



# Service Bulletin

## Broadcasting and Telecommunications

Science, Innovation and Electronic Information Division

Vol. 37, no. 2

December 2007

Frequency: Irregular / ISSN 1492-4455

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### Cable, satellite and multipoint distribution systems, 2006

The statistics presented in this bulletin are for the year ending on August 31 and for the period from 2003 to 2006. The following text contains references to previous periods when it is useful to set the industry's performance in a historical context.

#### Nearly one million cable telephony subscribers

As of August 31, 2006, little more than a year after the cable industry's largest companies entered the telephony market<sup>1</sup>, the industry had 927,463 subscribed clients. This is a quantum leap of 338%, compared to a year earlier when there were 211,683 subscribers.

During this time, the industry continued to expand its network, and the number of potential customers for telephony services nearly doubled, jumping from 4.3 million in 2005 to 8.4 million in 2006.

The industry's ability to quickly attract clients to its telephony services was impressive, compared with other services launched over the past ten years. For example, it took the providers of satellite television services nearly three years to connect 967,118 clients. As with cable operators today, they had to carve out a place for themselves at the expense of long-standing and well-established companies in a mature market.

Likewise, it took cable operators over four years to connect a comparable number of clients to their high-speed Internet services. However, this case involved a new service; the challenge was to secure a niche within a fast-growing market.

This significant breakthrough of cable operators into the telephony market—especially the residential sector—marked the success of a strategy aimed at ensuring the industry's growth by diversifying the services offered. The strategy

1. Prior to 2005, only certain homes in selected Atlantic regions could subscribe to telephone services through their local cable operator.

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involved establishing client loyalty and increasing revenue per subscriber; a massive investment in new technologies was necessary to bring networks up to date.

The key component of the strategy was, unquestionably, the launch of high-speed Internet 10 years ago. Today, this service is still a major factor in the growth of the industry.

### **Canadian homes and businesses continue to connect to cable Internet in large numbers**

The client pool for Internet services is not expanding as quickly as before, but high-speed Internet remains a fast-growing market for cable operators. The number of cable Internet subscribers reached 4.0 million by the end of August 2006—a 17.2% jump from the previous year. This was, however, a slightly smaller increase than those of 19.1% in 2005 and 20.1% in 2004.

Today, half of cable television subscribers also subscribe to Internet services. One home in three with the option to subscribe chose to do so.

Across the country, however, high-speed cable Internet subscriptions vary considerably from one region to the next. In Quebec, 27.5% of households with the possibility of subscribing did so, compared with 36.5% in the western provinces.

The high-speed Internet services market has been highly competitive since the beginning. This is particularly true in the residential market, in which cable operators and traditional telecommunications carriers are in a heated battle. The latest statistics from the CRTC<sup>2</sup> indicate that the cable operators are still leading the way with a 54.2% market share of subscribers in 2006. This share has changed very little since 2004.

### **Renewed momentum in the cable television market**

Cable operators saw the number of subscribers to their traditional television service increase to 7.8 million on August 31, 2006, up 2.2% from 2005. This was the strongest yearly increase since 1994 when growth was at 2.3%.

This is also the third consecutive year in which the number of basic service clients has climbed after having decreased in each of the four preceding years. During this sluggish period when competition with satellite television was at its fiercest, the industry lost nearly 450,000 clients. The industry still has not matched its historic peak of 8.0 million clients reached in 1999.

This recovery is most apparent in Quebec (+ 4.6%) and in Ontario (+ 2.1%). Elsewhere in the country, the situation has not changed significantly compared to the previous year.

### **Cable becoming increasingly digital**

The gradual switch to digital technology is also a significant innovation for the industry. This technology provides more channels—some of which are available only to customers with digital decoders—as well as new services such as video on demand and high-definition television. These new services allow the industry to stay competitive while generating new revenue.

While the number of subscribers to cable television (all technologies included) increased by a relatively modest 2.2% in 2006, subscriptions to digital cable soared from 2.3 million in 2005 to 2.8 million in 2006.

The growing popularity of high-definition flat screen televisions played a role in this performance and will most likely accelerate the transition toward digital cable over the next few years. Furthermore, the service is now available in the vast majority (96.3%) of homes with cable.

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2. CRTC Report to the Governor in Council, Status of Competition in Canadian Telecommunication Markets, July 2007.

As a result, the penetration of digital cable is rapidly improving: on August 31, 2006, 35.7% of cable television subscribers had chosen digital technology; on August 31, 2000, it was less than 5%.

The strong combined growth of digital cable, telephony, and Internet access services is evident in the industry's financial performance. The industry has seen both its revenues and profits grow significantly.

### **Fast-growing revenue**

The addition of numerous clients in these three main niches led to a 15.9% leap in the industry's subscription revenue, which went from 5.1 billion dollars in 2005 to 5.9 billion in 2006. Two thirds of the additional 800 million dollars in revenue came from non-traditional services, mainly Internet access provision and telephony.

Internet access provision yielded 1.7 billion dollars in revenue in 2006, a 19.9% increase from 2005, while telephony generated revenues of 267.8 million in 2006—five times more than in 2005.

Subscription revenues from television services increased by 7.5% and settled at 3.9 billion dollars. They represented 65.7% of total subscription revenues in 2006, in contrast to 70.8% in 2005 and 92.1% in 2000. This is one of the most obvious indicators of the impact of innovations by the industry in recent years as well as the restructuring that has followed.

