

Statistics Canada

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Television broadcasting 2006

Overall, operating revenues for the television broadcasting industry reached slightly more than \$6 billion in 2006, a gain of 8.2% from 2005. It was the third largest year-over-year revenue increase in the past 10 years.

Advertising revenues for the industry rose 7.6% to \$3.3 billion, while subscription revenues jumped 11.3% to \$1.6 billion.

However, the picture for the industry as a whole masks some substantial differences among its segments.

Private conventional television broadcasters reported revenues of \$2.2 billion in 2006, unchanged from the previous year. This segment still ranked first in terms of revenues, but the gap between it and the specialty television segment is closing rapidly. Advertising sales accounted for almost 92% of private conventional television revenues.

On the other hand, specialty television revenues increased 11.2% to just over \$2.0 billion. This segment's advertising revenues jumped 14.7% to \$0.9 billion, while its subscription revenues totalled \$1.1 billion, 8.9% more than in the previous year.

The pay television segment, however, had the strongest growth in 2006, with revenues climbing 17.7% to \$482.3 million. This is largely due to the growing popularity of pay-per-view television and video-on-demand. Revenues from those services soared 41.0% to \$157.4 million in 2006.

After falling 5.2% in 2005, revenues for the public and non-profit television segment rose 15.6% in 2006 to

\$1.4 billion. The resumption of activities in the National Hockey League had a positive effect on advertising revenues, which climbed 44.2% to \$351.1 million.

Profits also varied widely among segments.

Profits before interest and taxes for private conventional television fell 62.5% from \$242.7 million in 2005 to \$90.9 million in 2006. It was the first time in 15 years that this segment generated less than \$100 million in profits. The 4.1% profit margin was the smallest posted in the last 30 years.

Specialty television made \$447.8 million in profits before interest and taxes, slightly less than the \$449.2 million it earned in 2005. However, the segment's 22.2% profit margin was the second best recorded in 10 years.

For a fifth consecutive year, the pay television segment had the best profit margin of the industry, generating for its owners more than 25 cents in profits before interest and taxes for every dollar of revenue.

Available on CANSIM: table 357-0001.

Definitions, data sources and methods: survey number 2724.

The publication *Television Broadcasting Industries*, 2006 (56-207-XWE, free) is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Daniel April (613-951-3177; daniel.april@statcan.ca) or Dany Gravel (613-951-0390; dany.gravel@statcan.ca), Science, Innovation and Electronic Information Division.

New products

Television Broadcasting Industries, 2006 Catalogue number 56-207-XWE (free).

Industry Price Indexes, May 2007, Vol. 33, no. 5 Catalogue number 62-011-XWE (free).

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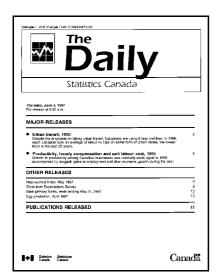
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