

PREMIER CABLEVISION LIMITED

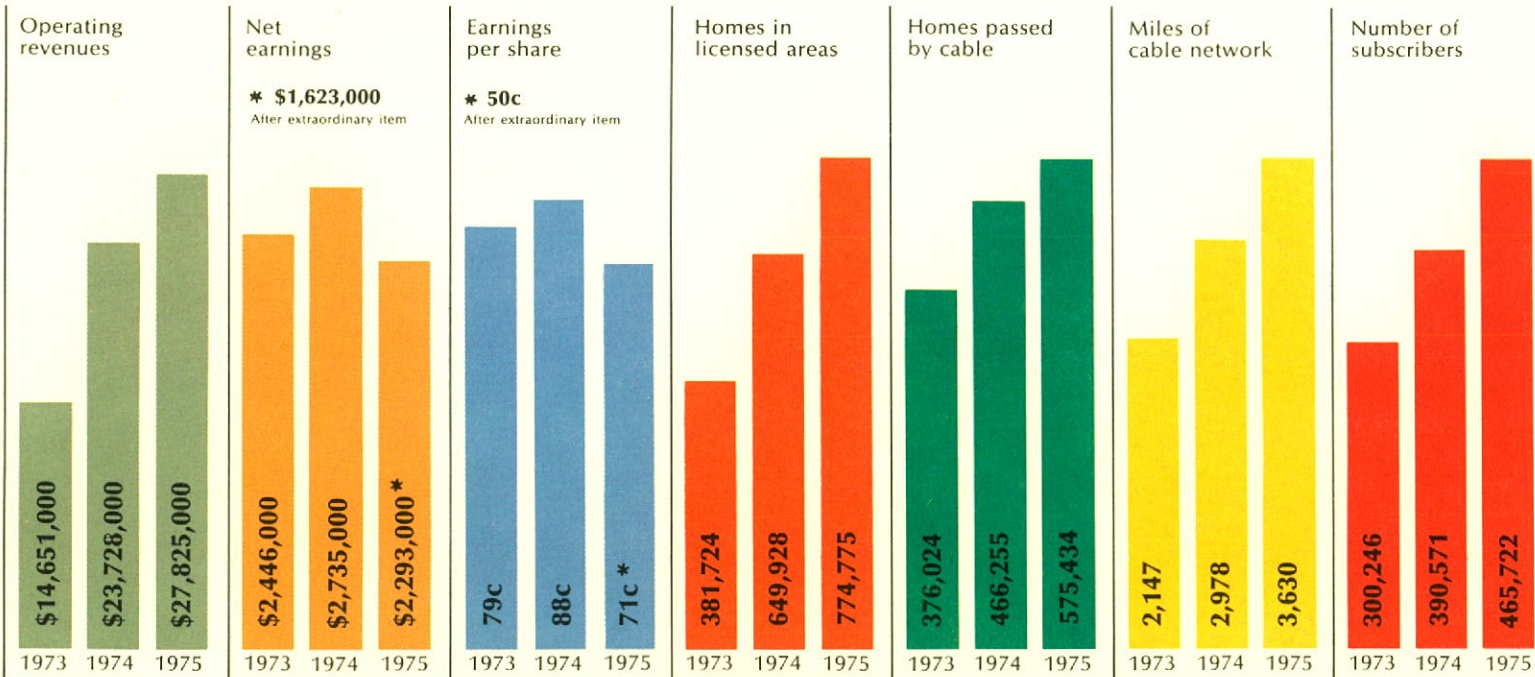
1975 REPORT



OUR COVER

It has been said that if cablevision goes off for two minutes, more people are likely to notice it than would notice an interruption of telephone service in two hours. Service is therefore a number one priority for Premier Cablevision companies. In addition to routine maintenance of cable, amplifiers and associated equipment, most cablevision systems are in a constant state of rebuilding and modernization. Our cover is a reminder of these facts. Altogether our cablevision subsidiaries employ 145 service vehicles, and we also use the services of outside contractors.

HIGHLIGHTS OF OPERATIONS





Sydney W. Welsh

Stuart H. Wallace

The fiscal year ending August 31, 1975, was a challenging yet difficult one. There is a modicum of comfort, however, in the knowledge that most of the adverse factors encountered this year will not recur. Consolidated operating revenues were up 17% over the previous year from \$23,728,000 to \$27,825,000. This positive feature, although moderate, will continue and should, in fact, improve.

During the past year, capital expenditures of your Company and its subsidiaries totalled \$10,192,000. This amount includes expenditures for normal expansion and development of our cable systems and for the purchase of: assets of Television Aerial Erectors Relays Ltd. (Dublin, Ireland), the cablevision operations of Ren-Tel Limited (Dublin, Ireland), approximately 90% of the shares of Keeble Cable Television Limited (Toronto, Ontario) and other minor investments.

Your Board of Directors has approved 1975/76 capital expenditures of \$7,000,000 for the cable systems operated by our Canadian subsidiaries and \$300,000 for our cable systems in Ireland. These capital expenditures will improve and expand our cable operations during the 1975/1976 fiscal year.

Basic revenues from our Canadian cable television operations have increased despite moderate subscriber growth. Part of the increased revenue results from rate increases effected in the latter half of our fiscal year for our four operating subsidiaries in

Eastern Canada. Applications have been filed with the Canadian Radio-Television Commission for rate increases for our systems in British Columbia. The current individual subscriber rate for Vancouver was established in 1960 and for Victoria in 1963. In view of this exceptionally long restraint, and recent escalating costs, we are seeking increases in rates to a level comparable to those established in other cable systems within the past year. Subscribers to our Canadian systems now total approximately 409,000 and the number of homes passed by our cables total approximately 498,000.

The integrated cable systems in Dublin and Waterford, Ireland, operated by Marlin Communal Aerials Limited, are improving. During the past fiscal year, these Irish systems experienced some growing pains, however, they have now reached a certain maturity where it is expected that they will be making operating profits in approximately twelve months.

In January of this year, your Company entered into a joint venture with Mr. Manfred Stuart regarding the refinishing of plastic housings for telephones. This joint venture has resulted in the incorporation of Stuart Plastics Ltd., 20% of which is owned by Manfred Stuart and 80% by Premier Cablevision Limited. Stuart Plastics Ltd. is, at this time, a pilot project only. This subsidiary presently employs twelve persons and refinishes more than 400 telephone housings per day.

During the past fiscal year, your Company wrote off development costs relating to closed circuit cablevision services in certain South Sea Islands. A joint venture for research-and-development was terminated and costs were written off. Development costs relating to pay TV services were also written off; however, we are actively pursuing the implementation of a hotel pay TV service in Vancouver. The effect of all these write-offs is \$115,000 on the net earnings of the Company.

During the past year, the cablevision system operated by Greenwich Cablevision Limited, a subsidiary of Albion Cablevision Limited, London, England, lost subscribers due to improved off-air signals, incurred operating losses and was denied a previously promised rate increase despite rising costs. For these reasons, your Directors have considered it prudent to provide for the write-down of the carrying value of this investment. This provision of \$670,000 is shown as an Extraordinary Item in the consolidated financial statements at August 31, 1975. Operating losses and injections of capital in the Greenwich operation will

be kept to a minimum while your Company actively pursues avenues of divestiture of this investment.

Welsh Communications Division showed an operating loss due to a continuing downturn in the Canadian economy, competition resulting in significant pressure on sales and profit margins, and the costs of carrying large inventories. This Division is in the process of a major reorganization. During the 1975/1976 fiscal year we anticipate reductions in inventory, additional revenues from new products and increased revenue from an intensification of sales efforts in certain promising areas, notably microwave equipment. By reason of the implementation of the reorganization and other changes, together with the difficulty in gauging the Government's anti-inflation program, we are not anticipating an operating profit in the Welsh Communications Division until late 1976.

These negative features have contributed to a reduction in net earnings. Consolidated net earnings, before extraordinary items, were down 16% over last year, from \$2,735,000 to \$2,293,000. This represents earnings from operations of 71c a share, compared to 88c last year (restated to reflect corporate surtax and other prior period charges); however, due to the Extraordinary Item of \$670,000, earnings of 71c a share are reduced to 50c a share.

In the language of economists, we believe that your Company has bottomed-out. Subject to unknowns resulting from the Government's anti-inflation program and regulatory restraints, we believe that there will be improvements in all subsidiaries and divisions during the fiscal year ending August 31, 1976.

At the end of the last fiscal year, our Canadian operations employed 426 persons and our overseas operations employed 95 persons. The total wages, salaries and benefits paid to these employees for the twelve months ended August 31, 1975 was \$6,131,000. Your Directors are most appreciative of the loyalty and support shown by our hard-working employees through a most difficult year.

On behalf of the Board.

Chairman

President

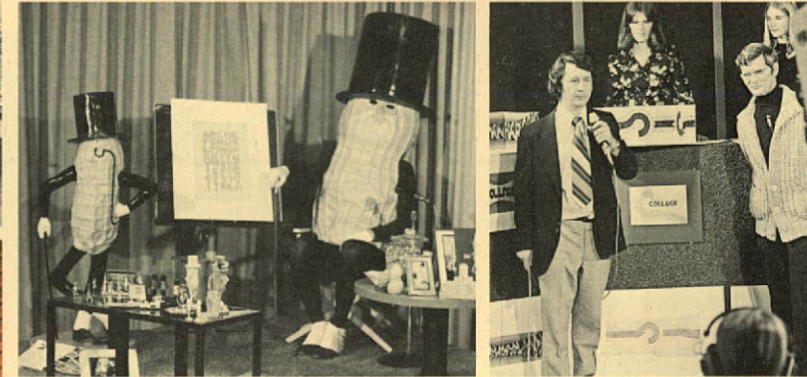
COMMUNITY PROGRAMMING

"From a black man with a housing problem to a painter who wants to change the world..." those were among actual examples quoted by the General Manager of Vancouver Cablevision to indicate the panoramic sweep of subjects that individuals from all walks of life ask us to present to our viewers. We have, limited only by available time and a need to maintain a balanced programming fare, put as many of them as possible in front of our cameras, in all subsidiaries with community channels.

In February, 1975, the Canadian Radio-Television Commission (CRTC) issued a Policy Statement on their expectations from cablevision community channels and asked for comments. Among other things they proposed that licensees "expend a minimum of 10% of their gross annual subscriber revenue for the annual operation of their community channel".

