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Cable, satellite and multipoint distribution systems, 2004

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

The market for multi-channel video services is growing slowly

The number of subscribers to multi-channel video services, for cable and wireless operators combined, grew 1.5% to 9.9 million from August 2003 to August 2004, almost the same as in 12 months prior to that period (+1.4%). In the two year period, growth in this market has barely kept pace with the creation of new households.

This seems to signal the end of the period of robust growth in demand that followed the introduction of competition late in 1997. The first indication of a loss of momentum appeared in 2002, when the number of subscribers increased

a relatively modest 2.0%. Between 1998 and 2001, the annual increase in subscription varied from a low of 3.5% in 1998 to a high of 5.7% in 2001.

Opportunities for growth in this market are limited by the relatively high penetration of multi-channel video services. This renders 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.¹

If those estimates are close to reality, approximately 89% of the potential market has already been tapped by legal or illegal means. This is consistent with the results of another study that found that 87% of households receive television programs by cable or satellite, the remaining 13% relying on good old rabbit ears.²

1. See Canadian Cable and Telecommunications Association web site, <http://www.ccta.com/english/View.asp?t=&x=45>

2. Statistics Canada, Television viewing data bank. For more information on the statistical program: <http://www.statcan.ca/english/sdds/00108t.htm>

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Have cable operators stopped the erosion?

The entry of satellite and wireless cable operators into the multi-channel video market at the end of 1997 expanded consumer choice. A number of subscribers were bound to switch providers and some did.

The number of subscribers to cable television peaked in 1999 at just over 8.0 million and declined over the following four years. During that period, the industry lost a total of 441,691 multi-channel video services customers and its market share dropped to 77.5% from 93.5%.

The first sign of an end to the erosion of the industry's traditional customer base emerged in 2004. The industry added 30,623 subscribers during the year, a modest 0.4% increase. Cable operators in the Western Provinces (+25,200), the Province of Quebec (+21,400) and the Territories (+136) added customers, while those in Ontario (-14,900) and Atlantic Canada (-1,200) lost customers.

Despite the apparent turnaround, the market share of cable operators continued to decline. It stood at 76.6% at the end of August of 2004, down from 77.5% a year earlier.

Cable operators in small and medium-sized communities, the hardest hit by competition from satellite operators, continued to lose customers in 2004 but at a much slower pace than before. The 0.7% loss suffered in 2004 is half that of the previous year, and considerably less than the 4.6% and 5.5% drops experienced in 2002 and 2001 respectively.

In a fiercely competitive market, the cable industry relies much more on diversification to ensure its growth, a strategy meant to enhance customer loyalty and increase revenue per subscriber. High speed Internet has been, and remains, at the centre of this strategy.

High speed Internet by cable – Moving closer to universal access

Universal access to high speed Internet is one of the key elements of the Canadian government's connectedness agenda. Private sector initiatives were essential to the successful implementation of this policy, and the cable industry with its far reaching broadband network had a significant role to play.

High speed Internet was the first endeavour of the cable industry into mass-market telecommunications services. At August 31, 2004, less than eight years after launching this service in a few markets, it was available to 93.5% of the 11.9 million homes passed by cable.

In the early years, the industry focussed on upgrading its network in large urban areas. Five years into the network upgrade process, high speed Internet by cable was available to 96% of homes passed by cable in Census Metropolitan Areas (CMAs) compared to 55% outside CMAs.

While the economic incentive to deploy this technology in larger urban areas is clear, the incentive to do the same elsewhere is not so obvious. Yet it appears that the cable industry saw opportunities in smaller communities, or that it became a matter of survival.

The availability of high speed Internet by cable in small and medium-sized communities³ gradually increased over time and the gap with large communities steadily closed. The proportion of homes with access to Internet by cable soared from 31.4% to 81.1% of homes passed between 2000 and 2004. During that period, the gap between large and small and medium-sized communities shrunk to 17.4 percentage points from 54.3 percentage points.

The deployment of high speed Internet outside CMAs is not limited to communities served by one of the top five operators, but homes in communities served by a large operator are more likely to have access to the technology. At August 31, 2004, high speed Internet by cable was available

3. *Communities outside CMAs.*

to 90% of homes passed by cable in communities served by larger cable operators compared to 59% in communities served by smaller operators.

The cable industry successfully executed its diversification strategy by making high speed Internet broadly available. But the strategy could only work if potential customers adopted its technology and new services. Many did.

