



REVENUE & SALES OPERATIONS

TO:	Board of Directors
MEETING:	February 21 st , 2013 – Board of Directors Meeting
FROM:	Kirstine Stewart, Executive Vice President, CBC English Services Louis Lalande, Executive Vice President, SRC French Services Alan Dark, General Manager, CBC Revenue Group, Media Sales and Marketing, English Services Jean Mongeau, General Manager, SRC Revenue Group, French Services
PURPOSE:	Backgrounder on Sales Operations
DATE:	February 1, 2013

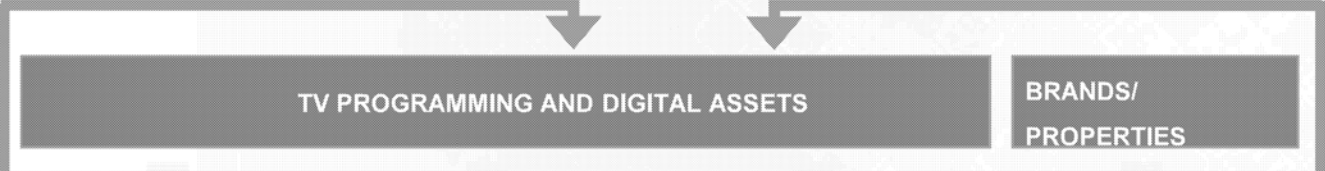


ENGLISH AND FRENCH SERVICES REVENUE GROUPS

COMMON GOALS IN DISTINCTIVE MARKETS



REVENUE GROUP: CREATE REVENUE FROM ASSETS



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REVENUE GROUPS MARKETS



CANADIAN TV AD MARKET – [REDACTED]