Our reply, in essence, was that the CRTC's goal should not be to achieve an arbitrary level of expenditure but to achieve an optimum level of community programming service, and that while it might cost 10% or even more to provide this for some smaller systems, it might cost much less on larger systems. We outlined for the Commission instead, a reporting system which would allow them to monitor and measure the progress of individual systems toward the achievement of its basic standards for community programming. We are hopeful that the Commission will give favourable consideration to our views when formulating its final regulations.

Meanwhile, during the year, and in line with the CRTC's intent, we continued to expand our involvement with individuals and groups across Canada.

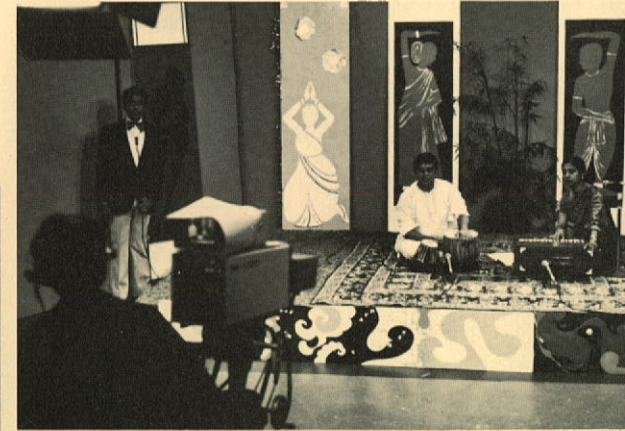
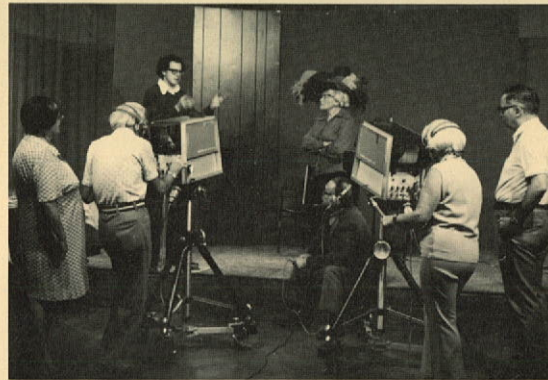


IN VICTORIA, the mayor of suburban Saanich became concerned about public apathy on civic issues and determined to do something about it. The result: a highly successful bi-monthly phone-in program with Council participating. Highlight of the year was a 7½-hour Easter Seal telethon which raised \$25,000 (against a goal of \$20,000) for crippled children.

IN VANCOUVER, in addition to many projects involving individual members of the public, we covered a controversial forum on sex education in schools, held a phone-in program to answer questions on the new landlord and tenant law, provided generous time to city and suburban civic election candidates and devoted hundreds of hours to ethnic programming.

IN OAKVILLE, Friday night youth takes over with a live disco, discussions, school news and just plain exuberance. Every Tuesday and Thursday the access groups use our facilities and on Wednesday the accent is on Canadiana for new Canadians.

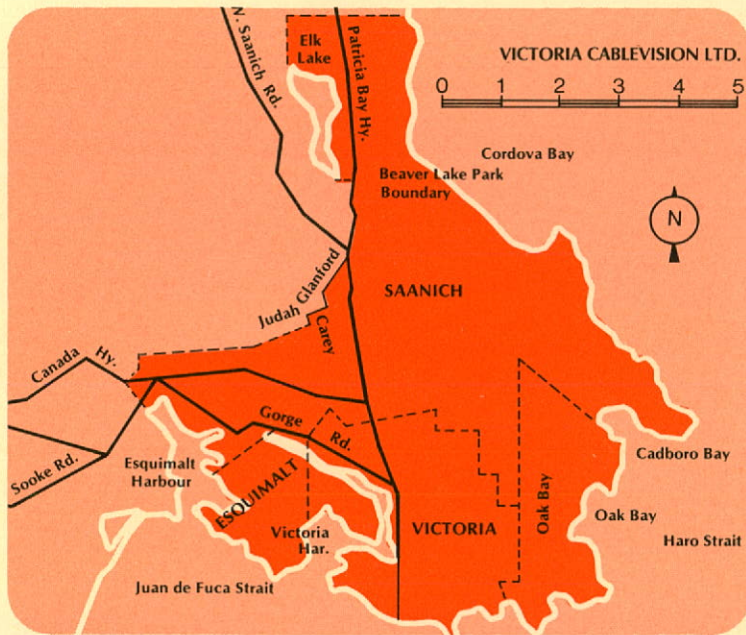
Helping groups to produce their own TV shows, broadcasting from a Council meeting, rehearsing a senior citizen's repertory theatre, turning the studio over to teenagers or exploring ethnic cultures within the community - it's all in a day's work for our community channel studios.



IN TORONTO, York Cablevision finds itself programming in seven languages with a broad range of variety, youth, educational, political and religious broadcasts. At Keeble Cable Television members of the community are trained in the operation of video equipment and many community programs have volunteers manning the equipment as well as performing on-air duties. During the daytime the channel is programmed by the local Board of Education. Now, with a new Vice-President of Programming for Premier, there will be increasing incentive to extend the range of programming ideas among our subsidiaries.



VICTORIA CABLEVISION LTD.



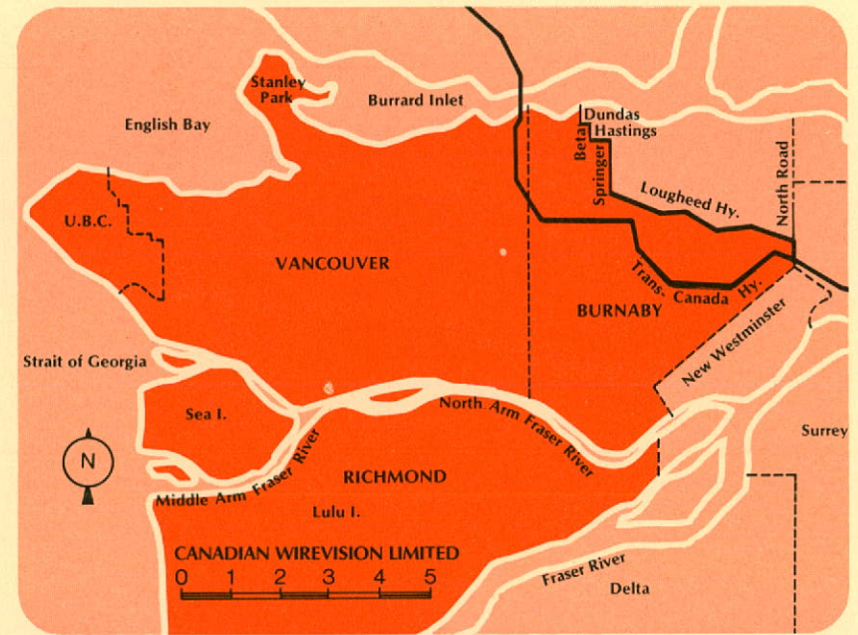
With 93 percent of the homes in the licensed area subscribing to cablevision, Victoria is probably the world's most completely cablevisioned city. Despite the appearance of absolute saturation for all practical purposes, growth continues, largely due to re-development of some single residential areas into apartments or condominiums. A total of 2,070 subscribers were added during the year for a gain of 3.5 percent, and presumably moderate growth will continue in the years ahead. This year the rebuilding of the Victoria system to modern standards of expanded channel capacity continued, and should be completed by the end of 1975. We are also completing installation of standby power capability. The Company has applied for a rate increase from \$4.50 to \$6.00. There has been no rate increase for this system since 1963.

1974	59,319	64,500*
1975	61,389	66,000

*Restated

Total Subscribers
 Total Homes Now in Area
 Potential for New Housing (a general indication only)

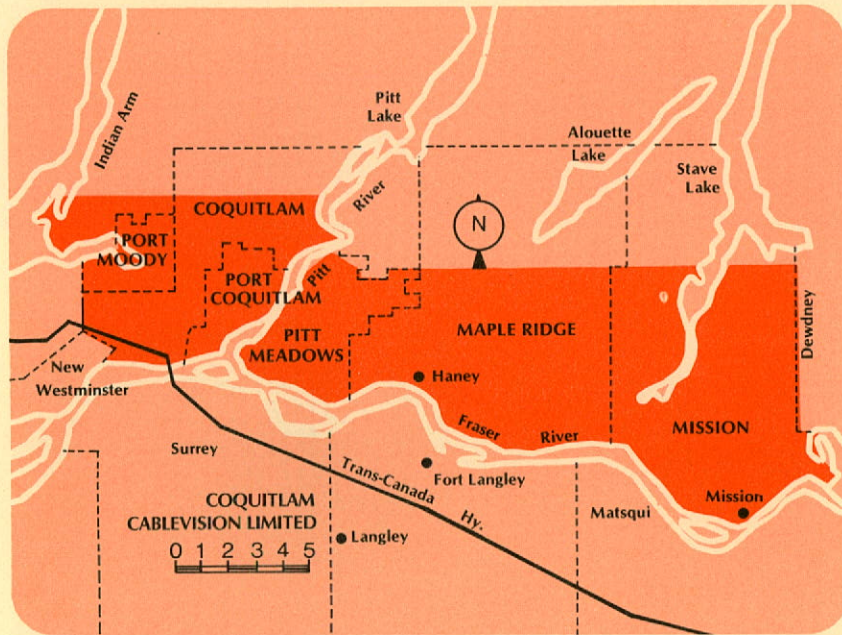
CANADIAN WIREVISION LIMITED



Vancouver Cablevision, as this subsidiary is popularly known, now serves a total of 201,189 subscribers in Vancouver and parts of Burnaby and Richmond. During the year, 12,850 subscribers were added, for an overall gain over last year of 6.8 percent. This is a drop from an 11.2 percent gain the previous year, which is largely due to the continuing slump in housing starts in the Greater Vancouver area. Work is proceeding with technical improvements to expand the channel capacity, and the installation of standby power units continues. This company has applied to the Canadian Radio-Television Commission for a rate increase from \$5.00 to \$6.00. There has been no increase in rates since 1960.

