

Message from the President and CEO

A year of progress and renewal

The year 2001-2002 was one of progress and renewed vitality at CBC/Radio-Canada. We can be proud of our many accomplishments in support of the fundamental transformation of our programming, operations and management initiated less than two years ago.

As CBC/Radio-Canada prepares to celebrate 50 years of providing unique television programming for Canadians, it has never played a more important role as Canada's national public broadcaster. We live in a globalised, multi-platform world, where new radio, television, satellite and Internet services seem to spring up every day. Under a constant barrage of foreign images, sounds and media choices, Canadians need access to Canadian perspectives and voices. CBC/Radio-Canada delivers!

On September 11th, for example, our regular programming schedules were shelved so that our audiences could receive the latest information to try to digest the enormity of the situation. Together as a nation, we witnessed the mettle of CBC/Radio-Canada journalists and technicians who provided us with extraordinary service. On that unforgettable day, 16 million Canadians turned to our English and French Television services, and four million to our English and French Radio networks. Rarely has CBC/Radio-Canada's role been more evident.

The changes we have made over the past year have moved us much closer to achieving our overall objective – to clearly define CBC/Radio-Canada as *the source* for distinctive, high-quality Canadian programming found nowhere else in the broadcasting world.

... featuring programming changes ...

CBC/Radio-Canada is supporting change initiatives in all media to enhance its distinctiveness in the new competitive environment. We are reinforcing regional presence and reflection across all media lines. We are showcasing new talents, new voices and new faces. We are safeguarding our journalistic leadership with new public affairs and news programming. We continue to deliver a safe, educational and entertaining viewing environment for Canada's children and youth. Taking risks and confronting challenges, we are creating innovative Canadian content, while maintaining balanced programming.



... that are getting results ...

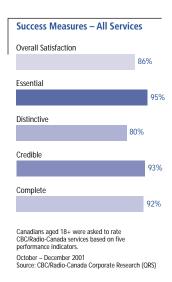
Our strategy for change is working. Canadians are showing that they appreciate the resulting quality and distinctiveness they find in CBC/Radio-Canada programming. More than four in five Canadians indicate they are satisfied or highly satisfied with the programming offered by any one of our Radio or Television services. Four in five Canadians believe we offer programs not available on other radio and television stations.

Those opinions are echoed by Canadians' usage of our services. In the Fall of 2001, CBC Radio One achieved its highest share in 10 years and the Première Chaîne marked its highest share since 1984. For the second consecutive year, English Television's audience share increased, particularly remarkable given the proliferation of specialty channels. As well, French Television continued to attract 20 per cent of all television viewing by Francophones in prime time. And, while the Internet universe grew by about 20 per cent over the past year, visitors to the *cbc.ca* and *radio-canada.ca* websites increased by twice that amount.

As Canadians cheered for our talented athletes at the Salt Lake City Winter Olympics in February 2002, they tuned into CBC/Radio-Canada in record-breaking numbers. An astounding 8.7 million Canadians viewed the entire men's final hockey game, while 10.5 million watched during the gold-medal awards presentation!

Proving yet again that Canadians will tune in for high-quality original Canadian programming, CBC/Radio-Canada celebrated its achievements in *Canada: A People's History / Le Canada: Une histoire populaire*, reaching an astounding 15 million Canadians. *Trudeau*, our four-hour dramatic series about one of Canada's most remarkable and controversial Prime Ministers, attracted an average of 1.9 million viewers. French Television will broadcast *Trudeau* in 2002-2003. *The Last Chapter / Le Dernier chapitre*, a six-hour dramatisation of the biker wars in Ontario and Quebec, was broadcast on both English and French Television networks and attracted just under one million viewers per episode. *Random Passage*, about early life in Newfoundland, maintained an average viewing audience of 1.2 million Canadians; its French equivalent, *Cap Random*, will be shown on French Television in 2002-2003. *Music Hall*, a moral fable about money, glory and creativity, attracted 1.5 million viewers in the Francophone market.

This is public broadcasting at its best!





and operational/management changes ...

To further build CBC/Radio-Canada's capacity to deliver distinctive, Canadian programming of the highest quality, our renewal work has also included significant change to our operations and management.

These changes were undertaken under six key priorities and are described in more detail in the Priorities section of this Annual Report:

- · Leverage assets to add value to our programming initiatives.
- · Deliver distinctive programming of the highest quality.
- Demonstrate that adequate funding coupled with efficiencies enhances CBC/Radio-Canada's value to Canadians.
- · Ensure the sustainability of our Canadian schedules.
- Develop alliances and partnerships to extend CBC/Radio-Canada's value to Canadians.
- Reinforce the capacity of CBC/Radio-Canada to work as one integrated conglomerate.

... that are making headway.

A clear vote of confidence in the fundamental changes we have been making came in May 2001 when the Government of Canada announced \$60 million in new funding for CBC/Radio-Canada for the current fiscal year. We are very pleased by the Government's subsequent announcement that this level of funding will be renewed for the upcoming fiscal year. This funding is being invested in programming improvements so that we may better serve Canadians.

But more remains to be done.

In March 2002, the Chair and I appeared before the Standing Committee on Canadian Heritage whose members are conducting a study on the current state of the Canadian broadcasting system. Our messages were clear.

- CBC/Radio-Canada's pivotal role in the Canadian broadcasting system must be
 reconfirmed and we must have the tools and flexibility to fulfil our mandate and
 properly serve the Canadian broadcasting system and the Canadian people.
- There must be a rebalancing of policy and funding instruments to provide greater support to broadcasters who have a genuine commitment to Canadian programming.
- The current year-by-year approval of CBC/Radio-Canada's budget should be replaced
 by a multi-year funding formula to provide the Corporation with greater certainty
 and flexibility in its operations. This is particularly relevant when one considers
 that it can take about three years for a television program to go from concept to
 on-air broadcast.

In the year ahead, CBC/Radio-Canada will continue renewal efforts, building on our core competencies to show Canadians that we deliver clear value for their investment.





On a personal note

For me personally, one of this year's highlights was the appointment of Carole Taylor as the Chair of CBC/Radio-Canada's Board of Directors in July 2001. Ms. Taylor brings 20 years of broadcasting experience and a solid understanding of both the public and private sectors. I strongly support Ms. Taylor's conviction that CBC/Radio-Canada must be preserved and strengthened in order to protect Canada's cultural sovereignty.

I also wish to extend my personal thanks to the Board of Directors. The Board's support and strategic guidance as we renew CBC/Radio-Canada is invaluable.

Sadly, we have lost some dear on-air friends this year – Peter Gzowski, Ernie Coombs, Maman Fonfon, Frank Shuster and Harry Brown. During their long careers, these people helped define the unique character of CBC/Radio-Canada and were part of our lives. They will be missed.

Special thanks to the entire CBC/Radio-Canada team

CBC/Radio-Canada would not be the important institution that it is without the dynamic contributions of people who work on-air and behind the scenes.

I want to extend my heartfelt thanks and congratulations to our talented and creative staff. Your dedication to excellence and to public broadcasting is the driving force behind all of the achievements and exciting changes we are making. Together, we are transforming CBC/Radio-Canada into an excellent national public broadcaster for the benefit of all Canadians, and a model for public broadcasting worldwide.

As President and CEO of CBC/Radio-Canada, I am often asked what this country's national broadcaster will look and sound like in five years. The best answer I can provide is distilled in one phrase: Canadian, and even more distinctive.



Robert Rabinovitch President and CEO