One of the objectives of cable operators has been to increase revenue per subscriber. This objective has, without a doubt, been reached. In 2006, the average subscriber brought \$793.33 to the industry—12.8% more than in 2005 and 58.6% more than in 2001.

### **Rising profits but a declining profit margin**

In 2006, cable operators made 1.5 billion dollars in profits before interest and taxes, an increase

of 11.6% from the previous year. This represents a profit of 24.1 cents for each dollar of revenue in 2006, slightly less than 24.9 cents per dollar a year earlier.

This modest drop in the profit margin is mostly due to the 61.1% jump in sales and promotion expenditures that went from 235.9 million dollars in 2005 to 380.1 million in 2006. The significant increase is the result of the fight for a share of the telephony market and the promotion of multi-service packages. In Quebec, these expenditures tripled from one year to the next.

### **Satellite television gains some ground and becomes profitable**

During this time, the number of subscribers of wireless competitors—mainly satellite television service provider—reached 2.6 million in 2006, up 5.5% from 2005.

The market share of the industry's wireless segment also increased, rising from 24.7% in 2005 to 25.3% in 2006. Revenues rose by 17.5% to reach 1.7 billion dollars.

For the second straight year, wireless competitors made modest profits before interest and taxes. They reached 37.0 million dollars in 2006, slightly less than the 44.0 million reached in 2005. This represents a turnaround for this segment of the industry considering that it suffered losses before interest and taxes every year from its debut in 1997 to 2004. However, when interest charges are considered, the segment remains in deficit.

### **New companies in the market**

Competition in the subscription television market went up a notch with the emergence of new companies during the past few years. With digital technology, some telephone companies offer television services via telephone lines. This service attracted 112,762 clients as of August 31, 2006—31,504 more than the 81,258 subscribers in 2005<sup>3</sup>. The majority of these clients are located in several large cities in Western Canada.

3. These subscribers are not included in the totals of this industry. Telephone service companies offering these services are classified in category 5171—**Wired Telecommunications Carriers**—of the North American Industry Classification System (NAICS 2002). The statistics presented here refer to category 5175—**Cable and Other Program Distribution**.

## 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 except for those classified in other industries. 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. Volume 37, no.2 of this publication presents statistics for the telecommunications industry. Television industry statistics are available in catalogue number 56-207-XWE/F and Radio industry statistics are available in catalogue number 56-208-XWE/F.

## 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. Revisions in previous years affected less than 1% of the key variables, such as total revenues, salaries and benefits, as well as the number of subscribers. However in the previous

issue of this publication, the statistics for the cable industry in Quebec were revised from 2000 to 2004 to make them consistent with those reported for 2005. These revisions stemmed from a change in accounting for non-programming activities. This change allowed for the inclusion of activities that had previously been excluded and for a better comparison of data by province (or region).

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](mailto: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 <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 <i>Statistics Act</i>
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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**Table 1 Cable, satellite and multipoint distribution systems, selected national and regional market and performance indicators, 2003 to 2006**

	2003	2004	2005	2006	2003 to 2004	2004 to 2005	2005 to 2006
<b>Subscribers by type of supplier</b>	thousands				% change		
Subscribers to programming services	9,779.4	9,935.5	10,105.6	10,410.5	1.6	1.7	3.0
Clients of cable operators	7,574.2	7,610.6	7,614.1	7,781.9	0.5	0.0	2.2
Clients of wireless operators	2,205.2	2,324.9	2,491.5	2,628.7	5.4	7.2	5.5
<b>Market share by type of supplier</b>	percentage						
Cable operators' share	77.5	76.6	75.3	74.7	-1.1	-1.6	-0.8
Wireless operators' share	22.5	23.4	24.7	25.3	3.8	5.4	2.4
<b>Cable penetration by community size</b>	thousands						
<b>Subscribers to basic cable services</b>							
Large-size communities <sup>1</sup>	5,626.0	5,669.6	5,664.5	..	0.8	-0.1	..
Small and medium-size communities <sup>2</sup>	1,948.2	1,941.0	1,949.6	..	-0.4	0.4	..
<b>Total</b>	<b>7,574.2</b>	<b>7,610.6</b>	<b>7,614.1</b>	<b>7,781.9</b>	<b>0.5</b>	<b>0.0</b>	<b>2.2</b>
<b>Homes with access to basic cable services <sup>3</sup></b>							
Large-size communities <sup>1</sup>	8,367.4	8,558.8	8,720.8	..	2.3	1.9	..
Small and medium-size communities <sup>2</sup>	3,327.3	3,349.4	3,392.3	..	0.7	1.3	..
<b>Total</b>	<b>11,694.6</b>	<b>11,908.2</b>	<b>12,113.2</b>	<b>12,427.3</b>	<b>1.8</b>	<b>1.7</b>	<b>2.6</b>
<b>Penetration rate</b>	percentage						
Large-size communities <sup>1</sup>	67.2	66.2	65.0	..	-1.5	-1.9	..
Small and medium-size communities <sup>2</sup>	58.6	58.0	57.5	..	-1.0	-0.8	..
<b>Total</b>	<b>64.8</b>	<b>63.9</b>	<b>62.9</b>	<b>62.6</b>	<b>-1.3</b>	<b>-1.6</b>	<b>-0.4</b>
<b>Cable penetration by region</b>	thousands						
<b>Subscribers to basic cable services</b>							
Atlantic provinces	542.2	541.2	535.2	533.3	-0.2	-1.1	-0.3
Quebec	1,793.5	1,816.8	1,839.4	1,924.9	1.3	1.2	4.6
Ontario	2,908.4	2,893.5	2,863.3	2,922.6	-0.5	-1.0	2.1
Western provinces	2,316.2	2,345.1	2,362.2	2,386.9	1.2	0.7	1.0
Territories	13.9	14.1	14.1	14.1	1.0	0.0	0.2
<b>Homes with access to basic cable services <sup>3</sup></b>							
Atlantic provinces	843.5	848.4	849.6	850.6	0.6	0.1	0.1
Quebec	3,043.5	3,080.7	3,130.2	3,185.0	1.2	1.6	1.8
Ontario	4,210.7	4,308.3	4,346.9	4,527.1	2.3	0.9	4.1
Western provinces	3,571.0	3,645.2	3,761.0	3,839.2	2.1	3.2	2.1
Territories	26.0	25.7	25.5	25.4	-1.3	-0.8	-0.2
<b>Penetration rate</b>	percentage						
Atlantic provinces	64.3	63.8	63.0	62.7	-0.8	-1.3	-0.5
Quebec	58.9	59.0	58.8	60.4	0.1	-0.4	2.8
Ontario	69.1	67.2	65.9	64.6	-2.8	-1.9	-2.0
Western provinces	64.9	64.3	62.8	62.2	-0.8	-2.4	-1.0
Territories	53.5	54.7	55.2	55.4	2.3	0.8	0.4