1974	188,339	228,000
1975	201,189	242,000

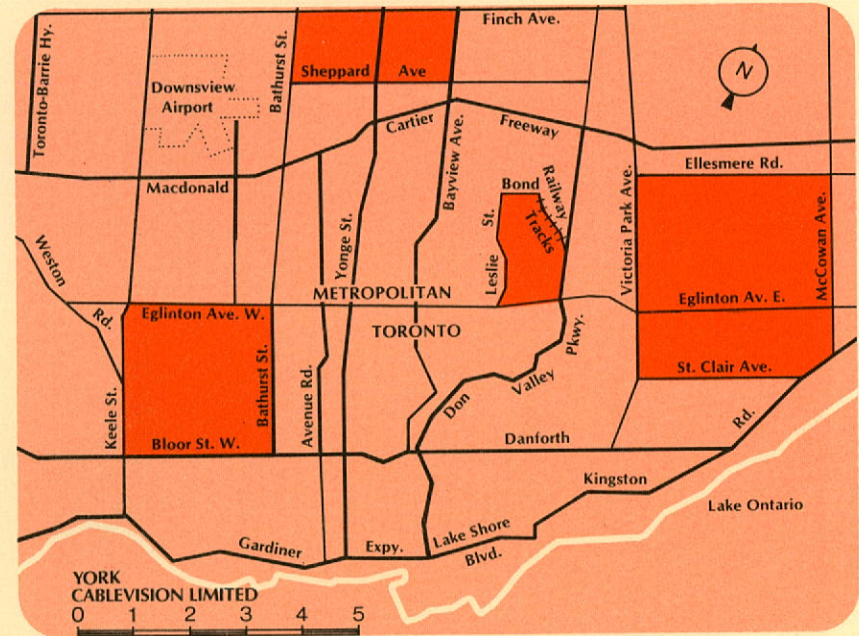
COQUITLAM CABLEVISION LIMITED



This 35-mile-wide licensed area in the eastern part of the Greater Vancouver region continues to grow at a healthy rate, although the slowdown in housing starts has cut the gain in new subscribers to 2,996 this year (10.2 percent), compared to 4,336 for the previous year. As the fiscal year closed we completed service to Mission City and are continuing new wiring in other sections of the licensed area. This, coupled with the natural growth of these Vancouver suburbs should result in a substantial increase in subscribers in the year ahead. Previously this system was operated from the offices of Vancouver Cablevision, however, we opened an operating office in Haney in June, to provide direct service to our subscribers. This system has applied to the CRTC for a rate increase from \$5.00 to \$6.00.

1974	29,259	40,000
1975	32,255	40,800

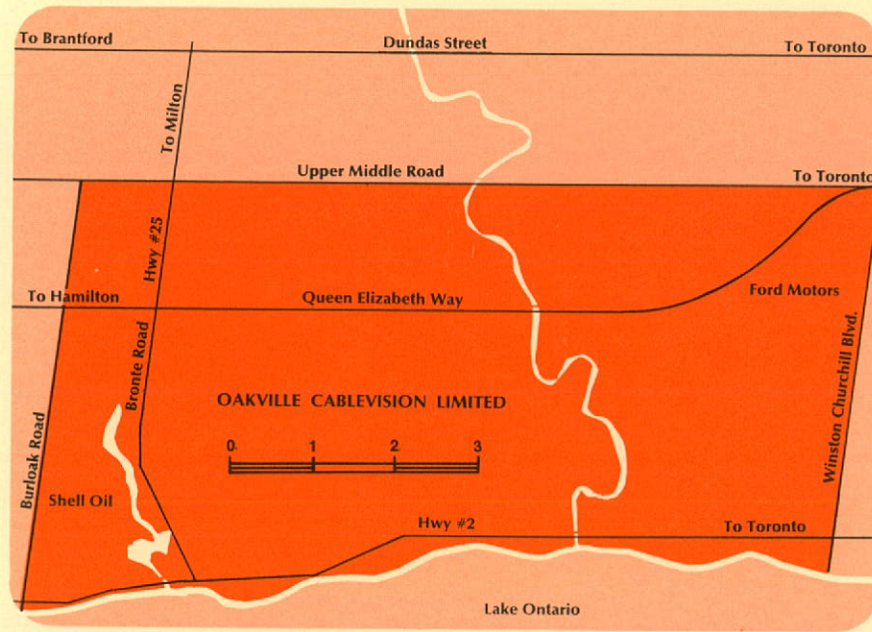
YORK CABLEVISION LIMITED



Although there are virtually no undeveloped sections of these Toronto licensed areas, there was a net gain of 5,272 subscribers during the year — up 9.1 percent over the previous year. In May, 1975, the company was granted a rate increase from \$4.50 per subscriber per month to \$6.00. During the year a new head-end system was researched and developed by York engineering staff, to maximize the use of existing equipment and help implement the distribution of six additional channels on the mid-band service. With the acquisition of Keeble Cable Television many of the administrative functions of Keeble and Oakville Cablevision were integrated into the York offices.

1974	57,682	87,820
1975	62,954	88,150

OAKVILLE CABLEVISION LIMITED

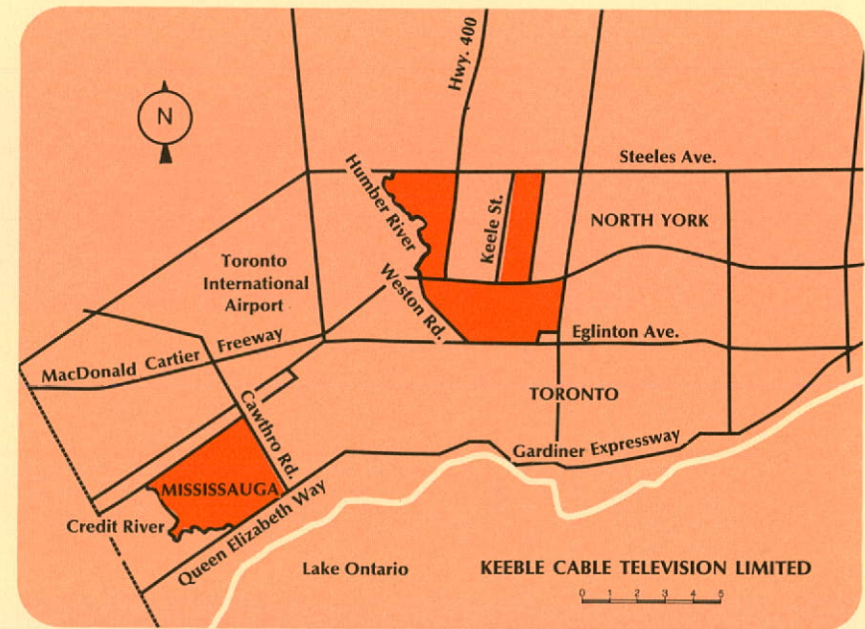


During the year this system added 890 subscribers for a net gain of 9.1 percent over 1974. Important improvements took place during the year which should result in renewed consumer interest in our services. The CRTC approved the use of microwave to bring in two American channels and this resulted in a 60 percent improvement in reception on these channels. In addition, like our sister York and Keeble systems, we introduced an expanded channel service this year. To increase efficiencies for our subscribers and ourselves we have integrated Keeble Cable Television's Mississauga subscribers with the Oakville system for administrative purposes. A rate increase from \$4.50 to \$6.00 per month became effective June 1, 1975.

1974	9,280	20,108	
1975	10,170	20,300	

Total Subscribers
 Total Homes Now in Area
 Potential for New Housing (a general indication only)

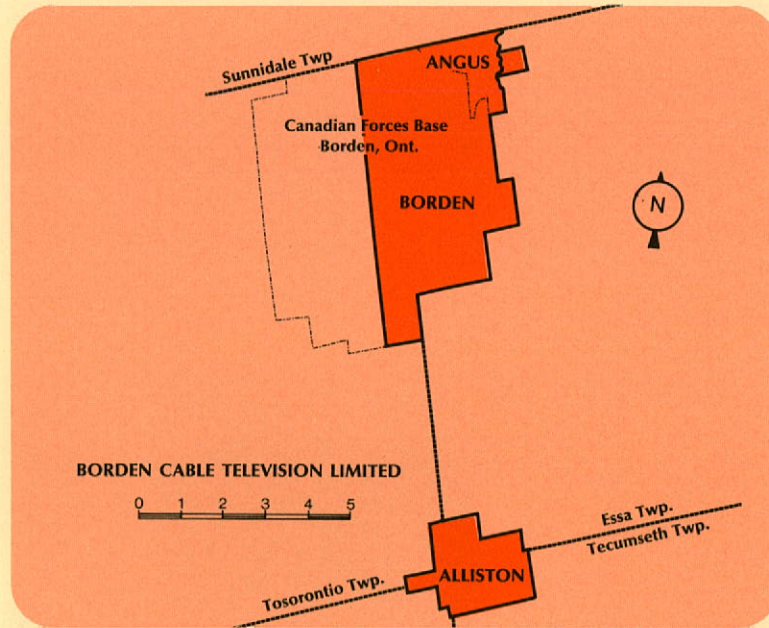
KEEBLE CABLE TELEVISION LIMITED



In January, 1975, your Company acquired approximately 90 percent of the shares of Keeble Cable Television Limited. Keeble figures are therefore reflected in the Annual Report for the first time. In addition to the Toronto and Mississauga systems shown on the accompanying map, Keeble owns 95 percent of Borden Cable Television Limited which, as a separate company, is reported on by itself on the following page. The Keeble system has been praised by the CRTC for its innovative programming and Mr. Gordon Keeble, now a Director of Premier, has been named Vice-President, Programming, for the entire Company. During the past 12 months subscribers increased by 9,583 (34.2 percent). A rate increase from \$5.00 to \$5.75 per month went into effect May 1, 1975.