Close to 3 million homes have chosen High speed Internet by cable

The appetite of Canadians for fast Internet is at the core of the cable industry's renewal. Fast out of the gate, the industry has taken a lead in this market early on. The latest official statistics⁴ show that the cable industry kept the lead in the residential high speed Internet market (56.1% share in 2003), but that High speed Internet by phone line (DSL or digital subscriber line) service is fast gaining ground.

The adoption of Internet by cable has been impressive. At the end of August 2000, a little less than 4 years after the launch, there were 0.8 million subscribers. Four years later, 2 million more had embraced the technology.

The speed at which the industry added new customers reduced with time but high speed Internet remained a high growth market for cable operators in 2004. The number of subscribers increased a robust 20.1% in 2004, still considerably less than the 26.1% and 35.4% jumps realized in 2003 and 2002 respectively. The 2004 boost in subscriptions was vigorous in both large communities, where the gain was 19.0%, and small and medium-sized communities, where it was 25.3%.

Digital cable – Another weapon in the battle for customers

Digital cable is the second weapon in the cable industry's arsenal to build customer loyalty.

Digital technology allows for the distribution of a greater number of channels - some of which are available only to subscribers with a digital set-top box - and opens the door to new services such as video-on-demand and high definition television. These new services are not only important to keep a competitive edge; they also provide opportunities for new sources of income.

The deployment of digital cable closely followed that of High speed Internet. In 2004 it was available to 11.1 million homes, or just over 93% of homes passed by cable. That proportion was higher in large communities (98.0%) than in small and medium-sized communities (81.0%).

Although not as popular as Internet by cable, digital cable was the fastest growing market segment for the industry last year. There were 1.8 million subscribers to this service on August 31, 2004, a whopping 33.4% increase from a year earlier. Just over 24% of subscribers to cable television had chosen digital cable compared to 18% in 2003.

Less dependent on multi-channel video services

Faced with the prospect of fierce competition in its traditional market, the cable industry decided to re-invent its business model. The impact of the change is obvious.

In 2004, subscription revenue for multi-channel video services accounted for 73% of the industry's revenues of \$4.8 billion. In 1999, only five years earlier, it accounted for almost 92% of the industry's revenues.

Much of the remaining 27% of revenues in 2004 is attributable to telecommunications services, and the greater part of that to High speed Internet. The relative importance of other sources of revenues such as equipment rental and sales, connection and re-connection, and classified advertising remained constant at about 5% through that period.

4. CRTC, *Report to the Governor in Council, Status of Competition in Canadian Telecommunications Markets, November 2004.*
Available at: <http://www.crtc.gc.ca>

Revenue per subscriber reached \$630.22 in 2004, up 52% from the \$414.43 generated in 1999.

The diversification of revenue sources should accelerate with the launch of telephony services (Voice-over-Internet or VoIP) in several markets across the country in 2005. Until early in 2005, only selected homes in parts of Atlantic Canada could subscribe to telephony services from their local cable operator.

The deployment of telephony services by cable operators is the culmination of the fundamental redesign of the industry's business model that began some 8 years ago.

Towards the upper part of the S curve

The number of subscribers to the multi-channel video services of satellite and wireless cable operators continued to climb in 2004, but at a much slower pace than in previous years. There were 2.3 million subscribers to these services at August 31, 2004, an increase of 5.4% compared to the previous year. This followed jumps of 9.2% in 2003, 25.4% in 2002 and 66.4% in 2001.

The market share of wireless competitors, principally direct-to-home satellite television providers, increased to 23.4% in 2004 from 22.5% in 2003. This was the smallest year-over-year gain since the introduction of wireless competition late in 1997.

The loss of momentum seen here is not unusual. The life cycle of new technologies has often taken that route, a phenomenon described as the "S-Curve". The cycle is characterized by an initial period of accelerating growth (dynamic stage), followed by a period of decelerating growth (plateau stage), and finally by a period of stagnation (saturation stage).⁵

It appears that satellite and wireless cable technology is reaching the end of the dynamic stage very early in its life cycle. There are a few possible explanations for that:

- Unlike technologies such as television, the computer or the Internet, satellite and wireless cable did not open an entirely new market. These technologies are substitutes for a well established and advanced technology. The potential market was therefore limited to some extent to unserved or underserved communities, principally outside cities.
- The deployment of these technologies is sometimes limited by physical barriers.
- Incumbent technologies often benefit from customer inertia.