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. These statistics are not always comparable from year-to-year. Cable operators conduct occasional audits that lead to revisions and it is not always possible to make adjustments back in time.

**Table 1 Cable, satellite and multipoint distribution systems, selected national and regional market and performance indicators, 2003 to 2006 (continued)**

	2003	2004	2005	2006	2003 to 2004	2004 to 2005	2005 to 2006
<b>Internet by cable deployment by community size<sup>1</sup></b>	thousands				% change		
<b>Homes with access to Internet by cable<sup>2</sup></b>							
Large-size communities <sup>3</sup>	8,190.4	8,433.9	8,679.8	..	3.0	2.9	..
Small and medium-size communities <sup>4</sup>	2,495.5	2,690.4	2,838.1	..	7.8	5.5	..
<b>Total</b>	<b>10,685.9</b>	<b>11,124.2</b>	<b>11,517.9</b>	<b>11,917.4</b>	<b>4.1</b>	<b>3.5</b>	<b>3.5</b>
<b>Homes with access to Internet by cable / homes with access to cable</b>	percentage						
Large-size communities <sup>3</sup>	97.9	98.5	99.5	..	0.7	1.0	..
Small and medium-size communities <sup>4</sup>	75.0	80.3	83.7	..	7.1	4.2	..
<b>Total</b>	<b>91.4</b>	<b>93.4</b>	<b>95.1</b>	<b>95.9</b>	<b>2.2</b>	<b>1.8</b>	<b>0.9</b>
<b>Internet by cable adoption by community size</b>	thousands						
<b>Subscribers to Internet by cable</b>							
Large-size communities <sup>3</sup>	1,962.5	2,333.1	2,762.8	..	18.9	18.4	..
Small and medium-size communities <sup>4</sup>	400.8	505.7	618.0	..	26.2	22.2	..
<b>Total</b>	<b>2,363.2</b>	<b>2,838.8</b>	<b>3,380.8</b>	<b>3,962.9</b>	<b>20.1</b>	<b>19.1</b>	<b>17.2</b>
<b>Subscribers to Internet by cable / homes with access to Internet by cable</b>	percentage						
Large-size communities <sup>3</sup>	24.0	27.7	31.8	..	15.5	15.1	..
Small and medium-size communities <sup>4</sup>	16.1	18.8	21.8	..	17.1	15.8	..
<b>Total</b>	<b>22.1</b>	<b>25.5</b>	<b>29.4</b>	<b>33.3</b>	<b>15.4</b>	<b>15.0</b>	<b>13.3</b>
<b>Internet by cable deployment by region</b>	thousands						
<b>Homes with access to Internet by cable<sup>2</sup></b>							
Atlantic provinces	615.6	655.5	662.6	687.4	6.5	1.1	3.7
Quebec	2,679.4	2,784.6	2,992.2	3,085.1	3.9	7.5	3.1
Ontario	4,016.0	4,191.1	4,244.9	4,439.0	4.4	1.3	4.6
Western provinces and Territories	3,374.9	3,492.9	3,618.1	3,705.8	3.5	3.6	2.4
<b>Homes with access to Internet by cable / homes with access to cable</b>	percentage						
Atlantic provinces	73.0	77.3	78.0	80.8	5.9	0.9	3.6
Quebec	88.0	90.4	95.6	96.9	2.7	5.8	1.3
Ontario	95.4	97.3	97.7	98.1	2.0	0.4	0.4
Western provinces and Territories	94.5	95.8	96.2	96.5	1.4	0.4	0.3
<b>Internet by cable adoption by region</b>	thousands						
<b>Subscribers to Internet by cable</b>							
Atlantic provinces	112.4	142.9	180.2	205.9	27.1	26.1	14.3
Quebec	414.9	525.0	648.8	849.9	26.5	23.6	31.0
Ontario	915.1	1,098.9	1,330.6	1,553.1	20.1	21.1	16.7
Western provinces and Territories	920.8	1,072.1	1,221.3	1,354.0	16.4	13.9	10.9
<b>Subscribers to Internet by cable / homes with access to Internet by cable</b>	percentage						
Atlantic provinces	18.3	21.8	27.2	29.9	19.4	24.7	10.1
Quebec	15.5	18.9	21.7	27.5	21.7	15.0	27.1
Ontario	22.8	26.2	31.3	35.0	15.1	19.6	11.6
Western provinces and Territories	27.3	30.7	33.8	36.5	12.5	10.0	8.2

