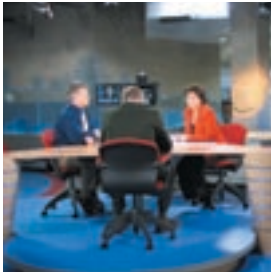
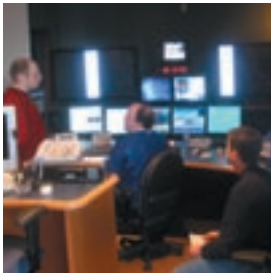


## Better Programming through New Technology and Efficiencies



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CBC/Radio-Canada aims to deliver excellent, distinctive Canadian programming through the most efficient technology available and in a fiscally responsible manner. Rising production costs and fierce media competition make stretching funds and finding savings and revenues more important than ever. In 2003-2004, we undertook a number of initiatives and changes to support our strategic priority – Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming. These initiatives, which we have made throughout the organisation, have lowered our costs, improved our flexibility and they are now resulting in better programming for Canadians. We are proving that efficient management and excellent programming are not mutually exclusive. In fact, we are showing that the link between these two is synonymous with the revitalised CBC/Radio-Canada.

### Real Estate

This year, we opened the doors on two very exciting and innovative projects. In downtown Edmonton and Québec City, we successfully brought all of our media services together under one roof for professional collaboration, synergies and sharing of technology, resources and content. These consolidation projects are essential to our strategy for producing more excellent programming for Canadians. Grouping our staff and providing them with the most modern technological tools available is enhancing our production capabilities. Coordinated use of editorial resources is improving our programs and journalism. Other benefits include the Corporation's strong integration into the community, as well as substantially reduced space requirements and costs, both of which will allow us to move ahead and become even more competitive. A similar consolidation project begun in Ottawa will be completed next year.

1. New CBC/Radio-Canada broadcasting centre in Québec City.

2. New CBC/Radio-Canada broadcasting centre in Edmonton.

Rising costs and shrinking budgets force us to make up for our yearly program-funding shortfall in different ways. Our Real Estate Division contributes to this effort by ensuring best industry practices in our Corporate operations, and by optimising our assets values. Since 2000, real estate initiatives have freed up considerable funds, of which approximately \$10.6 million is annually recurring. Our Real Estate Division will continue to look for ways to generate savings and revenues for re-investment in programming.

### Technology

CBC/Radio-Canada Technology works diligently to procure and maintain the best technology to support our broadcast activities. The Division also undertakes technological initiatives and projects in order to create efficiencies crucial to our operations. This year, CBC/Radio-Canada Transmission increased by more than \$1 million the revenue generated by renting space on our towers, sites and buildings to private broadcasters, cellphone companies and government services, selling shortwave transmission services, and providing technical maintenance services to other broadcasters. In addition, they reduced their operating costs by \$1.5 million. The Distribution Relay Optimization Project (DROP) generated savings of more than \$5 million for our English and French television networks by replacing terrestrial distribution circuits across the country with satellite feeds. Key IT processes were re-engineered for increased efficiency and effectiveness. There were also major evaluations for a newsroom system and new Desktop Radio and Desktop Television systems which facilitate program production and broadcasting, particularly for the new broadcasting centres in Edmonton, Québec City and Ottawa. The CRTC has granted CBC/Radio-Canada



licences for two digital television channels (one English and one French) in Toronto. Applications are currently pending for digital channels in Montréal (English and French), Québec City (French) and Vancouver (English).

Our Vision Project is a major undertaking of CBC/Radio-Canada Technology and our English and French Television networks to provide a single, integrated way to manage contracts and content, program inventory and schedules, broadcast and media management, marketing and sales, promotions, and air time analysis. The project entered a new phase this year involving intensive product testing, designing training materials, and launching Livelink, a web-based system for efficiently managing personal services contracts.

### Managing Our Information and Programming Assets

Better sharing of information and use of programming is the new standard for major media organisations around the world. Our goal is to give program makers access to the broadest range of content by optimising the gathering, sharing, repurposing, and distribution of this content across multiple platforms. CBC/Radio-Canada is the first major North American broadcaster to implement the new version of iNEWS, creating our internal newswire for the efficient sharing of research and stories that all of our media are covering. This software will be used to produce other efficiencies soon. In another content management area, we have been successful in expanding programming and revenue from our archives, and making advances in rights management to obtain and exploit rights for program content.

### New Mobile Division

This year the Corporation created a new Mobile Division to meet our internal production needs, reduce costs, adopt best practices, and take advantage of opportunities for cost-recovery through aggressive marketing and revenue generation. Broadcast Engineering is designing, acquiring and installing the equipment for a new High Definition Mobile that the Mobile Division will use for high-impact programming for our English and French television networks, creating efficiencies and generating revenue by marketing any unused capacity externally.

### Shared Services

Our new Shared Services Organisation (SSO) will help modernise our delivery of transactional and administrative services related to Human Resources, Information Technology and Finance and Administration. The SSO will standardise processes, leverage investments in leading-edge technology, and achieve economies of scale in transaction-intensive services. An Information Technology Service Centre providing IT help desk support was launched this year.

### Merchandising

Finally, beyond looking for efficiencies in the Corporation, we are also generating some additional revenues through our Merchandising Division. Created two years ago, it is already renegotiating key deals, establishing product development processes and opening new channels of distribution, including the New CBC Shop Online and the Toronto store, to generate revenue and achieve increased visibility, brand extension and partnerships.