But satellite and wireless cable contributed to a broader technological innovation. The adoption of satellite television and digital cable by a growing number of Canadians 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 2004, 42% of the 9.9 million subscribers to multi-channel video services had chosen digital over analogue services. In 2000, that proportion was just above 15%.

Improving economics for both segments of the industry

The financial performance of the cable industry improved significantly last year. Revenues rose 7.4% to \$4.8 billion, while operating profits surged 39.2% to \$1.1 billion. Cable operators earned 23.2 cents of operating profits for every dollar of revenues in 2004, well above the 17.9 cents earned the previous year.

The financial performance of the wireless segment of the industry also improved, but the ink at the bottom of the income statement remained red.

Wireless competitors have incurred losses before interest and taxes every year since joining the industry, but are now approaching the break

⁵ For more information, see *Connectedness Series, Unveiling the Digital Divide*, George Sciadas, catalogue no. 56F0004MIE no. 7, October 2002.

even point. In 2004, wireless segment losses amounted to \$92.9 million, down from \$110.1 million in 2003 and \$245.9 in 2002.

From 1998 to 2004, the segment's loss before interest and taxes totalled \$1.5 billion, or 32.5 cents per dollar of revenue earned during that period.

Survey and related publications

The annual survey on which this publication is based targets 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 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. The one notable exception is a revision to industry revenues for the Territories to account for the inclusion of previously excluded activity. This change had a significant impact on measures of profit.

For the 2002 reference year, the CRTC exempted a number of small cable undertakings 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 and may be of lesser quality. 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.

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

5175	Cable and Other Program Distribution
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Cable, satellite and multipoint distribution systems
Selected national and regional market and performance indicators

	2001	2002	2003	2004	01/02	02/03	03/04
Subscribers by type of supplier	000				%		
Subscribers to programming services	9,457.1	9,644.0	9,782.1	9,932.1	2.0	1.4	1.5
Clients of cable operators	7,847.9	7,625.4	7,576.9	7,607.5	-2.8	-0.6	0.4
Clients of wireless operators	1,609.2	2,018.6	2,205.2	2,324.6	25.4	9.2	5.4
Market share by type of supplier	%						
Cable operators' share	83.0	79.1	77.5	76.6	-4.7	-2.0	-1.1
Wireless operators' share	17.0	20.9	22.5	23.4	23.0	7.7	3.8
Cable penetration by community size	000						
Subscribers to basic cable services							
Large-size communities ¹	5,734.4	5,608.3	5,587.1	5,632.0	-2.2	-0.4	0.8
Small and medium-size communities ²	2,113.6	2,017.1	1,989.7	1,975.5	-4.6	-1.4	-0.7
Total	7,847.9	7,625.4	7,576.9	7,607.5	-2.8	-0.6	0.4
Homes with access to basic cable services							
Large-size communities ¹	7,876.0	8,089.8	8,329.8	8,525.1	2.7	3.0	2.3
Small and medium-size communities ²	3,202.7	3,306.3	3,388.8	3,412.0	3.2	2.5	0.7
Total	11,078.7	11,396.1	11,718.5	11,937.1	2.9	2.8	1.9
Penetration rate	%						
Large-size communities ¹	72.8	69.3	67.1	66.1	-4.8	-3.2	-1.5
Small and medium-size communities ²	66.0	61.0	58.7	57.9	-7.6	-3.8	-1.4
Total	70.8	66.9	64.7	63.7	-5.5	-3.4	-1.4
Cable penetration by region	000						
Subscribers to basic cable services							
Atlantic provinces	574.2	546.1	542.2	541.1	-4.9	-0.7	-0.2
Quebec	1,929.7	1,827.6	1,796.6	1,818.0	-5.3	-1.7	1.2
Ontario	2,981.8	2,932.6	2,908.4	2,893.5	-1.6	-0.8	-0.5
Western provinces	2,348.0	2,304.9	2,316.0	2,341.2	-1.8	0.5	1.1
Territories	14.2	14.3	13.6	13.8	0.4	-4.5	1.0
Homes with access to basic cable services							
Atlantic provinces	828.6	835.6	843.5	852.7	0.9	0.9	1.1
Quebec	2,981.6	3,030.0	3,072.8	3,114.7	1.6	1.4	1.4
Ontario	3,934.3	4,077.2	4,210.7	4,308.3	3.6	3.3	2.3
Western provinces	3,308.6	3,427.7	3,566.2	3,636.5	3.6	4.0	2.0
Territories	25.7	25.6	25.3	24.9	-0.2	-1.3	-1.4
Penetration rate	%						
Atlantic provinces	69.3	65.4	64.3	63.5	-5.7	-1.6	-1.3
Quebec	64.7	60.3	58.5	58.4	-6.8	-3.1	-0.2
Ontario	75.8	71.9	69.1	67.2	-5.1	-4.0	-2.8
Western provinces	71.0	67.2	64.9	64.4	-5.2	-3.4	-0.9
Territories	55.3	55.7	53.9	55.2	0.6	-3.2	2.4
Financial performance by type of supplier	\$ million				%		
Revenues							
Cable operators	3,861.1	4,168.2	4,465.1	4,794.4	8.0	7.1	7.4
Wireless operators	679.4	946.8	1,203.6	1,354.7	39.4	27.1	12.5
Profit (loss) before interest and taxes							
Cable operators	622.8	689.8	798.1	1,110.6	10.8	15.7	39.2
Wireless operators	-310.4	-245.9	-110.1	-92.9	-20.8	-55.2	-15.7
Profit margin	%						
Cable operators	16.1	16.5	17.9	23.2			
Wireless operators	-45.7	-26.0	-9.1	-6.9			