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

2. These statistics are not always comparable from year-to-year. Cable operators conduct occasional audits that lead to revisions and it is not always possible to make adjustments back in time.

3. 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.

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

**Table 1 Cable, satellite and multipoint distribution systems, selected national and regional market and performance indicators, 2003 to 2006 (concluded)**

	2003	2004	2005	2006	2003 to 2004	2004 to 2005	2005 to 2006
<b>Digital television subscribers</b>	thousands				% change		
Subscribers to digital cable	1,403.9	1,810.5	2,283.1	2,775.7	29.0	26.1	21.6
Subscribers to digital satellite and MDS	2,205.2	2,324.9	2,491.5	2,628.7	5.4	7.2	5.5
<b>Total subscribers to digital services</b>	<b>3,609.1</b>	<b>4,135.4</b>	<b>4,774.6</b>	<b>5,404.4</b>	<b>14.6</b>	<b>15.5</b>	<b>13.2</b>
<b>Digital television penetration</b>	percentage						
Digitization rate	36.9	41.6	47.2	51.9	12.8	13.5	9.9
<b>Financial performance by type of supplier</b>	millions of dollars						
<b>Revenues</b>							
Cable operators	4,615.4	4,995.8	5,355.8	6,173.6	8.2	7.2	15.3
Wireless operators	1,203.6	1,354.7	1,470.4	1,727.9	12.5	8.5	17.5
<b>Profit (loss) before interest and taxes</b>							
Cable operators	862.1	1,198.1	1,335.7	1,490.4	39.0	11.5	11.6
Wireless operators	-110.1	-92.9	44.0	37.0	15.7	147.4	-15.9
<b>Profit margin</b>	percentage						
Cable operators	18.7	24.0	24.9	24.1			
Wireless operators	-9.1	-6.9	3.0	2.1			

**Table 2 Cable television, financial and operating data, Canada<sup>1</sup>, 2003 to 2006**

	2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%
<b>Revenue:</b>								
Subscriptions (direct and indirect)	4,386,716,905	95.0	4,736,409,756	94.8	5,102,473,161	95.3	5,911,382,944	95.8
Connection (installation and re-connect)	48,847,847	1.1	33,659,528	0.7	24,188,384	0.5	41,588,980	0.7
Community channel sponsorship	5,004,821	0.1	5,645,323	0.1	6,011,935	0.1	5,160,736	0.1
Other revenue	174,837,693	3.8	220,087,611	4.4	223,157,125	4.2	215,417,775	3.5
<b>Operating revenue - Total</b>	<b>4,615,407,277</b>	<b>100.0</b>	<b>4,995,802,223</b>	<b>100.0</b>	<b>5,355,830,604</b>	<b>100.0</b>	<b>6,173,550,437</b>	<b>100.0</b>
<b>Expenses:</b>								
Programming (basic tier)	80,612,419	1.7	85,034,690	1.7	94,841,625	1.8	121,905,977	2.0
Affiliation payments	1,000,856,952	21.7	1,075,752,737	21.5	1,114,343,129	20.8	1,271,007,830	20.6
Technical services	694,382,465	15.0	786,000,821	15.7	835,460,083	15.6	906,554,383	14.7
Sales and promotion	180,690,567	3.9	232,397,328	4.7	235,917,548	4.4	380,082,392	6.2
Administration and general	720,476,892	15.6	608,900,334	12.2	733,699,503	13.7	838,734,520	13.6
Depreciation	1,076,270,410	23.3	1,009,596,048	20.2	1,005,908,246	18.8	1,164,849,914	18.9
<b>Operating expenses - Total</b>	<b>3,753,289,714</b>	<b>81.3</b>	<b>3,797,681,956</b>	<b>76.0</b>	<b>4,020,170,137</b>	<b>75.1</b>	<b>4,683,135,020</b>	<b>75.9</b>
<b>Profit before interest and taxes</b>	<b>862,117,561</b>	<b>18.7</b>	<b>1,198,120,263</b>	<b>24.0</b>	<b>1,335,660,470</b>	<b>24.9</b>	<b>1,490,415,418</b>	<b>24.1</b>
Interest expense	466,236,259	10.1	487,826,455	9.8	418,717,450	7.8	594,187,443	9.6
<b>Expenses - Total</b>	<b>4,219,525,973</b>	<b>91.4</b>	<b>4,285,508,411</b>	<b>85.8</b>	<b>4,438,887,587</b>	<b>82.9</b>	<b>5,277,322,463</b>	<b>85.5</b>
Net operating income	395,881,304	8.6	710,293,812	14.2	916,943,017	17.1	896,227,974	14.5
Salaries and other staff benefits	612,983,867	13.3	657,402,221	13.2	730,086,278	13.6	933,838,925	15.1
Number of employees (weekly average)	11,287	...	12,414	...	14,102	...	16,491	...
Number of subscribers (basic services)	7,574,187	...	7,610,615	...	7,614,116	...	7,781,855	...
Households served by cable <sup>2</sup>	11,694,647	...	11,908,168	...	12,113,153	...	12,427,255	...
Households in licensed area <sup>2</sup>	11,879,558	...	12,075,924	...	12,288,550	...	12,571,044	...

