



## ***CORONATION STREET: APPROVAL OF CBC'S LICENCE AGREEMENT RENEWAL***

<b>TO:</b>	Board of Directors
<b>MEETING:</b>	March 26, 2015
<b>FROM:</b>	Heather Conway, Executive Vice President, English Services Neil McEaney, Chief Business Officer, English Services
<b>DECISION SOUGHT:</b>	Approval of Coronation Street program rights contract renewal <span style="background-color: black; color: black;">[REDACTED]</span>
<b>NEXT STEPS:</b>	Following Board approval, formally enter the contract renewal with ITV Global Entertainment Limited (Licensor)
<b>DATE:</b>	March 13, 2015



## LONG RUNNING AND CONSISTENT PERFORMER

- **Coronation Street** first appeared on CBC Television in 1966 or almost 50 years ago
- **Coronation Street** has had a strong and stable following on CBC:
  - Consistently garners a (2+) audience share of around 10% in prime time or off-prime (which is higher than the following shows that air at the same time: *ET Canada* on Global; *Modern Family* on City and *eTalk* on CTV Two);
  - Is among CBC's top 12 programs;
  - Is amongst CBC's [redacted] properties; and
  - Is CBC's top streamed entertainment program with the highest weekly streams online



# PERFORMANCE OVER TERM OF CURRENT CONTRACT

s.18(a)  
s.18(b)  
s.21(1)(b)  
s.68.1

- The current 4 year contract (ending July 2015) earned positive margins
- [Redacted]
- The audience projections under our contract renewal have been adjusted in line with historical audience levels

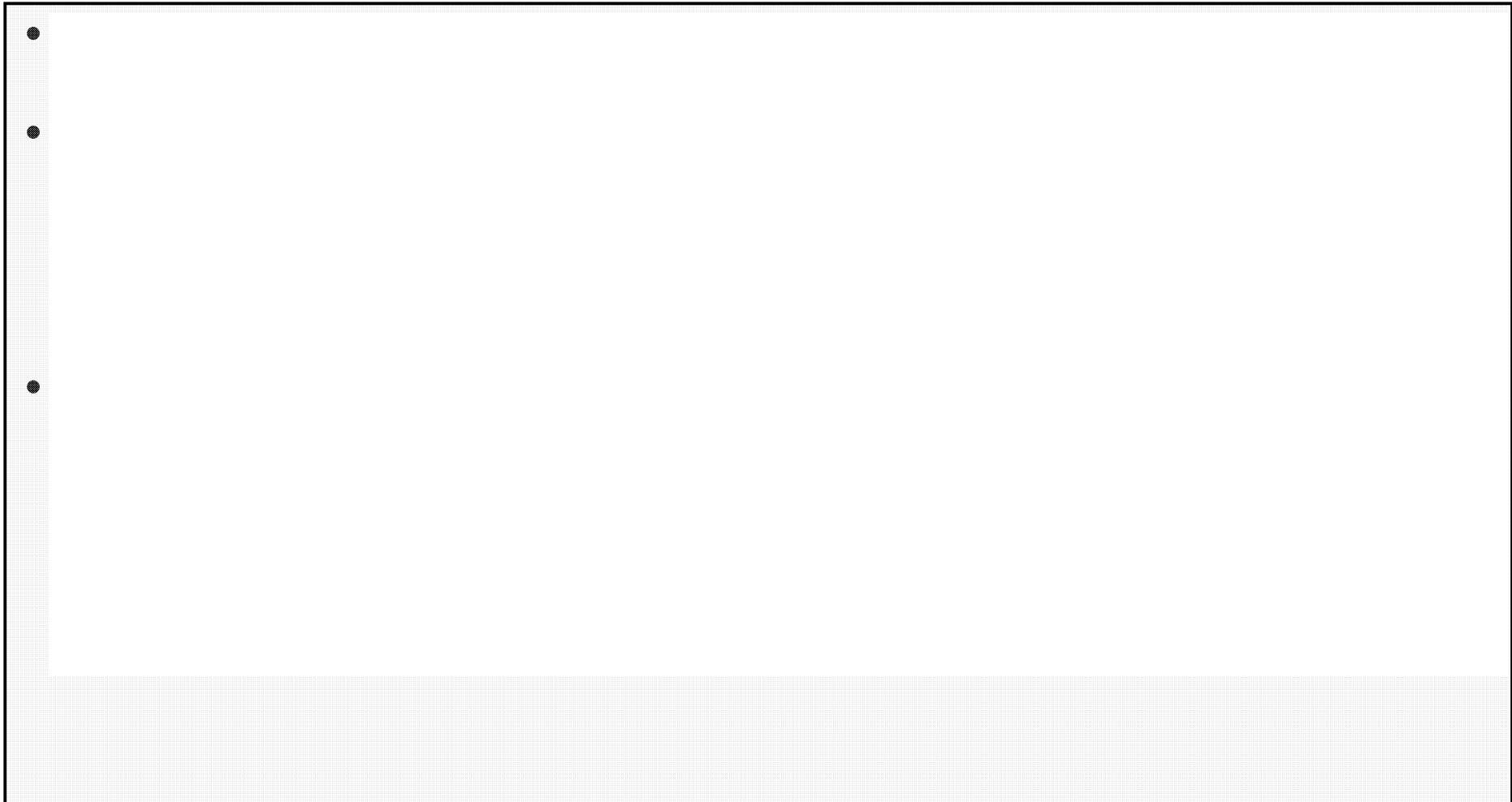
## *Financial Performance over the Current Contract*

