



HOCKEY RIGHTS OVERVIEW

TO:	Hubert T Lacroix
MEETING:	Board of Directors Meeting - June 19, 2013
FROM:	Neil McEneaney, Interim Executive Vice President, English Services; Jeffrey Orridge, Executive Director, CBC Sports Properties
PURPOSE:	<ul style="list-style-type: none">• Communicate the centrality and alignment of Hockey to the CBC as Canada's leading cultural institution• Demonstrate alignment of Hockey Night in Canada to CBC Mission and Strategy• Discuss the goals and objectives of the renewal of Hockey
DATE:	June 17, 2013



AGENDA

- Hockey: Connects Canadians to the CBC
- Hockey: Critical to Strategy 2015 and Beyond
- A World Without Hockey
- Financial Performance of the Current Contract
- Opportunity for Renewal of Hockey



THE CBC AND HOCKEY

THE 5 R's:

- **RELEVANCE:** Providing what is important to the lives of Canadians
- **REACH:** Attracting and retaining large and diverse audiences
- **REGIONAL:** Providing opportunities to reflect every region and engage local communities
- **REVENUE:** Ensuring financial sustainability
- **RESPONSIBILITY:** Fulfilling the mandate of a modern public broadcaster



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THE CBC AND HOCKEY

- CBC's Mandate:
 - Contribute to shared national consciousness and identity;
 - Reflect Canada and its regions to national and regional audiences.

- *Hockey Night in Canada* ranked 4th as defining the Canadian experience.

SOURCE: InCanada Panel "Hockey In Canada – May 2013" InCanada Panel (May 14 – 16, 2013)



HOCKEY CONNECTS CANADIANS TO THE CBC

- *Hockey Night in Canada* (HNIC) is one of CBC's most prestigious brands that powerfully resonates with Canadians.

SOURCE: InCanada Panel (February 26 – March 11, 2013); "Hockey In Canada – May 2013" (May 14 – 16, 2013)



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HOCKEY IS OUR BIGGEST AUDIENCE DRIVER

SOURCE: CBC Research (BBM Canada)



HOCKEY DEFINES CANADA AND CBC DEFINES HOCKEY

CBC Defines Hockey and Canada

*"89% of Hockey fans
view it as nation
building and a great
way to connect with
fellow Canadians"*



*"93% of
Canadians say
Hockey defines
Canada"*

*"HNIC is the
authority on
connecting
Canadians to
hockey"*

HNIC Defines Hockey



Original

- Provides hours of ORIGINAL Canadian Content.
- The most anticipated, compelling appointment for Canadians every week, for 9 months for 60 years.
- Hockey Night In Canada is a successful cornerstone to signature programming.

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Innovative

Quality



- Hockey Night In Canada provides inclusive experiences for Canadians and CBC is the best able to engage and grow audience

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“Everyone, Everywhere”

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- *HNIC* leads in the development and implementation of tools and tactics to create social media engagement.
- Hockey Night In Canada’s digital platforms augment and enhance traditional broadcast experience and expands viewership
- *HNIC* is part of the National conversation Online as well as off.



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A WORLD WITHOUT HOCKEY NIGHT IN CANADA

- Hockey represents 368 hours of original Canadian Content that

- Network Brands are built and defined by “Hit Franchises”, consistent with our Content Strategy..



IMPACT OF THE FALL 2012 NHL LOCKOUT

- The Fall 2012 NHL Lockout compared to Fall 2011 provides a snapshot of impact on the CBC:
 - Overall **Prime Time** (Mo-Su) Total Minutes Viewed
 - Overall **Prime Time Share**

- Promotional impact on the rest of CBC's schedule.
 - **Prime Time Total Minutes Viewed** (excluding Saturdays)
 - **Prime Time Share** (excluding Saturdays)

- Revenue implications included:

SOURCE: CBC Research (BBM Canada)



PLAN B: FORECASTED 2+ AUDIENCE PERFORMANCE

Winter 2013

SAT	Program
19:00	HNIC: Game 1
19:30	
20:00	
20:30	
21:00	
21:30	
22:00	HNIC: Game 2
22:30	

AMA (2+, 000s) Saturday SHARE (2+) Full Schedule

Plan B: Fall 2013

SAT	Program	2+ Est (000)
19:00	Mr D	
19:30	New Comedy (RPT)	
20:00	Arctic Air (RPT)	
20:30		
21:00	True Crime Canada	
21:30		
22:00	The National	
22:30		

AMA (2+, 000s) Saturday SHARE (2+) Full Schedule

Plan B: Winter 2014

SAT	Program	2+ Est (000)
19:00	Survival (RPT)	
19:30		
20:00	New Drama (RPT)	
20:30		
21:00	True Crime Canada	
21:30		
22:00	The National	
22:30		

AMA (2+, 000s) Saturday SHARE (2+) Full Schedule

SOURCE: CBC Research (BBM Canada)



PLAN B:

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- We will be competing against NHL Playoffs if we do not have hockey.