1974	28,053	Not Available	
1975	37,636	65,190	

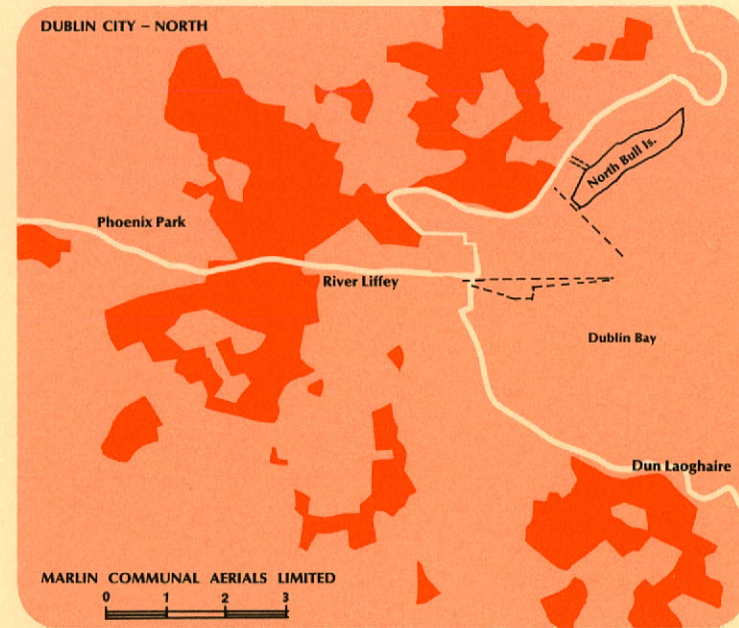
BORDEN CABLE TELEVISION LIMITED



Borden was acquired when your company purchased 90 percent of the shares of Keeble Cable Television, as 95 percent of Borden was owned by Keeble. Premier's interest in Borden is therefore 85.5 percent. The system is located 40 miles north of Toronto, and is the most developed of the three Keeble systems, with 85 percent of the total homes in the licensed area connected to cablevision. This system was granted CRTC permission to implement a rate increase from \$4.95 to \$5.50 on September 1, 1975. Unlike other Premier subsidiaries in Ontario, Borden has not yet introduced an expanded channel service using mid-band frequencies, consequently the rate increase is not as substantial as that granted to other Ontario companies. Although this has only been a subsidiary for eight months, we can report that Borden added 326 subscribers during the past 12 months for a net gain of 10.2 percent over the previous year.

1974	3,187	Not Available
1975	3,513	4,150

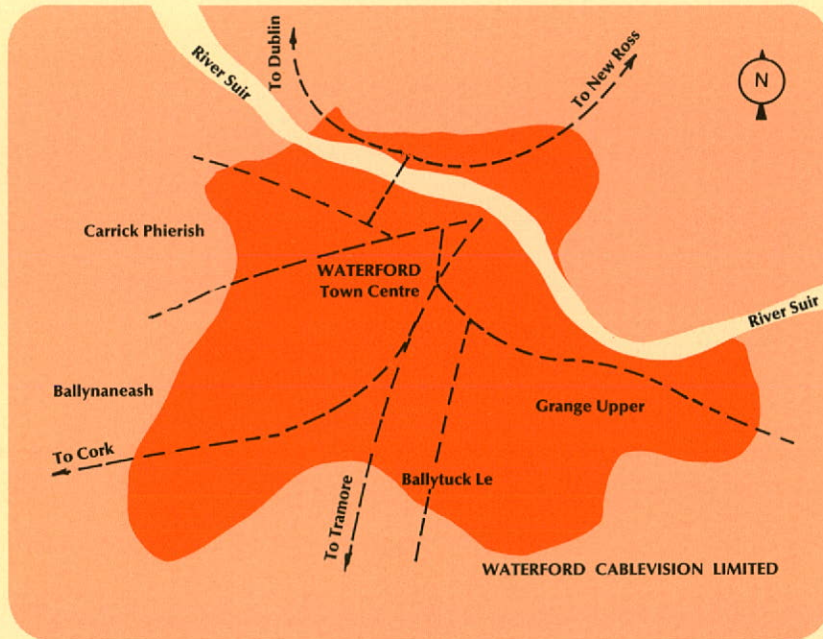
MARLIN COMMUNAL AERIALS LIMITED



This system, acquired last year, was put together from a group of separate master antenna systems serving approximately 500 homes each. Early in 1975 the Company acquired assets of two additional Dublin systems — Television Aerial Erectors Relays Ltd., and the cablevision operations of Ren-Tel Limited. (This accounts for much of the sharp increase in subscribers during the year — 26 percent.) Work on trunking and re-engineering to serve the City and County from three major antenna sites is well advanced in the southeast and south central parts of the city, and 8,000 subscribers were added during the year. Applications for extension of services to two newly developed areas have been approved, and we are awaiting further government decisions on extensions to three areas in the north of the City. During the year the Company moved to modern offices and the operation of all departments has been streamlined.

1974	32,500	60,000
1975	41,000	89,000

WATERFORD CABLEVISION LIMITED



Your Company was given permission to operate a cablevision system in this city south of Dublin in October, 1974. The first subscribers were provided with service by Christmas, and by August 31, 1975, our cables passed 7,800 of the 8,665 homes in the licensed area, and some 4,000 of these had been connected. The system is operating profitably and we are projecting gains of a further 1,600 subscribers within the next two years. To increase efficiencies, customer billing for Waterford is handled through the computerized facilities used by Marlin Communal Aerials in Dublin, and the company draws other engineering and management assistance from the Dublin system as required.

1974	Not Available	Not Available	
1975	4,000	8,665	

Total Subscribers
 Total Homes Now in Area
 Potential for New Housing (a general indication only)

GREENWICH CABLEVISION LIMITED

This is the only subsidiary which experienced a decline in number of subscribers — a reduction of 8.9 percent (to 11,616) from 1974. After we acquired controlling interest in Albion Cablevision Limited, parent company of Greenwich Cablevision, the British Government took unexpected steps to improve reception of TV signals in the area which made cablevision less attractive for many people in the area. Furthermore we were unable to obtain a rate increase despite rising costs. The future development of cable television in Britain is now the subject of a major enquiry by a government committee whose report is not expected for 15 months. For all of these and other reasons we have provided for the write-off of our investment in this company and are actively exploring opportunities for divestiture.

OTHER INTERESTS

The Company has an investment in Delta-Benco Ltd., which represents approximately 24 percent of that Company's outstanding shares. Its subsidiary, Delta-Benco-Cascade Ltd., Toronto, is a manufacturer of electronic equipment for cablevision and other industries. We do not expect a return on our investment in the year ahead.

At August 31, 1975, the Company held 114,900 shares of Northwest Sports Enterprises Ltd., owners of the Vancouver Canucks, a National Hockey League team. This interest (11.5 percent of the outstanding shares) was acquired during the past two years for a total investment of \$1,264,475. We continue to own seven percent of the shares of Vancouver Professional Soccer Ltd., which operates the Vancouver Whitecaps of the North American Soccer League. Our total investment, and commitment, if needed, would be \$31,500.

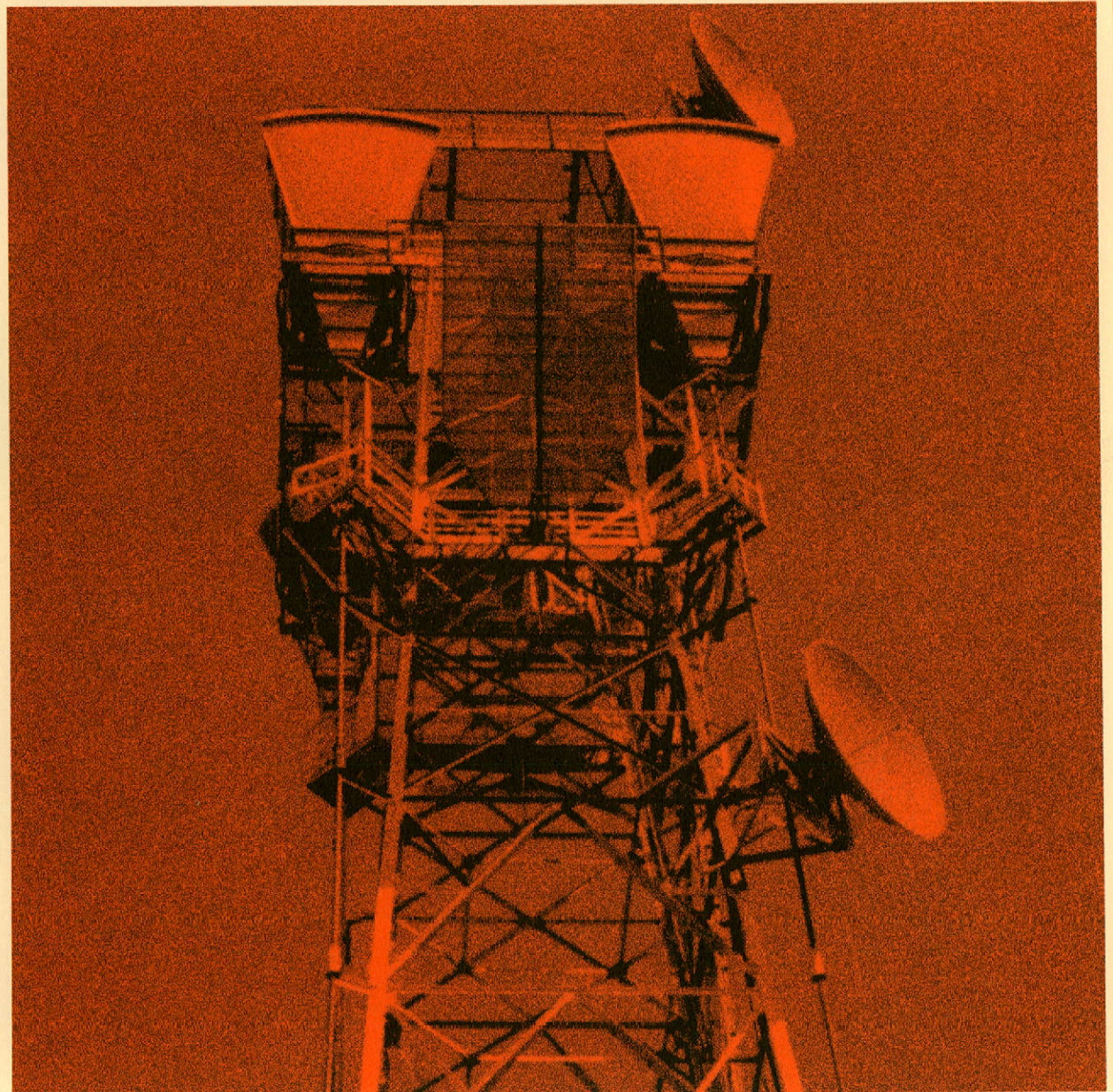
As noted in the Report to Shareholders, Stuart Plastics Ltd. is a pilot project which refinishes plastic telephone housings for B.C. Telephone Company. We are presently assessing the possibility of future expansion.