(in \$CAD, \$000's)	Current Contract (4 Years)	
	Business Plan	Forecast
<b>Total Revenue</b>		
Acquisitions Costs		
<b>Net Margin</b>		
<i>Net Margin %</i>		

*Performance includes download revenue of . forecast to the end of the Current Contract.*



# MAIN DEAL TERMS ON CONTRACT RENEWAL





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# MAIN DEAL TERMS ON CONTRACT RENEWAL

- In addition to current rights,

[Redacted]

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- 
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- 
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[Redacted]



## FITS WITH OUR PROGRAMMING STRATEGY

- ***Coronation Street*** is part of CBC's programming efforts to bring its audiences the best of the world.
- ***Coronation Street*** is the world's longest running, and one of its most recognized, serial dramas. In the United Kingdom, it has the largest British audiences for a continuing drama and continues to win awards (including the prestigious BAFTA award for Best Continuing Drama in 2012 and 2014).
- In the context of our 2020 Strategy, ***Coronation Street*** is intended to:
  - Provide stable audiences;
  - Provide stable and predictable rights costs over a longer term;
  - Provide promotional opportunities for Canadian programs;
  - Generate [REDACTED] to help support Canadian programming; and
  - Diversify our revenues.



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s.18(b)  
s.21(1)(b)  
s.68.1

# REVENUE STRATEGY UNDER THE NEW CONTRACT

Revenue Stream	Strategy	Plan
Broadcast Advertising		
Digital Advertising		
Digital Uses (Download to Own; OTT: Old Episodes; Social Media)		



# ANTICIPATED PERFORMANCE

## *Revenue:*

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## *Costs:*

- 

## *Margins:*

-





# FINANCIAL PERFORMANCE & PROJECTIONS

s.18(a)  
s.18(b)  
s.21(1)(b)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
<b>\$'000</b>	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Cum.
	Contract Years							Total Contract
<b>Revenue:</b>								
Prime Time (Monday-Friday)								
Sunday								
3rd Telecast/Overnight								
<i>Subtotal, Broadcast Revenue</i>								
Digital Advertising								
<i>Subtotal, Digital Adv. Revenue</i>								
<b>Total Revenue</b>								
Acquisitions Costs								
<b>Net Margin</b>								
<i>Net Margin %</i>								

Note: Business Plan is premised on the core Broadcast business. Opportunities for broadcast and digital sublicensing would provide incremental revenue & margin.



# Appendices



# DETAILED DEAL TERMS – RIGHTS

s.18(b)  
s.21(1)(b)  
s.68.1

Terms	Existing Contract	Proposed Contract
<b>Contract term</b>	4 Years: Ending July, 2015	
<b>Episodes / year</b>	260 Episodes	
<b>Television Broadcast Rights</b>	3 plays / episode	
<b>Digital Rights</b>	<p>Streaming rights on cbc.ca for 30 days with no revenue share</p> <p>Online download rights subject to 50/50 net revenue share.</p>	



## DETAILED DEAL TERMS – FINANCIAL

Terms	Existing Contract			Proposed Contract		
	Year	Per Episode	Per Year (260 episodes)	Year	Per Episode	Per Year (260 episodes)
Licence Fee	1-4					
Payment Terms	Payable every 3 months					
Scheduling	First telecast between 6:00-10:00pm; One telecast after 11 pm					



# HISTORICAL AUDIENCE PERFORMANCE: ADULTS 25-54

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s.21(1)(b)  
s.68.1

Telecast	Audiences (AMA 25-54) in '000 as reported by Media Solutions			
Selling Season	Spring	Winter	Fall	
Starting on	20 Feb 2012	12 Dec 2011	12 Sept 2011	
<b>Monday-Friday</b>	230 (Feb 20 – April 10) 220 (April 11 – June 1)			
<b>Monday-Friday Late Night</b>	31 (Feb 20 – April 6) 25 (April 9 – June 1)			
<b>Sunday</b>	86 (Feb 20 – April 6) 93 (April 9 – June 1)			

Telecast	Audiences (AMA 25-54) in '000 as reported by Media Solutions			
Selling Season	Spring	Winter	Fall	Summer
Starting on	18 Feb 2013	10 Dec 2012	10 Sept 2012	4 June 2012
<b>Monday-Friday</b>	223 (Feb 18 – April 26) 161 (April 29 - May 31)			
<b>Monday-Friday Late Night</b>	31			
<b>Sunday</b>	109			



# HISTORICAL AUDIENCE PERFORMANCE: ADULTS 25-54

s.18(a)  
s.18(b)  
s.21(1)(b)  
s.68.1

Telecast	Audiences (AMA 25-54) in '000 as reported by Media Solutions			
Selling Season	Spring	Winter	Fall	Summer
Starting on	17 Feb 2014	9 Dec 2013	9 Sept 2013	3 June 2013
Monday-Friday				
Monday-Friday Late Night				
Sunday				

Telecast	Audiences (AMA 25-54) in '000 as reported by Media Solutions			
Selling Season		Winter	Fall	Summer
Starting on		15 Dec 2014	15 Sept 2014	9 June 2014
Monday-Friday				
Monday-Friday Late Night				
Sunday				