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

2. These statistics are not always comparable from year-to-year. Cable operators conduct occasional audits that lead to revisions and it is not always possible to make adjustments back in time.

**Table 3 Wireless broadcasting distribution undertakings<sup>1</sup>, financial and operating data, Canada, 2003 to 2006**

	2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%
<b>Revenue:</b>								
Subscriptions (direct and indirect)	1,160,891,620	96.4	1,327,510,098	98.0	1,439,062,201	97.9	1,650,312,719	95.5
Connection (installation and re-connect)	47,244	0.0	34,243	0.0	76,741	0.0	281,554	0.0
Community channel sponsorship	0	0.0	203	0.0	46,084	0.0	46,084	0.0
Other revenue	42,696,067	3.5	27,112,107	2.0	31,221,876	2.1	77,306,828	4.5
<b>Operating revenue - Total</b>	<b>1,203,634,931</b>	<b>100.0</b>	<b>1,354,656,650</b>	<b>100.0</b>	<b>1,470,406,902</b>	<b>100.0</b>	<b>1,727,947,183</b>	<b>100.0</b>
<b>Expenses:</b>								
Programming (basic tier)	74,573	0.0	75,980	0.0	3,457	0.0	12,170	0.0
Affiliation payments	517,514,789	43.0	523,924,430	38.7	548,112,690	37.3	620,380,965	35.9
Technical services	206,910,157	17.2	252,299,375	18.6	264,537,990	18.0	311,557,001	18.0
Sales and promotion	279,820,491	23.2	325,639,429	24.0	338,946,994	23.1	262,783,489	15.2
Administration and general	181,670,014	15.1	201,356,249	14.9	119,282,435	8.1	140,858,494	8.2
Depreciation	127,761,833	10.6	144,224,616	10.6	155,485,815	10.6	355,313,931	20.6
<b>Operating expenses - Total</b>	<b>1,313,751,855</b>	<b>109.1</b>	<b>1,447,520,079</b>	<b>106.9</b>	<b>1,426,369,381</b>	<b>97.0</b>	<b>1,690,906,049</b>	<b>97.9</b>
<b>Profit before interest and taxes</b>	<b>-110,116,925</b>	<b>-9.1</b>	<b>-92,863,429</b>	<b>-6.9</b>	<b>44,037,522</b>	<b>3.0</b>	<b>37,041,133</b>	<b>2.1</b>
Interest expense	42,225,119	3.5	42,041,822	3.1	47,005,700	3.2	44,646,232	2.6
<b>Expenses - Total</b>	<b>1,355,976,974</b>	<b>112.7</b>	<b>1,489,561,901</b>	<b>110.0</b>	<b>1,473,375,081</b>	<b>100.2</b>	<b>1,735,552,281</b>	<b>100.4</b>
Net operating income	-152,342,043	-12.7	-134,905,251	-10.0	-2,968,179	-0.2	-7,605,098	-0.4
Salaries and other staff benefits	104,718,226	8.7	111,121,049	8.2	137,400,827	9.3	138,148,426	8.0
Number of employees (weekly average)	2,213	...	2,842	...	2,878	...	2,813	...
Number of subscribers (basic services)	2,205,197	...	2,324,930	...	2,491,494	...	2,628,674	...

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

Note: Totals may not add due to rounding.