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**

	2001	2002	2003	2004	01/02	02/03	03/04
Internet by cable deployment by community size¹							
000							
Homes with access to internet by cable							
Large-size communities ²	7,560.0	7,808.6	8,140.7	8,390.6	3.3	4.3	3.1
Small and medium-size communities ³	1,781.8	2,250.2	2,564.9	2,765.9	26.3	14.0	7.8
Total	9,341.8	10,058.8	10,705.6	11,156.4	7.7	6.4	4.2
Homes with access to internet by cable / homes with access to cable	%						
Large-size communities ²	96.0	96.5	97.7	98.4	0.6	1.2	0.7
Small and medium-size communities ³	55.6	68.1	75.7	81.1	22.3	11.2	7.1
Total	84.3	88.3	91.4	93.5	4.7	3.5	2.3
Internet by cable adoption by community size¹							
000							
Subscribers to internet by cable							
Large-size communities ²	1,182.2	1,561.7	1,949.3	2,319.0	32.1	24.8	19.0
Small and medium-size communities ³	202.7	313.0	414.1	518.8	54.4	32.3	25.3
Total	1,384.8	1,874.7	2,363.3	2,837.8	35.4	26.1	20.1
Subscribers to internet by cable / homes with access to internet by cable	%						
Large-size communities ²	15.6	20.0	23.9	27.6	27.9	19.7	15.4
Small and medium-size communities ³	11.4	13.9	16.1	18.8	22.3	16.1	16.2
Total	14.8	18.6	22.1	25.4	25.7	18.4	15.2
Internet by cable deployment by region							
000							
Homes with access to internet by cable							
Atlantic provinces	471.3	554.5	620.7	679.6	17.7	11.9	9.5
Quebec	2,343.7	2,480.2	2,689.9	2,797.8	5.8	8.5	4.0
Ontario	3,560.5	3,825.6	4,016.0	4,191.1	7.4	5.0	4.4
Western provinces and Territories	2,966.3	3,198.4	3,379.0	3,487.8	7.8	5.6	3.2
Homes with access to internet by cable / homes with access to cable	%						
Atlantic provinces	56.9	66.4	73.6	79.7	16.7	10.9	8.3
Quebec	78.6	81.9	87.5	89.8	4.1	6.9	2.6
Ontario	90.5	93.8	95.4	97.3	3.7	1.7	2.0
Western provinces and Territories	89.7	93.3	94.8	95.9	4.1	1.5	1.2
Internet by cable adoption by region							
000							
Subscribers to internet by cable							
Atlantic provinces	51.9	77.4	112.5	142.9	49.1	45.4	27.1
Quebec	226.0	309.5	414.9	525.0	37.0	34.0	26.5
Ontario	504.9	716.4	915.1	1,098.9	41.9	27.7	20.1
Western provinces and Territories	602.0	771.4	920.8	1,071.0	28.1	19.4	16.3
Subscribers to internet by cable / homes with access to internet by cable	%						
Atlantic provinces	11.0	14.0	18.1	21.0	26.8	29.9	16.1
Quebec	9.6	12.5	15.4	18.8	29.4	23.6	21.6
Ontario	14.2	18.7	22.8	26.2	32.0	21.7	15.1
Western provinces and Territories	20.3	24.1	27.3	30.7	18.8	13.0	12.7
Digital television subscribers							
000							
Subscribers to digital cable	808.4	1,150.1	1,382.4	1,843.5	42.3	20.2	33.4
Subscribers to digital satellite and MDS	1,609.2	2,018.6	2,205.2	2,324.6	25.4	9.2	5.4
Total subscribers to digital services	2,417.6	3,168.7	3,587.6	4,168.1	31.1	13.2	16.2
Digital television penetration							
%							
Digitization rate	25.6	32.9	36.7	42.0	28.5	11.6	14.4