WELSH COMMUNICATIONS

This division of your Company is Canada's largest supplier of equipment for the cable television industry. We represent over 25 major U.S. and Canadian manufacturers, many on an exclusive basis.

Sales of this division were down by almost 5.4 percent this year to \$6,231,000 in the face of severe competition on profit margins. We are now making major reorganizational changes, and concentrating more effort on lines with proven sales potential.

For example, in August we set up a separate microwave sales division within Welsh. We are the exclusive representatives to the CATV community in Canada for Theta-Com's AML microwave equipment — an excellent system for distributing high quality signals for up to 40 channels over distances of 20 to 30 miles. This system is particularly suitable as a substitute for long runs of amplifiers along trunk-line cables serving large communities or satellite systems surrounding major market areas. No other company is selling comparable equipment in Canada. Sales to date have been encouraging.



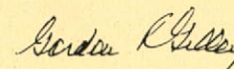
**CONSOLIDATED
BALANCE
SHEET**

as at August 31, 1975

ASSETS	1975 \$	1974 \$
CURRENT ASSETS		
Cash and short-term investments	75,000	3,924,000
Accounts receivable (note 6)	2,945,000	3,087,000
Inventories (notes 1 & 6)	2,980,000	1,372,000
Prepaid expenses	530,000	429,000
	<u>6,530,000</u>	<u>8,812,000</u>
INVESTMENTS, at cost (note 3)		
Investments, having quoted value of \$900,000 (1974: \$609,000)	1,911,000	1,701,000
Other	10,000	660,000
	<u>1,921,000</u>	<u>2,361,000</u>
Fixed Assets (note 4)	26,729,000	19,412,000
Goodwill and Unallocated Cost of Shares in Subsidiaries, at cost less amortization (notes 1 & 2)	6,817,000	3,809,000
	<u>41,997,000</u>	<u>34,394,000</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank loan — secured	2,275,000	—
Accounts payable and accrued liabilities	2,675,000	2,475,000
Service revenue received in advance	1,655,000	817,000
Income taxes	695,000	718,000
Current portion of long-term debt	500,000	250,000
	<u>7,800,000</u>	<u>4,260,000</u>
Long-term Debt (note 6)	13,566,000	12,272,000
Deferred Income Taxes (note 5)	4,238,000	4,515,000
	<u>25,604,000</u>	<u>21,047,000</u>
SHAREHOLDERS' EQUITY		
Share Capital (note 7)	2,261,000	838,000
Contributed Surplus	145,000	145,000
Retained Earnings	13,987,000	12,364,000
	<u>16,393,000</u>	<u>13,347,000</u>
	<u>41,997,000</u>	<u>34,394,000</u>

APPROVED ON BEHALF OF THE BOARD


Director


Director

**PREMIER
CABLEVISION
LIMITED**
and Subsidiaries

**CONSOLIDATED
STATEMENT OF
RETAINED EARNINGS**

for the year ended August 31, 1975

	1975 \$	1974 \$
APPROPRIATED		
Capital surplus of subsidiary — amount required to be set aside on redemption of preferred shares under Section 61 of The Canada Corporations Act	3,564,000	3,564,000
UNAPPROPRIATED		
Balance — beginning of year		
As previously reported	8,914,000	7,823,000
Adjustments of prior year's earnings (note 9)	114,000	
Balance — as restated	8,800,000	7,823,000
Net earnings for the year	1,623,000	2,735,000
	<u>10,423,000</u>	<u>10,558,000</u>
Less: Transferred to capital surplus	—	1,758,000
Balance — end of year	<u>10,423,000</u>	<u>8,800,000</u>
RETAINED EARNINGS — END OF YEAR	<u>13,987,000</u>	<u>12,364,000</u>

**CONSOLIDATED STATEMENT
OF CHANGES IN
FINANCIAL POSITION**

for the year ended August 31, 1975

	1975 \$	1974 \$
SOURCE OF FUNDS		
Current operations, before extraordinary item	7,224,000	7,122,000
Repayment of advances by other companies	94,000	141,000
Increase in long-term debt	2,316,000	10,972,000
Funds previously invested in companies now consolidated	350,000	771,000
Issuance of common shares	1,423,000	—
	<u>11,407,000</u>	<u>19,006,000</u>
USE OF FUNDS		
Investments	210,000	1,737,000
Additions to fixed assets	11,611,000	7,973,000
Unallocated cost of shares in subsidiaries (note 2)	3,430,000	2,097,000
Payments and change in current portion of long-term debt	1,022,000	3,394,000
Income tax reassessments (note 5)	956,000	—
	<u>17,229,000</u>	<u>15,201,000</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u>(5,822,000)</u>	<u>3,805,000</u>
WORKING CAPITAL — BEGINNING OF YEAR	4,552,000	747,000
WORKING CAPITAL (DEFICIENCY) — END OF YEAR	<u>(1,270,000)</u>	<u>4,552,000</u>
REPRESENTED BY:		
Current Assets	6,530,000	8,812,000
Current Liabilities	7,800,000	4,260,000
WORKING CAPITAL (DEFICIENCY) — END OF YEAR	<u>(1,270,000)</u>	<u>4,552,000</u>

**PREMIER
CABLEVISION
LIMITED**
and Subsidiaries

CONSOLIDATED STATEMENT OF EARNINGS

for the year ended August 31, 1975

	1975 \$	1974 \$
Operating Revenue (notes 1 and 11)	27,825,000	23,728,000
EXPENSES		
Cost of sales and operating expense	9,103,000	8,015,000
Programme origination	510,000	342,000
Depreciation	3,996,000	3,182,000
Selling, general and administration	7,212,000	5,330,000
Interest — long-term	1,608,000	1,061,000
— other	78,000	30,000
Amortization of unallocated cost of shares in subsidiaries	50,000	—
	22,557,000	17,960,000
Less: Interest income	216,000	235,000
	22,341,000	17,725,000
Earnings before Income Taxes, and Extraordinary Item	5,484,000	6,003,000
Provision for Income Taxes		
Current	2,512,000	2,161,000
Deferred	679,000	1,107,000
	3,191,000	3,268,000
Net Earnings for the Year before Extraordinary Item	2,293,000	2,735,000
Extraordinary Item:		
Provision for reduction in value of investment in Albion Cablevision Limited (note 8)	670,000	—
Net Earnings for the Year	1,623,000	2,735,000
Earnings per share		
(Shares outstanding: 1975 (average) 3,224,000; 1974 3,094,000)		
Before Extraordinary Item	71c	88c
After Extraordinary Item	50c	88c

AUDITORS' REPORT TO THE SHAREHOLDERS

**PREMIER
CABLEVISION
LIMITED**
and Subsidiaries

We have examined the consolidated balance sheet of Premier Cablevision Limited and subsidiaries as at August 31, 1975 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at August 31, 1975 and the results of their operations and the changes in their financial position for the year then ended,

in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. As required by Section 212 of the British Columbia Companies Act, we also report that, in our opinion, the accounting treatment accorded minority interests in the financial statements is appropriate in the circumstances.

Coopers & Lybrand

Vancouver, B.C.
September 23, 1975.

CHARTERED ACCOUNTANTS

PREMIER CABLEVISION LIMITED and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended August 31, 1975

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation

The consolidated financial statements include the accounts of the company and its subsidiaries:

	Ownership
Canadian Wirevision Limited	100%
Victoria Cablevision Ltd.	100%
Coquitlam Cablevision Limited	100%
York Cablevision Limited	100%
Oakville Cablevision Limited	100%
Keeble Cable Television Limited	90%
Albion Cablevision Limited (U.K.)	75%
Marlin Communal Aerials Limited (Ireland)	87%

(b) Overseas Subsidiaries

Current assets and current liabilities in foreign currencies are converted into Canadian dollars at rates of exchange in effect as at the balance sheet date; other assets (and related depreciation) and liabilities are converted at the rates in effect at the dates on which the assets were acquired or the liabilities were incurred; and items affecting net earnings (other than depreciation) at the average rates for the year.

(c) Inventories

Inventories consist of cable television equipment, cable and supplies held for resale and are valued at the lower of average cost and estimated net realizable value.

(d) Distribution System

The distribution system includes the cost of electronic equipment, cable and construction plus the cost of materials and installation for subscriber connections. Interest and overhead during construction is charged to operations in the year.

(e) Goodwill and Unallocated Cost of Shares in Subsidiaries

Goodwill and unallocated cost of shares in subsidiaries, arising prior to April 1, 1974 is written off only if there is considered to be permanent impairment of value. Unallocated cost of shares in subsidiaries acquired subsequent to April 1, 1974 is being amortized over 40 years.

(f) Revenue and Expense

Operating revenue in the financial statements includes subscriber service billings, installation charges and equipment sales. The cost of the initial subscriber installation is capitalized as part of the distribution system while disconnection and reconnection costs are expensed.

(g) Income Taxes

The company records income tax expense on the tax allocation basis. Taxes deferred as a result of claiming for tax purposes amounts different from those recorded in the accounts are charged against current operations and recorded in the balance sheet as "deferred income taxes". Timing differences relate primarily to subscriber connection costs and revenue and depreciation.

2. ACQUISITIONS

During the year ended August 31, 1975 the company acquired 90% of the share capital of Keeble Cable Television Limited. This company operates a

cable television system in the Downsview and Mississauga areas of Toronto, Ontario, and, through a subsidiary, operates a system in Borden, Ontario. This acquisition has been accounted for as a purchase transaction and consolidated from the effective date of acquisition.

During the year the company also acquired, through its subsidiary Marlin Communal Aerials Limited, the cable television assets of Ren-Tel Limited and Television Aerial Erectors Relays Ltd., companies which operated cable television systems in parts of Dublin, Ireland for a total cash consideration of £451,000.

	Keeble Cable Television Ltd. Ontario	Ren-Tel Limited Ireland	Television Aerial Erectors Relays Ltd. Ireland
Acquisition:			
Percentage Acquired	90%	100%	100%
Effective date of acquisition	Feb 1/75	Jan 11/75	Feb 5/75
Net book value at			
date of acquisition	\$	£	£
Assets	3,777,000	240,000	211,000
Liabilities	3,493,000		
	<u>284,000</u>		
Consideration			
Cash	2,291,000	240,000	211,000
Shares	1,423,000		
	<u>3,714,000</u>		
Unallocated cost of acquisition	<u>3,430,000</u>	<u>—</u>	<u>—</u>

3. INVESTMENTS, at cost

	1975		1974
	Shares	\$	\$
Delta-Benco Ltd.	181,153	646,000	594,000
Northwest Sports Enterprises Ltd.	114,900	1,265,000	1,200,000
Vancouver Professional Soccer Ltd.	14	10,000	10,000
Keeble Cable Television Limited		—	350,000
Deferred costs		—	207,000
		<u>1,921,000</u>	<u>2,361,000</u>

Delta-Benco Ltd.