**Table 4 Cable television, financial and operating data, Atlantic provinces<sup>1</sup>, 2003 to 2006**

	2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%
<b>Revenue:</b>								
Subscriptions (direct and indirect)	309,021,336	90.5	343,149,972	89.9	382,057,007	91.1	417,184,432	92.2
Connection (installation and re-connect)	3,242,680	0.9	2,684,588	0.7	934,746	0.2	1,568,259	0.3
Community channel sponsorship	629,744	0.2	474,262	0.1	507,275	0.1	480,021	0.1
Other revenue	28,489,750	8.3	35,505,221	9.3	36,068,659	8.6	33,276,929	7.4
<b>Operating revenue - Total</b>	<b>341,383,509</b>	<b>100.0</b>	<b>381,814,047</b>	<b>100.0</b>	<b>419,567,687</b>	<b>100.0</b>	<b>452,509,643</b>	<b>100.0</b>
<b>Expenses:</b>								
Programming (basic tier)	6,203,928	1.8	7,632,961	2.0	7,456,346	1.8	8,224,060	1.8
Affiliation payments	77,472,542	22.7	83,358,143	21.8	87,320,279	20.8	101,155,526	22.4
Technical services	42,569,973	12.5	45,209,645	11.8	56,403,847	13.4	62,753,542	13.9
Sales and promotion	12,062,408	3.5	15,260,672	4.0	18,735,659	4.5	30,967,185	6.8
Administration and general	47,181,010	13.8	47,255,262	12.4	57,152,192	13.6	55,709,294	12.3
Depreciation	81,667,252	23.9	90,477,254	23.7	91,037,812	21.7	96,969,230	21.4
<b>Operating expenses - Total</b>	<b>267,157,120</b>	<b>78.3</b>	<b>289,193,938</b>	<b>75.7</b>	<b>318,106,134</b>	<b>75.8</b>	<b>355,778,837</b>	<b>78.6</b>
<b>Profit before interest and taxes</b>	<b>74,226,392</b>	<b>21.7</b>	<b>92,620,110</b>	<b>24.3</b>	<b>101,461,551</b>	<b>24.2</b>	<b>96,730,807</b>	<b>21.4</b>
Interest expense	57,181,690	16.7	62,515,880	16.4	81,979,587	19.5	56,566,085	12.5
<b>Expenses - Total</b>	<b>324,338,810</b>	<b>95.0</b>	<b>351,709,818</b>	<b>92.1</b>	<b>400,085,721</b>	<b>95.4</b>	<b>412,344,922</b>	<b>91.1</b>
Net operating income	17,044,699	5.0	30,104,229	7.9	19,481,966	4.6	40,164,721	8.9
Salaries and other staff benefits	43,724,179	12.8	45,922,664	12.0	51,988,494	12.4	64,377,273	14.2
Number of employees (weekly average)	1,287	...	1,127	...	1,208	...	1,245	...
Number of subscribers (basic services)	542,241	...	541,206	...	535,176	...	533,321	...
Households served by cable <sup>2</sup>	843,529	...	848,374	...	849,591	...	850,560	...
Households in licensed area <sup>2</sup>	860,977	...	865,984	...	867,507	...	867,805	...

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

2. These statistics are not always comparable from year-to-year. Cable operators conduct occasional audits that lead to revisions and it is not always possible to make adjustments back in time.

Note: Totals may not add due to rounding.

**Table 5 Cable television, financial and operating data, Québec<sup>1</sup>, 2003 to 2006**

	2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%
<b>Revenue:</b>								
Subscriptions (direct and indirect)	833,950,246	94.4	904,409,159	93.6	1,011,971,671	94.2	1,295,292,186	94.3
Connection (installation and re-connect)	11,448,107	1.3	4,540,426	0.5	7,759,956	0.7	13,938,331	1.0
Community channel sponsorship	844,659	0.1	1,142,334	0.1	1,359,242	0.1	518,800	0.0
Other revenue	36,725,045	4.2	56,409,056	5.8	52,935,913	4.9	63,497,456	4.6
<b>Operating revenue - Total <sup>2</sup></b>	<b>882,968,060</b>	<b>100.0</b>	<b>966,500,970</b>	<b>100.0</b>	<b>1,074,026,784</b>	<b>100.0</b>	<b>1,373,246,774</b>	<b>100.0</b>
<b>Expenses:</b>								
Programming (basic tier)	17,239,745	2.0	17,489,942	1.8	19,293,788	1.8	41,201,690	3.0
Affiliation payments	213,205,681	24.1	220,636,482	22.8	221,857,778	20.7	263,757,630	19.2
Technical services	152,768,237	17.3	206,922,656	21.4	231,746,314	21.6	253,272,200	18.4
Sales and promotion	31,415,428	3.6	44,454,977	4.6	34,329,941	3.2	109,999,774	8.0
Administration and general	154,720,507	17.5	90,169,321	9.3	122,202,837	11.4	178,512,251	13.0
Depreciation	161,323,537	18.3	155,751,857	16.1	144,936,465	13.5	215,129,046	15.7
<b>Operating expenses - Total</b>	<b>730,673,136</b>	<b>82.8</b>	<b>735,425,237</b>	<b>76.1</b>	<b>774,367,124</b>	<b>72.1</b>	<b>1,061,872,591</b>	<b>77.3</b>
<b>Profit before interest and taxes</b>	<b>152,294,925</b>	<b>17.2</b>	<b>231,075,732</b>	<b>23.9</b>	<b>299,659,664</b>	<b>27.9</b>	<b>311,374,183</b>	<b>22.7</b>
Interest expense	87,395,433	9.9	67,351,272	7.0	43,652,650	4.1	70,615,249	5.1
<b>Expenses - Total</b>	<b>818,068,569</b>	<b>92.6</b>	<b>802,776,509</b>	<b>83.1</b>	<b>818,019,774</b>	<b>76.2</b>	<b>1,132,487,840</b>	<b>82.5</b>
Net operating income	64,899,491	7.4	163,724,461	16.9	256,007,010	23.8	240,758,934	17.5
Salaries and other staff benefits	137,792,936	15.6	162,909,601	16.9	169,321,179	15.8	249,938,243	18.2
Number of employees (weekly average)	2,503	...	2,886	...	3,028	...	4,381	...
Number of subscribers (basic services)	1,793,458	...	1,816,810	...	1,839,442	...	1,924,914	...
Households served by cable <sup>3</sup>	3,043,467	...	3,080,668	...	3,130,157	...	3,185,046	...
Households in licensed area <sup>3</sup>	3,089,698	...	3,121,323	...	3,169,315	...	3,211,379	...