1. The statistics for the 2001 to 2003 period have been restated to be comparable to 2004 statistics.

2. 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.

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

Table 1. Cable television, financial and operating data, Canada, 2001-2004

	2001		2002		2003		2004	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Subscriptions (direct and indirect)	3,672,262,704	95.1	3,953,378,960	94.8	4,237,560,706	94.9	4,536,713,135	94.6
Connection (installation and re-connect)	54,096,866	1.4	62,733,744	1.5	48,699,067	1.1	33,647,033	0.7
Community channel sponsorship	3,256,864	0.1	4,623,884	0.1	4,981,942	0.1	5,651,455	0.1
Other revenue	131,516,082	3.4	147,478,580	3.5	173,856,464	3.9	218,390,536	4.6
Operating revenue - Total	3,861,132,512	100.0	4,168,215,169	100.0	4,465,098,189	100.0	4,794,402,166	100.0
Expenses:								
Programming (basic tier)	75,061,780	1.9	83,919,276	2.0	80,569,556	1.8	85,025,237	1.8
Affiliation payments	918,877,151	23.8	949,725,614	22.8	1,000,583,032	22.4	1,075,151,798	22.4
Technical services	615,376,888	15.9	609,718,428	14.6	670,025,369	15.0	754,251,812	15.7
Sales and promotion	163,463,050	4.2	175,853,115	4.2	170,229,346	3.8	218,705,739	4.6
Administration and general	597,128,623	15.5	654,452,643	15.7	702,325,353	15.7	584,205,787	12.2
Depreciation	868,445,245	22.5	1,004,751,558	24.1	1,043,240,137	23.4	966,441,963	20.2
Operating expenses - Total	3,238,352,749	83.9	3,478,420,628	83.5	3,666,972,802	82.1	3,683,782,334	76.8
Profit before interest and taxes	622,779,774	16.1	689,794,535	16.5	798,125,384	17.9	1,110,619,827	23.2
Interest expense	594,919,918	15.4	582,541,268	14.0	458,741,969	10.3	478,027,787	10.0
Salaries and other staff benefits	625,631,595	16.2	631,376,452	15.1	612,510,609	13.7	656,899,071	13.7
Number of employees (weekly average)	12,570	...	12,065	...	11,375	...	12,518	...
Number of subscribers (basic services)	7,847,918	...	7,625,409	...	7,576,862	...	7,607,485	...
Households served by cable - Total	11,078,704	...	11,396,127	...	11,718,534	...	11,937,053	...
Households in licensed area - Total	11,229,512	...	11,592,054	...	11,898,106	...	12,122,334	...

Table 2. Wireless broadcasting distribution undertakings¹, financial and operating data, Canada, 2001-2004