CBC Prime (Mon-Sun, 7pm-11pm)	2009/10	2010/11	2011/12	PLAN B (2013/14)
Regular Season Share % (2+)				
Playoffs Share % (2+)				
% Difference				

SOURCE: CBC Research (BBM Canada)



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PLAN B: ADDITIVE COST SUMMARY

Title	Incremental # Eps	Cost / Ep	Full Incremental Cost
DRAMA			
COMEDY			
FACTUAL/VARIETY			
GRAND TOTAL			



PLAN B RESULTS IN

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■ Financial Impact:

Commercial Revenue Loss

Plan B Content Replacement Cost

Cost Savings (Rights / Production / Cost of Sales)

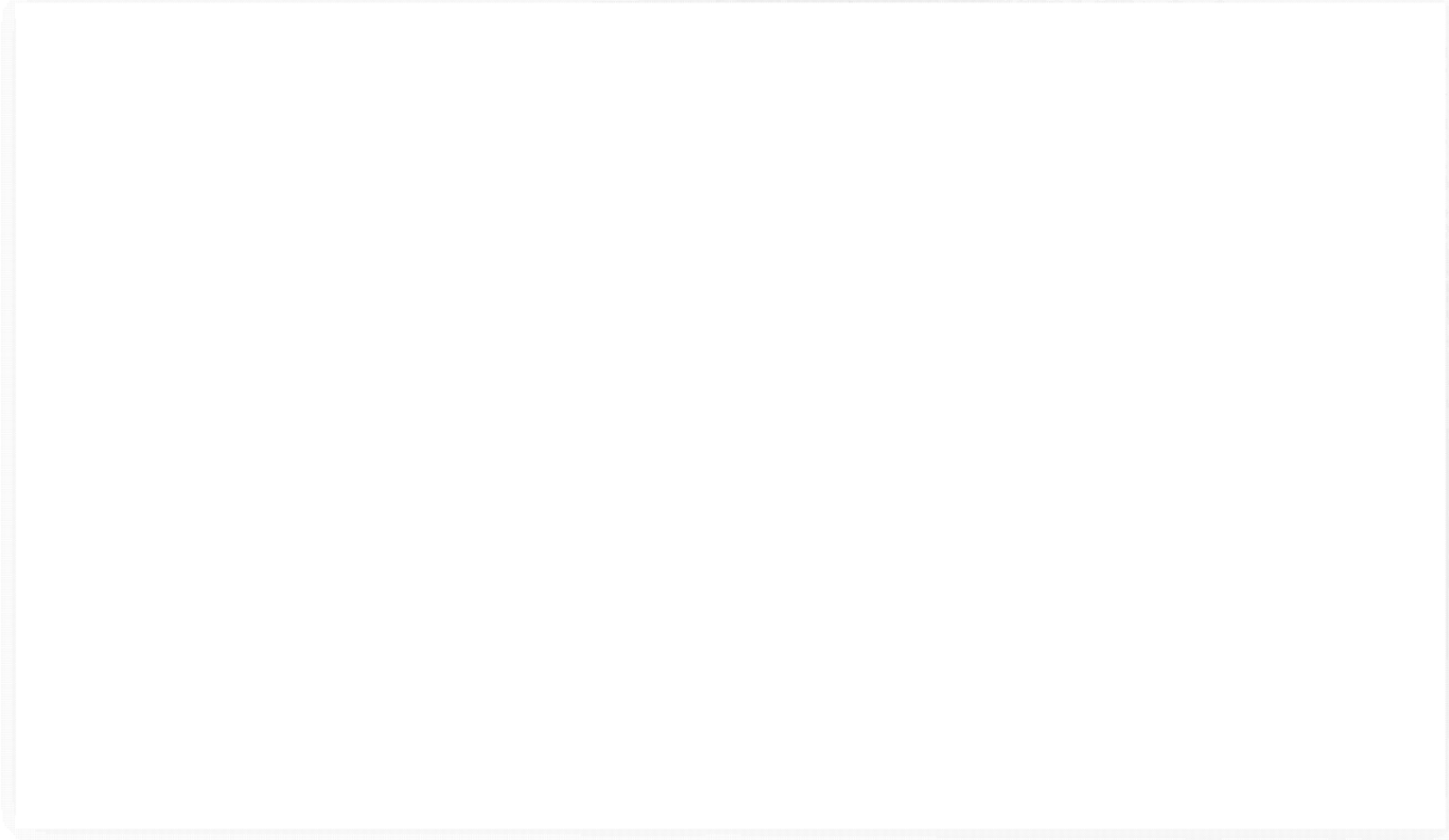
By way of comparison, we currently spend:

- in Radio Regional
- in Regional TV News
- in Digital



A WORLD WITHOUT HOCKEY NIGHT IN CANADA MEANS:

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FINANCIAL PROJECTION: CURRENT CONTRACT

(Financial Figures Stated in '000s)

HOCKEY SEASON						Total Contract
2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	6 Years
Actual	Actual	Actual	Actual	Projected	Projected	Total projection