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

2. The increase in revenues, expenses and employment from 2005 to 2006 is in part due to the inclusion of activities previously accounted for in another industry. The shift of activities from one industry to another is the result of a merger of entities.

3. These statistics are not always comparable from year-to-year. Cable operators conduct occasional audits that lead to revisions and it is not always possible to make adjustments back in time.

Note: Totals may not add due to rounding.

**Table 6 Cable television, financial and operating data, Ontario<sup>1</sup>, 2003 to 2006**

	2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%
<b>Revenue:</b>								
Subscriptions (direct and indirect)	1,779,538,333	95.2	1,952,301,771	95.1	2,061,896,251	94.9	2,343,548,250	96.1
Connection (installation and re-connect)	15,890,182	0.9	9,542,737	0.5	11,236,140	0.5	11,851,030	0.5
Community channel sponsorship	2,648,289	0.1	3,541,302	0.2	3,954,480	0.2	3,844,142	0.2
Other revenue	71,344,477	3.8	88,449,566	4.3	96,215,836	4.4	80,321,047	3.3
<b>Operating revenue - Total</b>	<b>1,869,421,295</b>	<b>100.0</b>	<b>2,053,835,382</b>	<b>100.0</b>	<b>2,173,302,706</b>	<b>100.0</b>	<b>2,439,564,470</b>	<b>100.0</b>
<b>Expenses:</b>								
Programming (basic tier)	32,634,040	1.7	36,348,825	1.8	38,953,281	1.8	42,415,110	1.7
Affiliation payments	408,328,674	21.8	450,301,554	21.9	458,742,907	21.1	532,808,330	21.8
Technical services	305,509,195	16.3	325,994,033	15.9	344,594,211	15.9	328,442,385	13.5
Sales and promotion	102,584,780	5.5	133,536,874	6.5	136,542,059	6.3	189,585,353	7.8
Administration and general	285,366,479	15.3	262,930,051	12.8	313,155,842	14.4	358,941,037	14.7
Depreciation	473,220,335	25.3	446,042,321	21.7	463,165,808	21.3	576,029,385	23.6
<b>Operating expenses - Total</b>	<b>1,607,643,507</b>	<b>86.0</b>	<b>1,655,153,653</b>	<b>80.6</b>	<b>1,755,154,112</b>	<b>80.8</b>	<b>2,028,221,601</b>	<b>83.1</b>
<b>Profit before interest and taxes</b>	<b>261,777,783</b>	<b>14.0</b>	<b>398,681,725</b>	<b>19.4</b>	<b>418,148,595</b>	<b>19.2</b>	<b>411,342,870</b>	<b>16.9</b>
Interest expense	224,715,607	12.0	253,357,099	12.3	215,383,730	9.9	289,789,895	11.9
<b>Expenses - Total</b>	<b>1,832,359,114</b>	<b>98.0</b>	<b>1,908,510,752</b>	<b>92.9</b>	<b>1,970,537,842</b>	<b>90.7</b>	<b>2,318,011,496</b>	<b>95.0</b>
Net operating income	37,062,181	2.0	145,324,630	7.1	202,764,864	9.3	121,552,974	5.0
Salaries and other staff benefits	226,653,622	12.1	237,068,702	11.5	269,331,445	12.4	319,982,512	13.1
Number of employees (weekly average)	3,498	...	4,156	...	4,803	...	4,880	...
Number of subscribers (basic services)	2,908,384	...	2,893,470	...	2,863,253	...	2,922,619	...
Households served by cable <sup>2</sup>	4,210,654	...	4,308,261	...	4,346,899	...	4,527,056	...
Households in licensed area <sup>2</sup>	4,268,499	...	4,366,100	...	4,416,467	...	4,576,101	...

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

2. These statistics are not always comparable from year-to-year. Cable operators conduct occasional audits that lead to revisions and it is not always possible to make adjustments back in time.

Note: Totals may not add due to rounding.