During the year the company exercised its option to purchase 45,000 shares at a cost of \$2.75 each. In addition, a further 7,600 shares were acquired at a market price of \$2.75 each. The company's investment represents approximately 24% of the outstanding common shares of Delta-Benco Ltd. The quoted market value of the Delta-Benco shares at August 31, 1975 was \$2.75.

Northwest Sports Enterprises Ltd.

During the year, the company acquired an additional 14,900 shares of Northwest Sports Enterprises Ltd., a company which operates the Vancouver Canucks Hockey Club in The National Hockey League. The total number of shares now held represents approximately 11½% of the outstanding common shares. The quoted market value of the Northwest Sports Enterprises Ltd. shares at August 31, 1975 was \$3.50 each.

Vancouver Professional Soccer Ltd.

Vancouver Professional Soccer Ltd. operates the Vancouver Whitecaps of the North American Soccer League. The company holds 7% of the issued common share capital of Vancouver Professional Soccer Ltd.

4. FIXED ASSETS

(a) Fixed assets at cost less related accumulated depreciation are:

	1975		1974	
	Cost \$	Accumulated Depreciation \$	Net \$	Net \$
Land and buildings	421,000	38,000	383,000	219,000
Distribution systems	43,701,000	19,096,000	24,605,000	18,076,000
Studio equipment and improvements	873,000	447,000	426,000	267,000
Automotive equipment	893,000	469,000	424,000	284,000
Tools and test equipment	753,000	347,000	406,000	243,000
Office furniture, fixtures and improvements	867,000	382,000	485,000	323,000
	<u>47,508,000</u>	<u>20,779,000</u>	<u>26,729,000</u>	<u>19,412,000</u>

(b) Depreciation

Depreciation has been recorded in the accounts at the maximum rates permissible for income tax purposes for all categories of fixed assets except the distribution systems which are being depreciated on a straight-line basis as follows:

- 5% in the year of acquisition
- 10% in each of the next nine years
- 5% in the eleventh year

5. INCOME TAXES

During the year the Department of National Revenue reassessed certain subsidiaries for the years 1970 to 1973, in the total amount of \$956,000, including interest. This amount, together with similar amounts arising for the years 1964 to 1969, has no effect on the recorded earnings of the company since it relates only to the time certain items of income and expenditure are reported for tax purposes. The company has appealed the reassessments. Additional amounts aggregating \$1,250,000, which may arise for the years 1974 and 1975, are included in deferred income taxes and will be financed if and when payable through the company's existing bank line of credit (note 6).

6. LONG-TERM DEBT

	1975 \$	1974 \$
Demand note payable to the Metropolitan Life Insurance Company with interest at 7¼ % and annual principal payments of \$250,000	1,750,000	2,000,000
Bank loans, and other debt	12,316,000	10,522,000
	<u>14,066,000</u>	<u>12,522,000</u>
Less: Current portion	500,000	250,000
	<u>13,566,000</u>	<u>12,272,000</u>

A Canadian chartered bank has authorized a total banking facility at August 31, 1975 of \$17,925,000 (which includes an irrevocable letter of credit for the 7¼ % loan mentioned above) with interest on the long-term portion at 1½ % above prime bank rate. The estimated repayment of the term debt over the next five years is:

1976 — \$ 500,000	1979 — \$2,900,000
1977 — \$2,900,000	1980 — \$3,700,000
1978 — \$2,900,000	

Bank indebtedness is guaranteed by subsidiaries and secured by the assignment of accounts receivable, inventories and a floating charge demand debenture of \$20,000,000 on the company's assets.

7. SHARE CAPITAL

	1975 \$	1974 \$
Authorized — 4,000,000 shares without par value with a maximum price of \$18 each		
Issued and fully paid — 3,316,000 shares (1974: 3,094,000)	<u>2,261,000</u>	<u>838,000</u>

During the year the company issued 222,000 shares as partial consideration for the acquisition of Keeble Cable Television Limited (6.7% of the 3,316,000 shares now issued).

8. EXTRAORDINARY ITEM

During the past year the cablevision system operated by Greenwich Cablevision Limited, a subsidiary of Albion Cablevision Limited, London, England, lost subscribers and incurred increased operating losses. The prospects of reversing this trend are not encouraging. It is therefore considered prudent to provide for the write-down of the carrying value of this investment (\$670,000). The Company currently is actively pursuing avenues of divestiture of this investment.

9. ADJUSTMENTS TO PRIOR YEAR'S EARNINGS

The opening balance of Unappropriated Retained Earnings, previously reported as \$8,914,000, has been restated to record retroactive charges applicable to the year ended August 31, 1974, aggregating \$114,000. Of this amount, \$68,000 relates to the Federal Corporate Surtax introduced after the company's 1974 year end. The balance of \$46,000 relates to an adjustment to increase certain reserves in the accounts of the company's operating subsidiary in Ireland. The comparative figures in the financial statements have been restated accordingly.

10. COMMITMENTS

- (a) Minimum annual rentals under long-term lease contracts amount to approximately \$675,000.
- (b) The company's annual obligation under its pension plan is estimated to be approximately \$90,000 per annum.
- (c) The company and its subsidiary Marlin Communal Aerials Limited have undertaken by a Trust Agreement dated October, 1974 to sell 25% of the common shares of Marlin Communal Aerials Limited to Irish resident nationals. This undertaking has been provided to the Minister of Posts and Telegraphs of the Government of Ireland. The Trust document further provides that the company will arrange this divestiture within 18 months of the date of this Agreement.

11. OTHER NOTES

- (a) Operating Revenue and Sales
The Welsh Communications division experienced equipment sales of \$6,231,000 during the year ended August 31, 1975 (1974: \$6,583,000).
- (b) Directors' and Senior Officers' Remuneration
The aggregate remuneration paid to directors and senior officers of the company was \$296,000 (1974: \$229,000).

CABLEVISION

we're trying
to keep
it simple

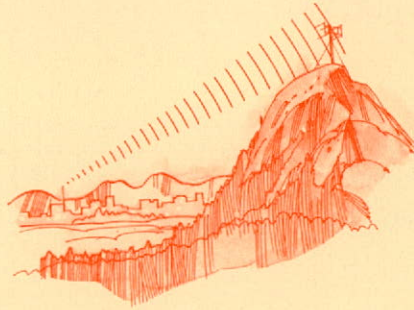
Cablevision started out as a very simple business. People wanted better reception of distant TV stations than they could get with "rabbit ears" or a roof-top aerial. The cablevision companies gave them what they wanted, by linking people's TV sets to the company master antenna system.

Now things are getting complicated. The government makes rules to protect Canadian broadcasters. Suddenly you start to see Canadian commercials when you are watching American channels. Cablevision rates go up and you wonder why. The cablevision company starts moving channel numbers around. In some cities the dial fills up and you may lose an American channel to accommodate a new Canadian channel unless you buy an attachment to your set called a converter. There's talk that pay TV and other new services will come to cablevision. What's really going on?

What follows is the text of a booklet available on request, which answers most of your questions. It can't reverse any of the things that are happening, but at least it will help you understand why they are happening. We're trying to keep cablevision simple, but there's a lot more to it than stringing a cable down your street. We hope this will help you to appreciate some of the problems a cablevision company is faced with today.

Q: What is cablevision?

A: Cablevision is a master antenna reception system. It was originally designed to improve the quality of distant, or hard-to-get television signals. It has since proved to be a boon in the delivery of local signals that have been impaired by high buildings, reflections or other urban interference . . . particularly the more fragile colour signals.



Most cablevision companies also offer FM radio stations on their cable system. Television or FM service can be connected to any number of TV or FM receivers in your home for a moderate installation and monthly service charge. FM service is often carried as background music on unused TV channels, too.

Q: Where did cablevision begin?

A: The early history is not quite clear. The first American system was likely installed in Astoria, Oregon, in 1948. The first community television system in Canada was probably in London, Ontario in 1952, or Tru Vu Television Ltd. in Vancouver, founded at the same time and operated by George Chandler, owner of radio station CJOR. Rediffusion also began operating in Montreal the same year. Ten years later Tru Vu was purchased by the company which subsequently became Premier Cablevision Limited.

Q: Why is cablevision necessary for TV? After all, radio signals travel for hundreds of miles.

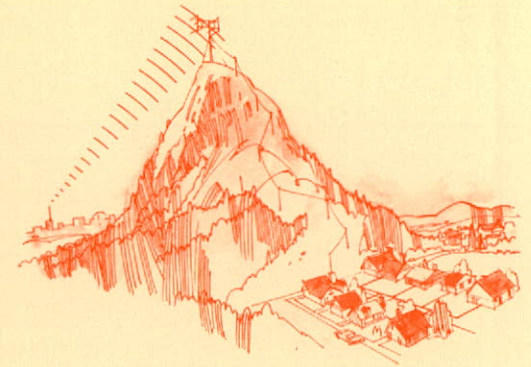
A: To avoid a complex explanation, let's just say that radio signals tend to hug the curvature of the earth, while television signals (and FM radio signals, which are broadcast in the TV frequency band)

travel in a straight line. So people living behind hills or mountains, and those beyond, say, 65 miles, tend to get poor TV reception. Atmospheric or electrical conditions can also cause reception difficulties. On certain clear days in summer, for example, the quality of distant stations is likely to fall off sharply even on the best of systems, and one may even get freak reception of very distant stations over the top of a local station's signal.

Q: How does cablevision work?

A: A complex, highly sophisticated master antenna system is erected by the cablevision company on a hill, tower or high building where TV signals are strongest.

The various signals received are stabilized with special equipment, then amplified and fed into miles of special (coaxial) cable. This cable is attached to telephone poles (or in some cases, power company poles) or is run alongside their underground lines, and is then connected to subscribers' homes.



