>116,720</b>
Interest expense	3,142	3,099	4,405	5,207	13,254
<b>Expenses, total</b>	<b>262,993</b>	<b>302,006</b>	<b>306,216</b>	<b>362,704</b>	<b>443,970</b>
Net operating income	86,766	82,369	103,578	119,610	103,467
Other adjustments-income (expense)	-1,728	7,930	10,791	17,610	21,434
Net profit (loss) before income taxes	85,038	90,300	114,370	137,221	124,901
Salaries and other staff benefits	19,400	19,514	20,206	21,466	26,865
number					
Number of employees (weekly average)	329	299	294	327	379
percentage of revenue					
<b>Revenue</b>					
Cable television subscriber revenue	53.5	55.4	57.2	58.3	59.3
Satellite television subscriber revenue	46.3	43.8	41.2	39.8	38.4
Sales of air time					
Local	.	.	.	.	.
National and network	.	.	.	.	.
Sales of air time, total	.	.	.	.	.
Total production and other	0.2	0.8	1.6	1.8	2.3
<b>Operating revenue, total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Expenses</b>					
Program cost	56.2	58.3	55.5	55.7	58.8
Technical services	4.2	3.3	2.9	2.7	3.0
Sales and promotion	7.7	7.4	6.1	5.8	6.5
Administration and general	4.9	6.3	6.0	5.8	6.5
Depreciation	1.3	2.4	3.1	4.1	3.8
<b>Operating expenses, total</b>	<b>74.3</b>	<b>77.8</b>	<b>73.6</b>	<b>74.1</b>	<b>78.7</b>
<b>Profit before interest and taxes</b>	<b>25.7</b>	<b>22.2</b>	<b>26.4</b>	<b>25.9</b>	<b>21.3</b>
Interest expense	0.9	0.8	1.1	1.1	2.4
<b>Expenses, total</b>	<b>75.2</b>	<b>78.6</b>	<b>74.7</b>	<b>75.2</b>	<b>81.1</b>
Net operating income	24.8	21.4	25.3	24.8	18.9
Other adjustments-income (expense)	-0.5	2.1	2.6	3.7	3.9
Net profit (loss) before income taxes	24.3	23.5	27.9	28.5	22.8
Salaries and other staff benefits	5.5	5.1	4.9	4.5	4.9

**Source(s):** Canadian Radio-television and Telecommunications Commission (CRTC), Industry Statistics and Analysis, Broadcast Operations.

## Data quality

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The statistics presented in this publication are for the following categories of the 2007 North American Industrial Classification System (NAICS): Television Broadcasting (51512) and Pay and Specialty Television (51521).

The annual surveys on which this publication is based target all organisations licensed by the Canadian Radio-Television and Telecommunications Commission (CRTC) to operate conventional radio or television programming undertakings and specialty and pay television service operators. The survey targeting conventional broadcasters is conducted jointly by Statistics Canada and the CRTC. The Broadcast Analysis Branch of the CRTC manages the survey targeting the specialty and pay television operators. Statistics from both surveys are presented here to provide a more complete picture of the structural changes affecting this sector.

The data presented in this publication are of very 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 employees. Users interested in learning more about the concepts, methodology and data quality of the broadcasting surveys can visit Statistics Canada's web site at [www.statcan.ca](http://www.statcan.ca). Definitions, data sources and methods are available for most surveys. The survey title is **Radio and Television Broadcasting Survey** (ID 2724).