**Table 7 Cable television, financial and operating data, Western provinces<sup>1</sup>, 2003 to 2006**

	2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%
<b>Revenue:</b>								
Subscriptions (direct and indirect)	1,454,497,288	96.4	1,525,078,932	96.5	1,633,602,758	97.6	1,840,651,259	97.3
Connection (installation and re-connect)	17,986,011	1.2	16,608,825	1.1	4,025,256	0.2	13,892,490	0.7
Community channel sponsorship	321,910	0.0	132,301	0.0	125,679	0.0	216,173	0.0
Other revenue	36,238,476	2.4	38,110,281	2.4	36,721,701	2.2	37,062,890	2.0
<b>Operating revenue - Total</b>	<b>1,509,043,682</b>	<b>100.0</b>	<b>1,579,930,340</b>	<b>100.0</b>	<b>1,674,475,393</b>	<b>100.0</b>	<b>1,891,822,811</b>	<b>100.0</b>
<b>Expenses:</b>								
Programming (basic tier)	24,417,837	1.6	23,511,804	1.5	29,063,721	1.7	29,992,044	1.6
Affiliation payments	299,598,549	19.9	318,827,842	20.2	343,481,461	20.5	370,310,902	19.6
Technical services	191,860,861	12.7	205,924,479	13.0	200,847,824	12.0	260,673,611	13.8
Sales and promotion	34,571,940	2.3	39,079,141	2.5	46,236,056	2.8	47,870,367	2.5
Administration and general	228,130,318	15.1	203,499,485	12.9	234,773,819	14.0	240,109,916	12.7
Depreciation	358,782,304	23.8	316,063,154	20.0	305,239,761	18.2	275,087,791	14.5
<b>Operating expenses - Total</b>	<b>1,137,361,806</b>	<b>75.4</b>	<b>1,106,905,904</b>	<b>70.1</b>	<b>1,159,642,641</b>	<b>69.3</b>	<b>1,224,044,634</b>	<b>64.7</b>
<b>Profit before interest and taxes</b>	<b>371,681,875</b>	<b>24.6</b>	<b>473,024,436</b>	<b>29.9</b>	<b>514,832,752</b>	<b>30.7</b>	<b>667,778,176</b>	<b>35.3</b>
Interest expense	96,634,140	6.4	104,364,916	6.6	77,301,801	4.6	176,475,302	9.3
<b>Expenses - Total</b>	<b>1,233,995,946</b>	<b>81.8</b>	<b>1,211,270,820</b>	<b>76.7</b>	<b>1,236,944,442</b>	<b>73.9</b>	<b>1,400,519,936</b>	<b>74.0</b>
Net operating income	275,047,736	18.2	368,659,520	23.3	437,530,951	26.1	491,302,875	26.0
Salaries and other staff benefits	202,715,984	13.4	208,982,082	13.2	237,319,990	14.2	296,894,102	15.7
Number of employees (weekly average)	3,961	...	4,209	...	5,028	...	5,937	...
Number of subscribers (basic services)	2,316,179	...	2,345,068	...	2,362,183	...	2,386,911	...
Households served by cable <sup>2</sup>	3,570,967	...	3,645,181	...	3,761,021	...	3,839,165	...
Households in licensed area <sup>2</sup>	3,634,175	...	3,696,693	...	3,809,556	...	3,888,354	...

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

2. These statistics are not always comparable from year-to-year. Cable operators conduct occasional audits that lead to revisions and it is not always possible to make adjustments back in time.

Note: Totals may not add due to rounding.

**Table 8 Cable television, financial and operating data, Northwest Territories, Nunavut, and Yukon<sup>1</sup>, 2003 to 2006**

	2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%
<b>Revenue:</b>								
Subscriptions (direct and indirect)	9,709,702	77.1	11,469,922	83.6	12,945,474	89.5	14,706,817	89.6
Connection (installation and re-connect)	280,867	2.2	282,952	2.1	232,286	1.6	338,870	2.1
Community channel sponsorship	560,219	4.4	355,124	2.6	65,259	0.5	101,600	0.6
Other revenue	2,039,945	16.2	1,613,487	11.8	1,215,016	8.4	1,259,453	7.7
<b>Operating revenue - Total</b>	<b>12,590,731</b>	<b>100.0</b>	<b>13,721,484</b>	<b>100.0</b>	<b>14,458,034</b>	<b>100.0</b>	<b>16,406,739</b>	<b>100.0</b>
<b>Expenses:</b>								
Programming (basic tier)	116,869	0.9	51,158	0.4	74,489	0.5	73,073	0.4
Affiliation payments	2,251,506	17.9	2,628,716	19.2	2,940,704	20.3	2,975,442	18.1
Technical services	1,674,199	13.3	1,950,008	14.2	1,867,887	12.9	1,412,645	8.6
Sales and promotion	56,011	0.4	65,664	0.5	73,833	0.5	1,659,713	10.1
Administration and general	5,078,578	40.3	5,046,215	36.8	6,414,813	44.4	5,462,022	33.3
Depreciation	1,276,982	10.1	1,261,462	9.2	1,528,400	10.6	1,634,462	10.0
<b>Operating expenses - Total</b>	<b>10,454,145</b>	<b>83.0</b>	<b>11,003,224</b>	<b>80.2</b>	<b>12,900,126</b>	<b>89.2</b>	<b>13,217,357</b>	<b>80.6</b>
<b>Profit before interest and taxes</b>	<b>2,136,586</b>	<b>17.0</b>	<b>2,718,260</b>	<b>19.8</b>	<b>1,557,908</b>	<b>10.8</b>	<b>3,189,382</b>	<b>19.4</b>
Interest expense	309,389	2.5	237,288	1.7	399,682	2.8	740,912	4.5
<b>Expenses - Total</b>	<b>10,763,534</b>	<b>85.5</b>	<b>11,240,512</b>	<b>81.9</b>	<b>13,299,808</b>	<b>92.0</b>	<b>13,958,269</b>	<b>85.1</b>
Net operating income	1,827,197	14.5	2,480,972	18.1	1,158,226	8.0	2,448,470	14.9
Salaries and other staff benefits	2,097,146	16.7	2,519,172	18.4	2,125,170	14.7	2,646,795	16.1
Number of employees (weekly average)	38	...	37	...	36	...	48	...
Number of subscribers (basic services)	13,925	...	14,061	...	14,062	...	14,090	...
Households served by cable <sup>2</sup>	26,030	...	25,684	...	25,485	...	25,428	...
Households in licensed area <sup>2</sup>	26,209	...	25,824	...	25,705	...	27,405	...

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

2. These statistics are not always comparable from year-to-year. Cable operators conduct occasional audits that lead to revisions and it is not always possible to make adjustments back in time.

Note: Totals may not add due to rounding.