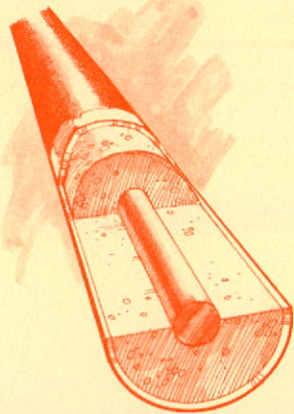
Q: Does the cablevision company own the cable?

A: There's a hodge-podge of ownerships across Canada. In British Columbia and Alberta the cablevision companies own the cable but pay a substantial monthly rental to have the telephone company install and carry the cable on their overhead facilities or in their underground conduits. In the rest of the country the situation varies, but the general trend there is that the cable company pays for the

cable and installation, but the telephone companies take ownership of it, and lease the use of it back to the cablevision companies. In all cases the cablevision companies own the electronics and connection devices associated with the system.

Q: What is coaxial cable like?

A: Coaxial cable is specially shielded so that TV signals don't leak out and also so they are protected from outside electrical interference which could cause static or distortion of the picture, although should the interference be picked up with the TV signal at the antenna site, it will unavoidably be passed down the cable along with the TV picture.



In the centre of the cable is a solid copper or copper-clad aluminum wire carrying the signals, surrounded by an insulation of foamed polyethylene, covered with a sheath of copper braid or aluminum, which, in turn is covered by an outer coating of vinyl (p.v.c.) that is highly impervious to weather, atmospheric chemical action, gnawing by animals, heat and cold.

Cablevision companies use various diameters of coaxial cable, just as a waterworks system uses various sizes of piping — large pipes to carry the water between districts, smaller pipes running off these into individual streets, and still smaller pipes to carry the water into the homes.

We call the large cables going out to various districts "trunk" cables. A typical one is three-quarters of an inch in diameter. The ones stemming off from

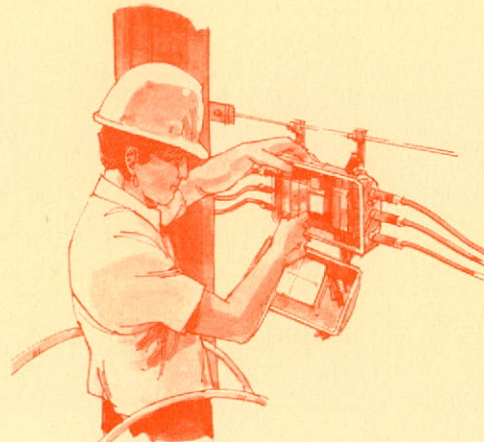
the trunk into individual streets are called "distribution" cables. We use some half-inch distribution cable, but most of it is slightly less than that — .412" diameter, to be exact. The "drop" cable, which is the one running from the distribution cable into the home, is usually .242" diameter, or just under one-quarter inch.

Q: Is coaxial cable expensive?

A: Yes, but the cost of cable represents only about 20 percent of the cost of a typical city cablevision system. Broadly speaking, it costs between \$7,000 and \$10,000 a mile to design, build and install a modern city cablevision system today.

Q: What makes the television signals flow through the cable?

A: Just as water must be pumped along the pipes of waterworks system because of the natural resistance of the pipes, so TV signals are "pumped" along by amplifiers, to overcome the resistance of the cable. These amplifiers are electronic boxes a little bigger than an average hard-cover book, which boost up or magnify weakening signals. Amplifiers are hung on cables about every half-mile, and sometimes at closer intervals than that.



Q: Does the telephone company maintain these?

A: No. They are owned, installed and maintained by

the cablevision company. Amplifiers used tubes in the past, like older radio sets. In recent years solid-state, transistorized amplifiers have taken over. The replacement of older amplifiers is resulting in enormous outlays by cablevision companies.



Q: Is maintenance of the system a big job?

A: Surprisingly so. Many people think the cablevision company simply installs a cable and that's all there is to it. However, because of its sophisticated technology there are literally thousands of potential trouble spots in any typical cablevision system. Although trouble in many of these may have only a slight effect on your picture quality, highly-trained cable crews are radio dispatched to track down the problems as quickly as possible, so that high standards can be maintained. Remember, if cablevision goes off for two minutes, more people are likely to notice it than would notice an interruption in telephone service for two hours.

Power outages (we're dependent on Hydro for our power, too), accidents, vandalism and occasional failure in the amplifiers are among the maintenance problems which keep cablevision crews working steadily every day of the year. In addition to routine maintenance, the system is in a continuous state of rebuilding. New, more sophisticated types of amplifiers are being developed and are replacing older ones. Much of the cable sheathed with copper braid is now being replaced with cable with

aluminum sheathing. Decisions to place overhead wires underground or move them from roads to lanes in certain areas will result in a complete rebuild for the affected area.

Q: Are there any government controls over cablevision?

A: Yes, indeed. The industry is licensed and fully regulated by the Canadian Radio-Television and Telecommunications Commission (CRTC). Each company has a designated territory assigned by the CRTC. There are regulations governing operating practices and rate-setting. At regular intervals the cable companies must apply to the CRTC for renewal of their licenses, at which time their past performance and future development plans may also be reviewed.

Through the Commission's public hearings, individuals and groups may not only comment, but may also effectively influence the licensing, regulation and supervision of cable television systems. Anyone may express an opinion on any licensed system, either at the time of public hearings or at any time during the period of the license.

Q: Aside from these regulatory controls are there also government standards for technical quality?

A: Yes. The Federal Department of Communications hold us responsible for signal quality right to the back of the subscriber's television set, and has laid down specific standards for us to meet. A technical operating certificate must be obtained for the erection and operation of the antenna structure and the associated electronic equipment needed to process the signals transmitted to cablevision subscribers, and the Department regularly tests the system to be sure standards are being maintained.

Q: Does the CRTC have anything to say about which stations are carried by the cablevision system?

A: Yes. The cablevision company must list all stations it proposes to carry in its original application for a license, and must apply to the CRTC before making changes in what is finally approved. The CRTC requires Canadian cablevision systems to carry all Canadian TV stations within range, before adding any U.S. stations to the cable. That is a key requirement to remember if you sometimes wonder why your cable company doesn't carry certain popular

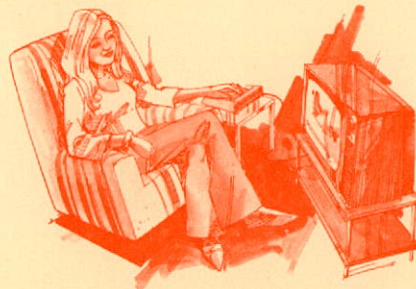
nearby U.S. stations.

Q: Could the addition of new Canadian stations actually cause a cablevision company to drop a popular U.S. station from its service?

A: Theoretically, yes. That kind of thing is already happening in Toronto, Montreal and Vancouver. We say "theoretically" because there is a solution . . . an attachment to your TV set called a "converter". This allows you to receive a number of other channels on your set in addition to the current 12, depending on the number of signals available.

Q: How does it do that?

A: We won't get too technical, but there is a sizeable band of frequencies between channels 6 and 7 called the mid-band. If the cablevision company has permission from the CRTC to do so, the company converts some channels (U.S. stations, for example) to mid-band frequencies and feeds them into the cable. The converter can pick these signals up and allows you to see them on your TV screen at the twist of the converter dial. This dial may have as many as 30 channels on it, which should provide sufficiently for public needs for many years to come.



It is important to note that the limiting factor is your set, not the cable. Sooner or later TV set manufacturers will make new models offering the current 12 VHF channels and the mid-band channels, too.

Q: Why not put the new Canadian stations on the service available by converters, and let the U.S. stations remain on the conventional 12-channel TV dial?

A: No; the CRTC wants priority given to Canadian

broadcasters to help develop a truly Canadian service and to encourage Canadian talent, so they insist that Canadian stations be placed on the basic 12-channel dial, where they can be received by everyone without the need for a converter.

Q: You say a converter can allow one to select additional channels. What would be on those channels?

A: Nothing, unless the cablevision company puts something on the cable. Converters are usually introduced to take care of an overflow situation, where new Canadian stations are crowding U.S. stations off the regular 12-channel dial. However, to make their extended channel service more attractive, some cablevision companies offer additional programs and information services on these "extra" channels. Among the programs that may be carried on this extended service are weather and time information, comparison shopping prices, airport arrivals and departures, stock market quotations, movies, children's programs, foreign language programs and pay TV. But again, the CRTC tells us what type of programming we can offer on our extended channel service.

Q: In addition to the regular 12-channel dial, modern TV sets have a UHF dial. Why doesn't the cablevision company put overflow channels on the UHF dial, instead of making people buy converters?

A: We'd certainly like to; it would make things easier for everyone. However, there are technical problems.

First, let's remember that broadcasters transmit their programs on different wave lengths, which we call frequencies. Your TV (or radio) dial is simply a key which opens the gateway to different broadcast frequencies.

Your regular VHF TV dial is a key permitting you to receive 12 channels in the Very High Frequency broadcast band. Your UHF dial permits you to receive 70 additional channels in the Ultra High Frequency band. But there are only about half a dozen UHF stations in Canada today. So it is true: the UHF band looks invitingly empty, but cablevision is unlikely to try to fill it.

To bring you your regular VHF (and FM radio) signals by cable, the cablevision company pumps them into the cable on the same range of frequencies the broadcasters use, and if necessary, we can convert one frequency to another. (We'll dis-

cuss the reason for that, later).

The cable carries all those VHF and mid-band frequencies very easily, but when we move up into the Ultra High Frequencies (UHF) we find it increasingly difficult to send a clear UHF signal over a satisfactory distance. So in cities where there are UHF broadcasting stations, the cablevision companies don't make them available on their over-the-air spot on the dial.

Instead they convert the signal to one of the VHF frequencies receivable on your regular 12-channel TV dial, if there is room for it here. And of course if there is no room for it there, it would be put on the mid-band, where it could be received by those with converters.

So the answer to the question is that those channel numbers on your UHF dial only receive Ultra High Frequency (UHF) broadcast (over-the-air) signals and cannot satisfactorily be used by cablevision companies for other frequencies, because signal quality tends to deteriorate in the cable when they are converted from VHF to UHF.



Incidentally, please don't think cablevision companies like converters. We don't. But at present they are the only key to unlock the additional channels we may carry over and above those you can receive on your 12-channel dial. As we said before, someday TV-set manufacturers will incorporate a dial on their sets which will give you access to all channels now available only on converters.