	2001		2002		2003		2004	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Subscriptions (direct and indirect)	655,443,180	96.5	922,989,225	97.5	1,160,891,620	96.4	1,327,523,689	98.0
Connection (installation and re-connect)	999,922	0.1	157,414	0.0	47,244	0.0	34,243	0.0
Community channel sponsorship	136,296	0.0	80,399	0.0	0	0.0	203	0.0
Other revenue	22,815,930	3.4	23,523,587	2.5	42,696,067	3.5	27,121,306	2.0
Operating revenue - Total	679,395,327	100.0	946,750,626	100.0	1,203,634,931	100.0	1,354,679,440	100.0
Expenses:								
Programming (basic tier)	634,054	0.1	89,291	0.0	74,573	0.0	75,980	0.0
Affiliation payments	340,833,970	50.2	426,725,098	45.1	517,514,789	43.0	523,906,592	38.7
Technical services	190,703,363	28.1	206,389,292	21.8	206,910,157	17.2	252,351,744	18.6
Sales and promotion	249,844,379	36.8	229,826,641	24.3	279,820,491	23.2	325,639,663	24.0
Administration and general	125,133,106	18.4	170,092,007	18.0	181,670,014	15.1	201,315,446	14.9
Depreciation	82,636,062	12.2	159,553,991	16.9	127,761,833	10.6	144,243,593	10.6
Operating expenses - Total	989,784,932	145.7	1,192,676,320	126.0	1,313,751,855	109.1	1,447,533,018	106.9
Profit before interest and taxes	-310,389,605	-45.7	-245,925,693	-26.0	-110,116,925	-9.1	-92,853,578	-6.9
Interest expense	30,351,938	4.5	31,342,747	3.3	42,225,119	3.5	42,041,673	3.1
Salaries and other staff benefits	100,878,462	14.8	112,434,246	11.9	104,718,226	8.7	111,127,386	8.2
Number of employees (weekly average)	2,100	...	2,237	...	2,213	...	2,843	...
Number of subscribers (basic services)	1,609,203	...	2,018,571	...	2,205,197	...	2,324,608	...

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 provinces¹, 2001-2004

	2001		2002		2003		2004	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Subscriptions (direct and indirect)	263,456,877	95.6	279,851,531	93.0	309,021,336	90.5	339,535,889	89.8
Connection (installation and re-connect)	3,454,444	1.3	3,143,098	1.0	3,242,680	0.9	2,678,494	0.7
Community channel sponsorship	333,242	0.1	361,179	0.1	629,744	0.2	481,195	0.1
Other revenue	8,374,723	3.0	17,689,539	5.9	28,489,750	8.3	35,514,692	9.4
Operating revenue - Total	275,619,285	100.0	301,045,340	100.0	341,383,509	100.0	378,210,275	100.0
Expenses:								
Programming (basic tier)	5,609,815	2.0	6,174,295	2.1	6,203,928	1.8	7,632,961	2.0
Affiliation payments	59,121,862	21.5	61,796,440	20.5	77,472,542	22.7	83,309,879	22.0
Technical services	42,814,807	15.5	38,297,876	12.7	42,569,973	12.5	45,245,997	12.0
Sales and promotion	10,402,522	3.8	8,972,526	3.0	12,062,408	3.5	15,260,672	4.0
Administration and general	55,518,991	20.1	43,548,296	14.5	47,181,010	13.8	47,278,999	12.5
Depreciation	57,169,278	20.7	74,714,194	24.8	81,667,252	23.9	90,490,415	23.9
Operating expenses - Total	230,637,283	83.7	233,503,628	77.6	267,157,120	78.3	289,218,924	76.5
Profit before interest and taxes	44,982,007	16.3	67,541,706	22.4	74,226,392	21.7	88,991,352	23.5
Interest expense	59,066,319	21.4	66,545,986	22.1	57,181,690	16.7	62,507,114	16.5
Salaries and other staff benefits	46,938,445	17.0	40,022,738	13.3	43,724,179	12.8	45,933,233	12.1
Number of employees (weekly average)	1,298	...	1,322	...	1,287	...	1,126	...
Number of subscribers (basic services)	574,208	...	546,092	...	542,241	...	541,068	...
Households served by cable - Total ²	828,568	...	835,611	...	843,529	...	852,720	...
Households in licensed area - Total ²	846,172	...	855,129	...	860,977	...	869,972	...