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TOTAL CANADA TELEVISION ADVERTISING REVENUES*

■ English Sales

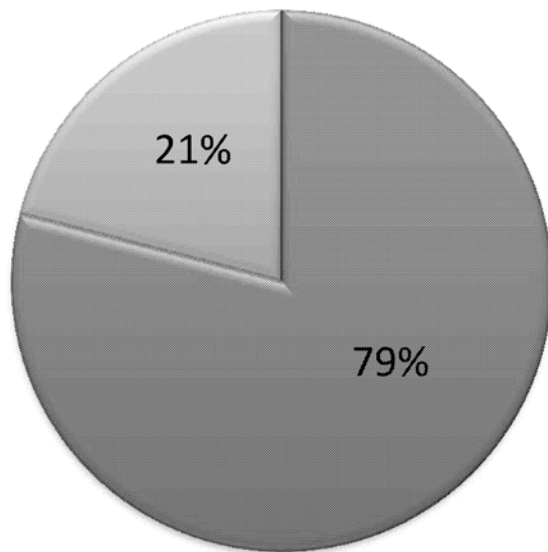
■ French Sales

*Sep '11-Aug '12 – Television Bureau of Canada
TSS Report

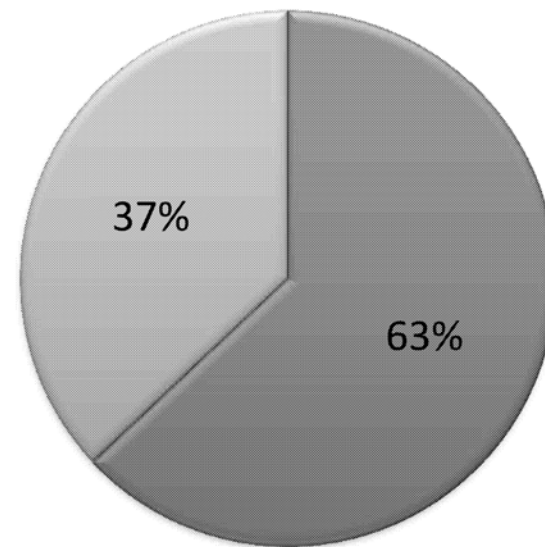


CANADIAN TV LANDSCAPE

2002



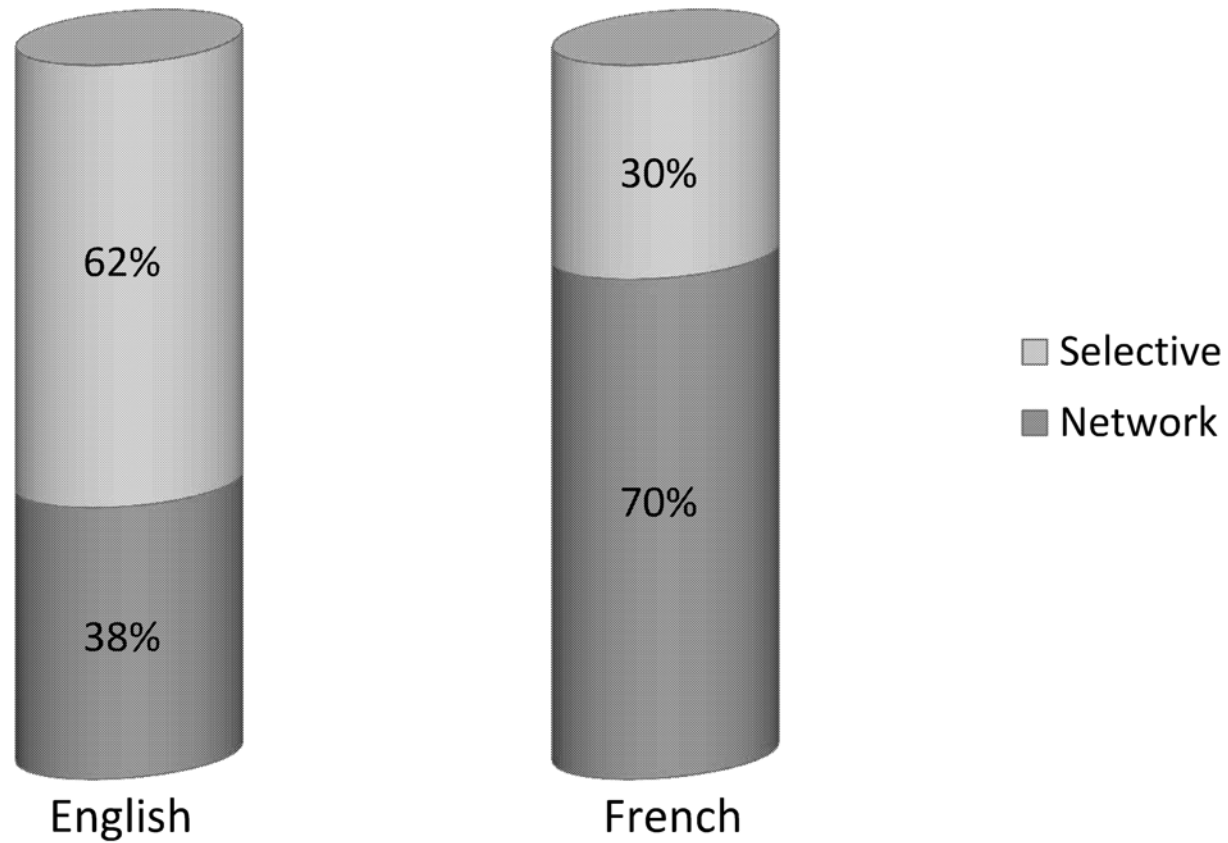
2012



- Conventional
- Specialty



CANADIAN TV MARKET – NETWORK & SELECTIVE





TELEVISION IN QUEBEC

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New balance of power between players

Shares of francophone viewers, 25-54

Source: Parts: Search BBM (PPM), Québec French, 2011-2012 "broadcast" (2012: 2011-08-29 to 2012-08-12), Id 2h-2h, A25-54



TELEVISION IN CANADA

Properties Owned by 4 Major Canadian Media Companies Account for 78% of Total Audience Share in The English Canadian TV Market