Q: Why does a cablevision company juggle the channels around? Why are some cable channel numbers different from those we get off the air, without cablevision?

A: You'll find it's usually the strong, local stations that get moved. The reason is that, even though you have a cablevision connection, your TV set tends to pick up these strong off-air signals direct from your local broadcast transmitter and show them on your set, right on top of the picture being received by cable. The off-air signals and the cable signal would arrive at your set at fractionally different times, so you would get "ghosting" on your screen — a sort of visual echo, and it becomes an unusable channel. All cable systems face similar problems. So, when there's room on the dial to do so, we move the strong local station to a clear, unaffected channel. The cable signal is not the problem. The TV set is, because it is not properly shielded against picking up off-air signals.

Q: You have said that the CRTC decides what channels can be carried on the conventional service, and what types of programming can be added to the extended channel service. Does the CRTC censor individual programs?

A: No. We carry all programs from all stations on the cable. No one censors programs. However, the CRTC is seriously concerned that the easy availability of U.S. stations on cablevision will fragment the audience of Canadian television stations. So when we get a situation where a U.S. station and a Canadian station in the same market area are carrying the same program — let's say a Columbia Broadcasting System network show which is also being carried on the CBC network — the Canadian station showing the CBC program has CRTC permission to direct the cablevision company to show the Canadian version of the program, complete with Canadian commercials, on the U.S. station's channel.

The program itself is not really censored, since the same program is carried by both U.S. and Canadian broadcasting stations. But because the Canadian broadcast is substituted for the U.S. broadcast for the duration of the program, only Canadian broadcast advertising is seen. That's why Canadian cablevision subscribers are sometimes startled to see Canadian commercials when they know they are tuned to a U.S. station. This is referred to as "simultaneous non-duplication". It is a move designed to protect the Canadian broadcaster's revenues.

Q: In addition to carrying Canadian and U.S. TV sta-

tions on their cable, do all cablevision companies also operate their own "community channel" station?

A: Most of the larger cablevision companies operate a community channel, and the CRTC wants all cablevision companies to operate one sooner or later.

Q: Is this a true television station?

A: Not really, because it does not broadcast over-the-air. But in every other sense it is a television station, using similar equipment, facilities, technical and creative skills. However, its programs are fed directly into the cable. It uses none of the precious space in the over-the-air broadcast spectrum.



Q: What is the purpose of the community cablevision station?

A: To try to fill a gap not entirely filled by conventional TV broadcasters; to enrich community life by fostering communication among individuals and community groups. To this end we not only report on community activities but we encourage individuals and groups to participate actively in producing programs for the community channel.

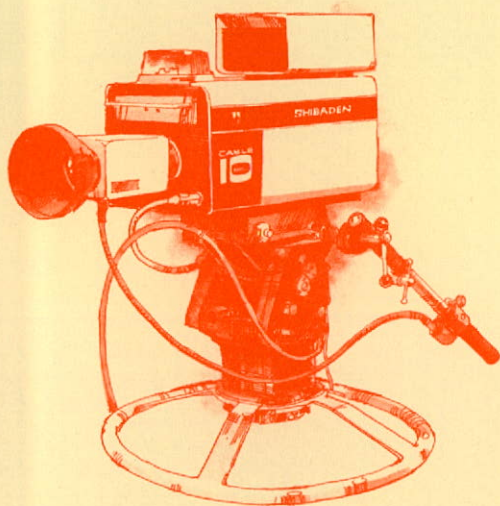
Q: Are some of those programs commercially sponsored?

A: No. The cablevision companies are not permitted to carry commercials on the community channel nor to sell programs. The entire cost of the com-

munity channel — operating and programming — is borne by the cablevision company as a community service.

Q: Is it costly to operate a community station?

A: Yes. It is by no means a "token" effort. We are actively involved in searching out community news and views. Many companies operate mobile units so they can capture community news as it happens, wherever it happens. More and more groups are being trained to produce their own programming, with equipment supplied and maintained by the cablevision company. Basic studio costs are high. A properly-equipped colour studio can cost about \$200,000.



Q: Will cablevision companies introduce non-commercial pay TV?

A: Cablevision seems to be the most logical way of distributing pay TV programs. While there are several ways to get the programs to the subscriber, one of the most attractive would be to transmit them on non-standard channels requiring specialized converters for proper reception. Experts are now leaning toward a "per channel" service on a monthly subscription basis, rather than a "per

program" service. For example, the subscriber might be offered a movie service, a sports service, a cultural service, an ethnic service, and so on. But in the beginning it will probably be a balanced fare appealing to many interests.

The whole pay TV area is extremely complex. Who will program it? Who will market it? What will be shown? What about Canadian content? How much will it cost? All of these questions are being reviewed, not only by cablevision people, but by broadcasters, production people and the CRTC. Unquestionably pay TV is coming, likely as a partnership between program producers, broadcasters and cablevision companies. When it does, it will have a tremendous potential for upgrading the quality of television, fostering the arts, and developing new talents. It is estimated, for example, that within three or four years pay TV could be providing \$4 million a year to buy better quality Canadian programs and this amount would grow as new subscribers were added. This would be an important source of jobs for Canadian creative and production people.

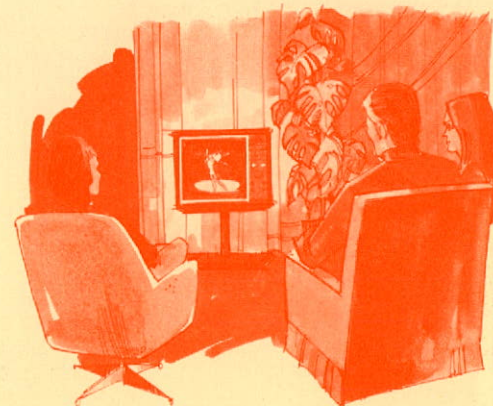
Q: Occasionally we hear talk of other services being offered by cablevision in the future. What about these?

A: Where we go from here will depend on future interests of the people. The fact that new types of service are technically possible does not guarantee their public application or acceptance. However, among the services which could be offered in the future are:

Channels devoted to full-time reporting of news and current affairs; information retrieval from data centres — a form of electronic public library; interactive instructional programs using 2-way cable; residential monitoring to detect abnormal conditions such as fire or intrusion, as well as the measurement of consumption of electricity, gas, fuel, oil; teleshopping with comparative pricing data; interactive TV games; banking services; interactive vocational counselling, local auction sales, and, of course, pay TV.

The U.S. Rand Corporation predicts that by the end of the century there will be a 400-channel cable system delivering 40 percent of the mail in the U.S. It foresees channels serving in-home computers, which can produce facsimile print-

outs from the home television receiver, providing newscasts and other data for which a permanent record may be required.



Q: Will Canadians be getting many of these future services?

A: There is no reason why Canada should not lead the world in the development of additional cablevision services. Already we are the most cabled nation in the world. Over 41 percent of Canadian homes already subscribe to cablevision, and it is available to over 82 percent of the population. In the U.S., less than 15 percent of the homes have cablevision.

Yes, cablevision is the gateway to a whole world of new services. But the speed with which any or all of them are introduced will depend on three things — first, the public's willingness to pay for them, second, the cablevision industry's access to sufficient capital to permit the rebuilding of systems to provide the necessary additional channel capacity, and finally, the CRTC's willingness to permit the cablevision industry to participate as a full partner with program producers and broadcasters in pioneering new choices for Canadians.

Copies of the foregoing question-and-answer section, in convenient booklet form, are available on request from: Director of Corporate Communications, Premier Cablevision Limited, 1015 Burrard Street, Vancouver, B.C. V6Z 1Y5. (NOTE: Address after Feb. 1, 1976 is: 1090 West Georgia Street, Vancouver, B.C. V6E 3Z7.



PREMIER CABLEVISION LIMITED

BOARD OF DIRECTORS

SYDNEY W. WELSH
Chairman of the Board,
Whonnock, British Columbia

JOHN M. BIRD
West Vancouver, British Columbia

GORDON R. GILLEY
Vancouver, British Columbia

GORDON F. KEEBLE
Orangeville, Ontario

C. PATRICK KEELEY
Toronto, Ontario

GEORGE B. McKEEN
Vancouver, British Columbia

W. GARTH PITHER
Vancouver, British Columbia

BUD J. SHEPARD
West Vancouver, British Columbia

ROBERT M. SUTHERLAND, Q.C.
Willowdale, Ontario

STUART H. WALLACE
Vancouver, British Columbia

OFFICERS

SYDNEY W. WELSH
Chairman of the Board and
Chief Executive Officer

BUD J. SHEPARD
Vice-Chairman of the Board

STUART H. WALLACE
President

LAWRENCE FOX
Vice-President, Finance

JAMES T. McEWAN
Vice-President, Operations

BARRIE R. ADAMS
Vice-President and Secretary

W. GARTH PITHER
Vice-President, Engineering

GORDON F. KEEBLE
Vice-President, Programming

FRANCIS C. GARRETT
Vice-President, Planning and
Development

HEAD OFFICE

Century Plaza
1015 Burrard Street
Vancouver, B.C. V6Z 1Y5

Address after Feb. 1/76:
1090 West Georgia Street
Vancouver, B.C. V6E 3Z7

REGISTERED OFFICE

17th Floor
1075 West Georgia Street
Vancouver, B.C.

TRANSFER AGENT

Canada Trust Company
Vancouver, B.C.

AUDITORS

Coopers & Lybrand
Vancouver, B.C.

BANKERS

Toronto-Dominion Bank
Vancouver, B.C.

SHARE LISTINGS

Vancouver Stock Exchange
Toronto Stock Exchange
Montreal Stock Exchange

SUBSIDIARY COMPANIES

Victoria Cablevision Ltd.
Victoria, B.C.

Canadian Wirevision Limited
(Vancouver Cablevision)
Vancouver, B.C.

Coquitlam Cablevision Limited
Haney, B.C.

Oakville Cablevision Limited
Oakville, Ontario

York Cablevision Limited
Toronto, Ontario

Keeble Cable Television Limited
Toronto, Ontario

Borden Cable Television Limited
Alliston, Ontario

Marlin Communal Aerials Limited
Dublin, Ireland

Waterford Cablevision Limited
Waterford, Ireland

Albion Cablevision Limited
London, England

Greenwich Cablevision Limited
Greenwich, England

Stuart Plastics Ltd.
Vancouver, B.C.