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, Québec¹, 2001-2004

	2001		2002		2003		2004	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Subscriptions (direct and indirect)	716,621,966	92.3	705,224,798	92.6	685,507,540	93.3	710,297,674	92.1
Connection (installation and re-connect)	15,120,378	1.9	14,524,202	1.9	11,450,757	1.6	4,540,426	0.6
Community channel sponsorship	952,841	0.1	924,920	0.1	844,659	0.1	1,142,334	0.1
Other revenue	43,786,935	5.6	40,855,166	5.4	36,686,055	5.0	55,468,688	7.2
Operating revenue - Total	776,482,123	100.0	761,529,092	100.0	734,489,014	100.0	771,449,119	100.0
Expenses:								
Programming (basic tier)	17,658,906	2.3	17,219,352	2.3	17,239,745	2.3	17,489,942	2.3
Affiliation payments	206,981,366	26.7	212,002,212	27.8	213,157,612	29.0	220,636,482	28.6
Technical services	137,680,495	17.7	126,496,872	16.6	128,794,377	17.5	175,870,001	22.8
Sales and promotion	31,189,841	4.0	29,972,335	3.9	21,042,722	2.9	30,869,441	4.0
Administration and general	128,928,900	16.6	130,245,005	17.1	136,941,230	18.6	66,880,727	8.7
Depreciation	122,674,195	15.8	130,086,410	17.1	128,704,544	17.5	113,054,458	14.7
Operating expenses - Total	645,113,704	83.1	646,022,185	84.8	645,880,231	87.9	624,801,053	81.0
Profit before interest and taxes	131,368,419	16.9	115,506,907	15.2	88,608,783	12.1	146,648,065	19.0
Interest expense	127,299,849	16.4	95,268,452	12.5	79,986,733	10.9	57,647,318	7.5
Salaries and other staff benefits	174,322,261	22.5	148,032,555	19.4	137,792,936	18.8	162,909,601	21.1
Number of employees (weekly average)	2,983	...	2,374	...	2,503	...	2,886	...
Number of subscribers (basic services)	1,929,748	...	1,827,617	...	1,796,578	...	1,817,976	...
Households served by cable - Total	2,981,569	...	3,029,994	...	3,072,834	...	3,114,690	...
Households in licensed area - Total	3,006,732	...	3,070,289	...	3,114,376	...	3,160,959	...

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, Ontario¹, 2001-2004

	2001		2002		2003		2004	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Subscriptions (direct and indirect)	1,482,241,117	95.8	1,619,166,634	95.8	1,779,139,497	95.2	1,950,535,054	95.1
Connection (installation and re-connect)	21,032,379	1.4	21,061,839	1.2	15,741,458	0.8	9,537,782	0.5
Community channel sponsorship	1,500,681	0.1	2,099,747	0.1	2,648,398	0.1	3,540,479	0.2
Other revenue	42,123,990	2.7	48,458,885	2.9	70,484,206	3.8	87,682,887	4.3
Operating revenue - Total	1,546,898,166	100.0	1,690,787,108	100.0	1,868,013,572	100.0	2,051,296,207	100.0
Expenses:								
Programming (basic tier)	26,174,967	1.7	32,072,965	1.9	32,627,258	1.7	36,339,233	1.8
Affiliation payments	337,930,479	21.8	366,923,309	21.7	408,168,534	21.9	450,073,057	21.9
Technical services	251,175,069	16.2	253,789,712	15.0	305,239,755	16.3	325,624,239	15.9
Sales and promotion	72,811,063	4.7	86,273,375	5.1	102,502,135	5.5	133,447,274	6.5
Administration and general	225,589,933	14.6	248,863,009	14.7	285,157,194	15.3	262,616,999	12.8
Depreciation	390,439,554	25.2	444,758,757	26.3	472,885,958	25.3	445,633,576	21.7
Operating expenses - Total	1,304,121,063	84.3	1,432,681,121	84.7	1,606,580,838	86.0	1,653,734,374	80.6
Profit before interest and taxes	242,777,103	15.7	258,105,986	15.3	261,432,729	14.0	397,561,828	19.4
Interest expense	210,454,335	13.6	186,872,060	11.1	224,681,697	12.0	253,315,404	12.3
Salaries and other staff benefits	222,374,467	14.4	218,751,691	12.9	226,262,074	12.1	236,583,183	11.5
Number of employees (weekly average)	4,172	...	3,493	...	3,495	...	4,153	...
Number of subscribers (basic services)	2,981,763	...	2,932,583	...	2,908,384	...	2,893,470	...
Households served by cable - Total	3,934,295	...	4,077,237	...	4,210,654	...	4,308,261	...
Households in licensed area - Total	3,985,314	...	4,135,998	...	4,268,499	...	4,366,100	...