Total revenues

Costs:

Production

Rights

Total costs

Gross Margin

Revised Gross Margin

Margin per Original Business Plan

Gap to Original Business Plan

Comments:



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OBJECTIVES OF HOCKEY RENEWAL





NHL OBJECTIVES AND EXPECTATIONS

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- **NHL Objectives:**

- **NHL Expectations:**



RENEWAL: A “GAME-CHANGER”

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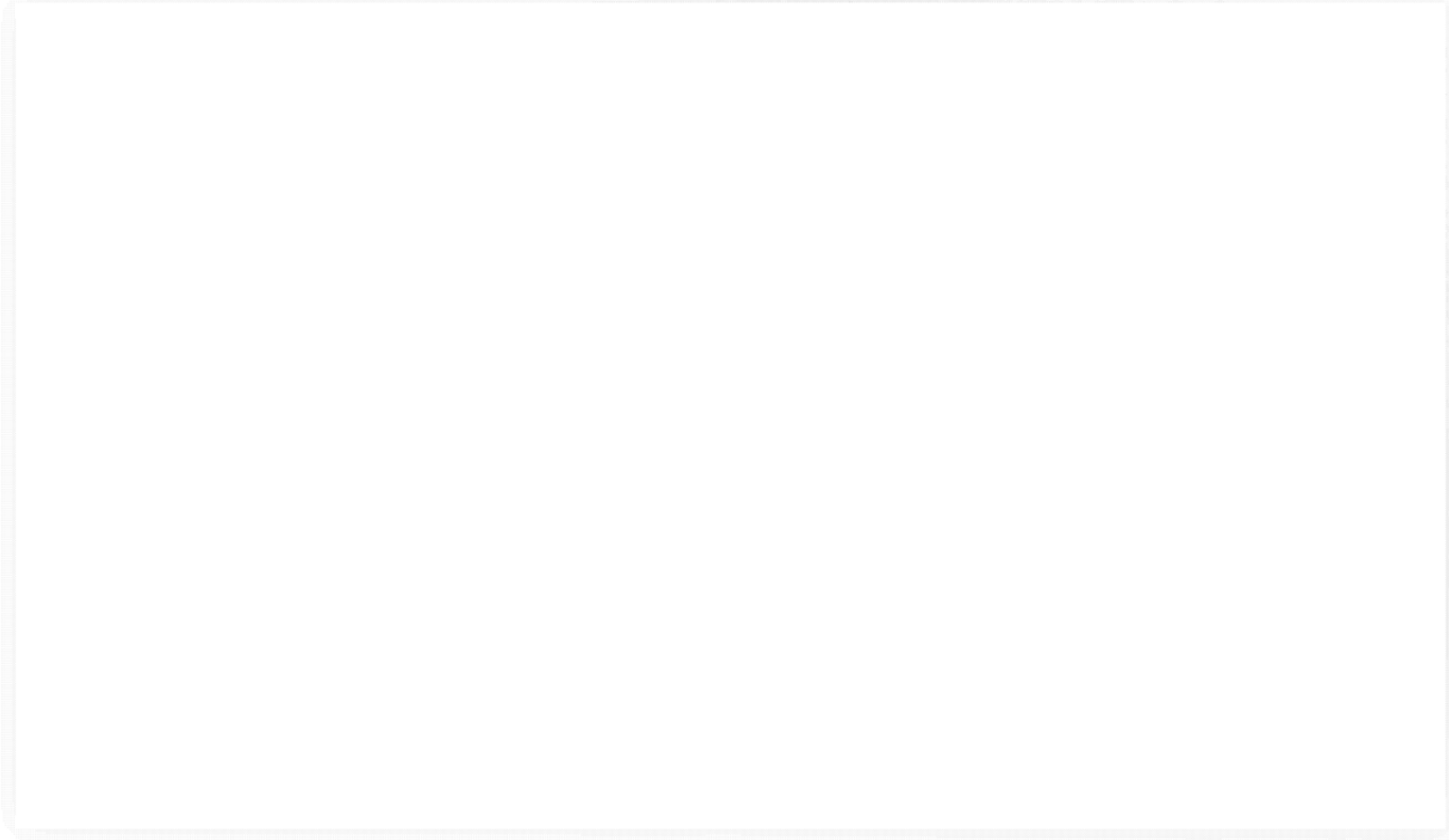


RENEWAL: A “GAME-CHANGER”

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APPENDICES





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HOCKEY LINES OF BUSINESS

Lines of Business

+ Margin

Mature

Emerging Business Opportunities



FINANCIAL PROJECTIONS (BASE CASE): FYI

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Revenues:

Commercial revenues

Digital (Current Model & future new initiatives)

Licensing

Total revenues

Costs:

Production*

Features, specials, signature events

Total costs

Gross Margin - available for rights

% Growth in Rights fees

% Revenue Growth

* 2008/09 - 2013/14 (excludes the impact of the lockout)