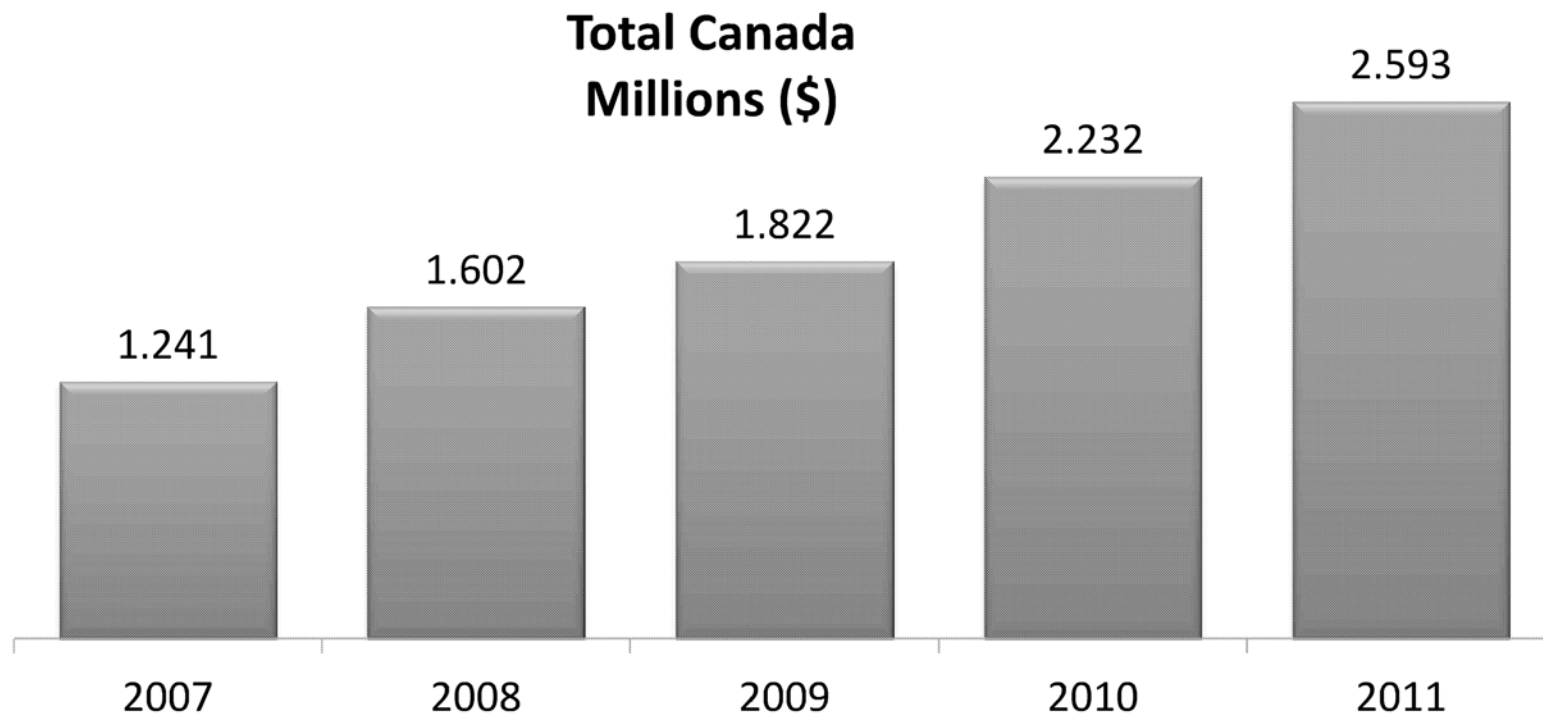
Audience (A25-54) Share for Total English Canadian TV by
Ownership: BY 2011-12

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Source: BBM Canada, Total English Canada, Confirmed Data, M-Su 2a-2a, 2011/2012 broadcast year