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 provinces¹, 2001-2004

	2001		2002		2003		2004	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Subscriptions (direct and indirect)	1,199,733,144	95.9	1,339,614,025	95.5	1,454,419,524	96.4	1,525,088,554	96.5
Connection (installation and re-connect)	14,303,280	1.1	23,752,490	1.7	17,983,965	1.2	16,608,954	1.1
Community channel sponsorship	159,865	0.0	804,784	0.1	298,922	0.0	132,323	0.0
Other revenue	36,520,057	2.9	38,981,785	2.8	36,156,508	2.4	38,110,782	2.4
Operating revenue - Total	1,250,716,343	100.0	1,403,153,084	100.0	1,508,858,916	100.0	1,579,940,614	100.0
Expenses:								
Programming (basic tier)	25,465,548	2.0	28,328,402	2.0	24,381,756	1.6	23,512,486	1.5
Affiliation payments	312,744,760	25.0	307,098,450	21.9	299,604,713	19.9	318,834,006	20.2
Technical services	181,991,105	14.6	189,365,947	13.5	191,836,971	12.7	205,924,479	13.0
Sales and promotion	48,929,326	3.9	50,569,353	3.6	34,566,070	2.3	39,079,460	2.5
Administration and general	182,294,566	14.6	227,421,174	16.2	228,034,338	15.1	203,503,316	12.9
Depreciation	296,750,933	23.7	354,118,256	25.2	358,772,133	23.8	316,063,154	20.0
Operating expenses - Total	1,048,176,239	83.8	1,156,901,583	82.5	1,137,195,978	75.4	1,106,916,900	70.1
Profit before interest and taxes	202,540,108	16.2	246,251,502	17.5	371,662,937	24.6	473,023,714	29.9
Interest expense	197,741,595	15.8	233,683,955	16.7	96,631,931	6.4	104,364,916	6.6
Salaries and other staff benefits	179,726,982	14.4	222,218,073	15.8	202,667,676	13.4	208,982,082	13.2
Number of employees (weekly average)	4,074	...	4,832	...	4,053	...	4,317	...
Number of subscribers (basic services)	2,347,990	...	2,304,852	...	2,316,037	...	2,341,213	...
Households served by cable - Total	3,308,597	...	3,427,672	...	3,566,242	...	3,636,453	...
Households in licensed area - Total	3,364,186	...	3,504,200	...	3,628,800	...	3,700,234	...

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 Yukon¹, 2001-2004

	2001		2002		2003		2004	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Subscriptions (direct and indirect)	10,209,600	89.4	9,521,972	81.4	9,472,809	76.7	11,255,964	83.3
Connection (installation and re-connect)	186,385	1.6	252,115	2.2	280,207	2.3	281,377	2.1
Community channel sponsorship	310,235	2.7	433,254	3.7	560,219	4.5	355,124	2.6
Other revenue	710,377	6.2	1,493,205	12.8	2,039,945	16.5	1,613,487	11.9
Operating revenue - Total	11,416,595^f	100.0	11,700,545^f	100.0	12,353,178^f	100.0	13,505,951	100.0
Expenses:								
Programming (basic tier)	152,544	1.3	124,262	1.1	116,869	0.9	50,615	0.4
Affiliation payments	2,098,684	18.4	1,905,203	16.3	2,179,631	17.6	2,298,374	17.0
Technical services	1,715,412	15.0	1,768,021	15.1	1,584,293	12.8	1,587,096	11.8
Sales and promotion	130,298	1.1	65,526	0.6	56,011	0.5	48,892	0.4
Administration and general	4,796,233	42.0	4,375,159	37.4	5,011,581	40.6	3,925,746	29.1
Depreciation	1,411,285	12.4	1,073,941	9.2	1,210,250	9.8	1,200,360	8.9
Operating expenses - Total	10,304,460^f	90.3	9,312,111	79.6	10,158,635	82.2	9,111,083	67.5
Profit before interest and taxes	1,112,137^f	9.7	2,388,434^f	20.4	2,194,543^f	17.8	4,394,868	32.5
Interest expense	357,820	3.1	170,815	1.5	259,918	2.1	193,035	1.4
Salaries and other staff benefits	2,269,440	19.9	2,351,395	20.1	2,063,744	16.7	2,490,972	18.4
Number of employees (weekly average)	43	...	44	...	37	...	36	...
Number of subscribers (basic services)	14,209	...	14,265	...	13,622	...	13,758	...
Households served by cable - Total	25,675	...	25,613	...	25,275	...	24,929	...
Households in licensed area - Total	27,108	...	26,438	...	25,454	...	25,069	...

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

Note: Totals may not add due to rounding.