CANADIAN ONLINE AD MARKET

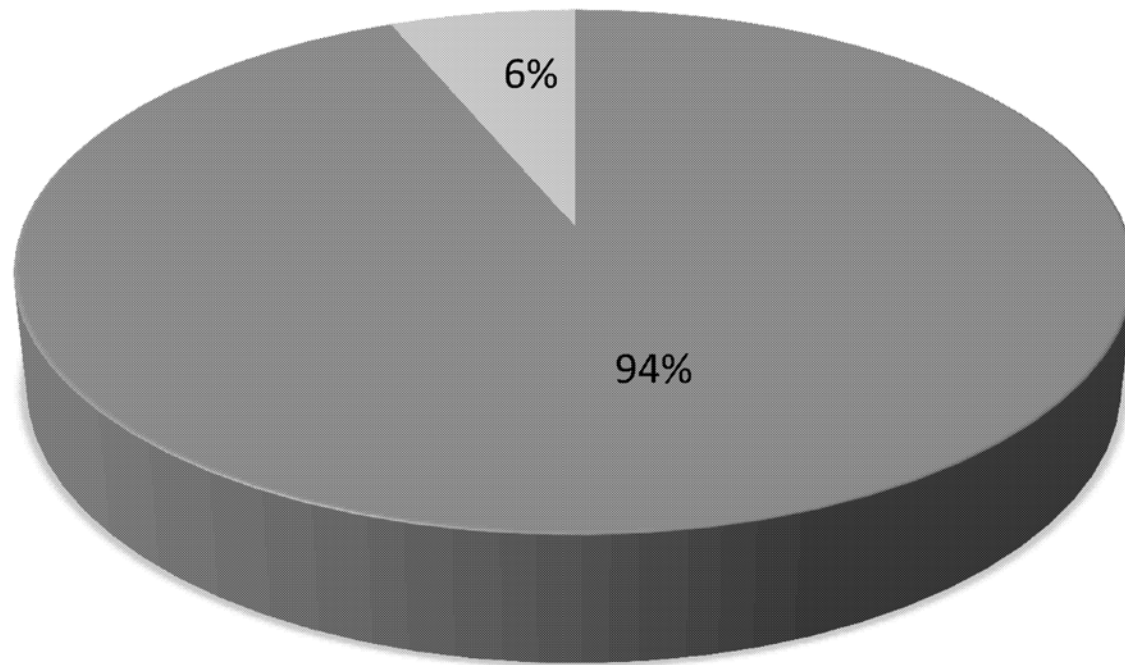




OUR MARKET IS WORTH

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■ Display

■ Video



ONLINE VIDEO TOP 30 IN CANADA

Rank	Brand	Unique Viewers (000)
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ONLINE VIDEO: BROADCASTERS

CBC Radio Canada is the #2 Broadcast source for online video in Canada.

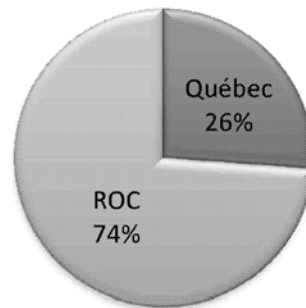
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Source: comScore Media Metrix, Total Canada, P2+, Sep-Apr 2012



CANADIAN DISTRIBUTION MARKET

- **11.8 M households subscribe to BDU* services (85% of total)**



- **212 BDU distribute over 700 channels/services to subscribers**
- **5 major players dominate the market with 90% of all revenues**

* Broadcasting Distribution Undertakings



DISTRIBUTION MARKET

ENGLISH CANADA

FRENCH CANADA

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MARKET CONDITION OVERVIEW

- Canadian economy weakened in Q3 of 2012 with forecast +2.0%
 - Growth projections for 2013 of only 1.8%* due to global uncertainty
 - Canadian TV advertising market declined 1.4% for the 12 month period ending October 2012
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*BMO CAPITAL MARKETS ** PWC AND ZENITH OPTIMEDIA



REVENUE GROUPS OPERATIONS



REVENUE GROUP OPERATIONS

- English Services
 - Media sales
 - Licensing and distribution
 - Cost of sales:
 -

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- French services
 - Media sales
 - Cost of sales:
 - Licensing and distribution
 -

*2011-12 **2012-13



REVENUE GROUPS - RESOURCE ALLOCATION

Staff Distribution

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- Sales/Customer service

FS:

ES:

- Marketing/media creativity

FS:

ES:

- Support

FS:

ES:



REVENUE SPLIT BY PLATFORM

RADIO-CANADA

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CBC

2012-2013

2011-2012

■ Broadcast

■ Digital

■ Specialty



REVENUE SPLIT BY MARKET

RADIO-CANADA

2012-2013

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CBC

2011-2012

■ Montréal ■ Toronto ■ Regions

■ Toronto ■ East ■ West ■ International



RADIO-CANADA'S MARKET SPECIFICS

- **Media sales**
 - Québec agencies and clients drive of business
 - Media creativity represents nearly of revenues
 - Facing a duopoly in TV ad market with Bell/Astral deal
 - of media sales is generated by local/retail advertisers

- **Content & Distribution**
 - Vidéotron share of distribution market - 62% of market share
 - Local licensing deals with Québec partners
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RADIO-CANADA / CBC COLLABORATION/SYNERGIES

Current:

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To come:



TRENDS AND CHANGES IN MARKETPLACE

- Media selling moving from analog to digital
- Media becoming commodity s.18(b)
- Role of technology in efficient and performing sales efforts
- Advertising agencies business model challenged
- Continued quest for innovation requires integrated marketing solutions
- Transformation of sales staff skill sets
- Ecosystem impacted by new media consumption and vertical integration
- Rights changes Bill C11 impacting the educational market
- Francophone market ad spending is fragile in current economic climate



OUR CHANGE MANAGEMENT STRATEGIES

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