Tou.tv (launch of EXTRA Tier)

TO:	Board of Directors
MEETING:	February 26, 2014
FROM:	Louis Lalande, Executive Vice-President, French Services
DECISION SOUGHT:	Approval of a new business model for TOU.TV, comprising launch of EXTRA Tier offered free of charge to Telus and Rogers customers, and on a pay-subscription basis to other consumers.
NEXT STEPS:	Launch the new version of ICI.TOU.TV including EXTRA Tier as scheduled on March 18, 2014, and finalize agreements with Telus and Rogers.
DATE:	February 18, 2014

A1. CONTEXT

- Tou.tv, introduced by CBC/Radio-Canada French Services in January 2010, is an over-the-top (OTT) service that delivers on-demand streaming video in French via the Web and a range of digital applications. It is the most-popular on-demand TV solution among Francophone Canadians aged 18–34.
- Tou.tv is one of the key initiatives of Everyone, Every way, embodying innovation and a modern approach for the public broadcaster, which has adapted to new trends in TV viewing.
- Tou.tv was instantly successful.

s.18(a)
s.18(b)

s.68.1

s.20(1)(c)

- To address new French-language competition on the OTT market, Tou.tv must upgrade its technology platform as well as expand its Canadian and foreign content library.
- we have negotiated financial participation from Telus and Rogers Mobility as part of a new business model.
- The new ICI.TOU.TV platform will launch in March 2014 and will feature, in addition to the content normally provided free, an EXTRA Tier, featuring exclusive content and enhanced video quality (HD).

A0057739_2-000101

A2. KEY DECISION ELEMENTS

- The partnership with ICI.TOU.TV allows Telus and Rogers to provide their customers with free on-demand access to quality French-language video content.

- The contracts planned with Telus and Rogers

s.18(a)
s.18(b)

- ■

s.20(1)(b)
s.20(1)(c)

- ■

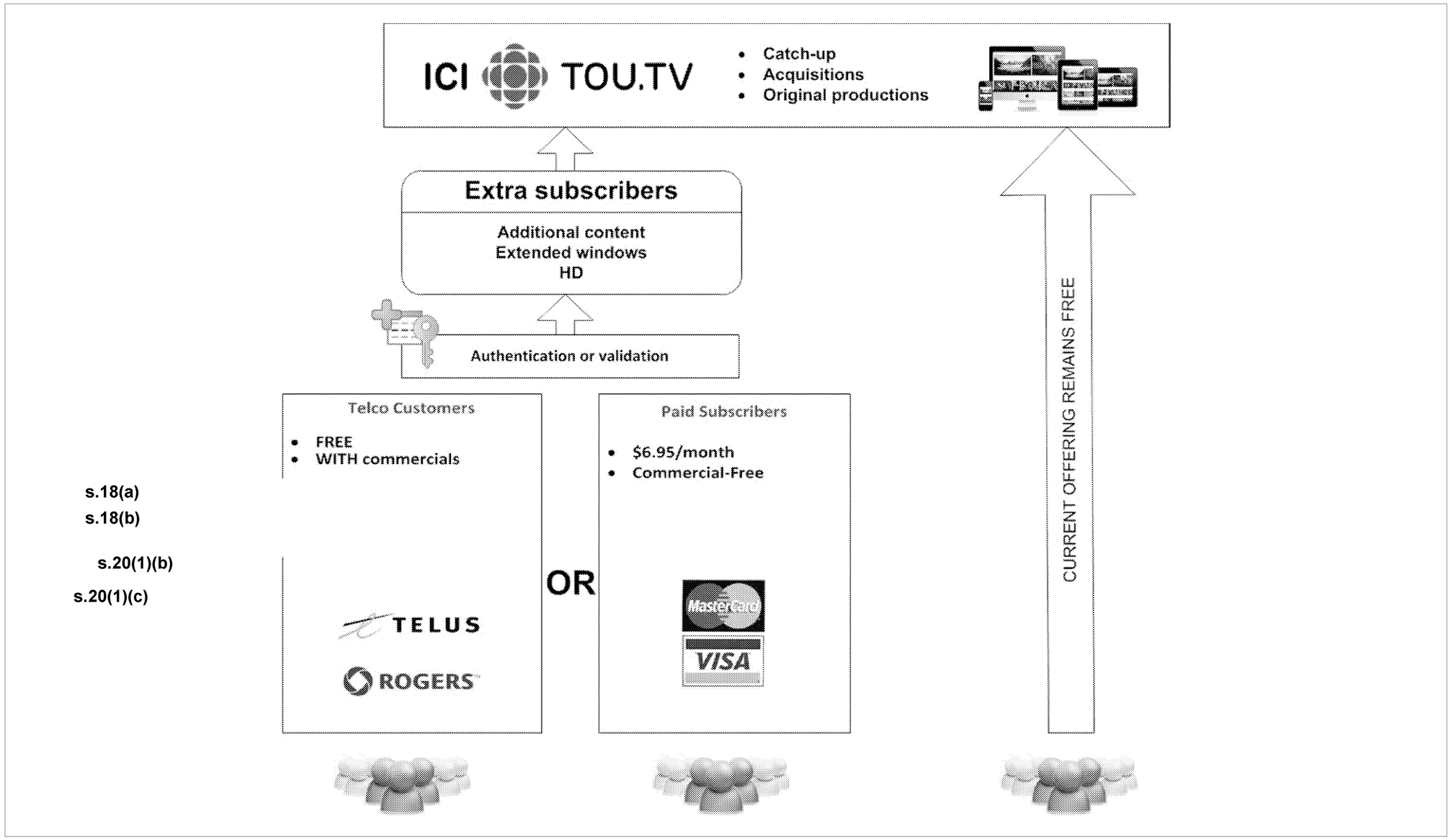
s.68.1

- ■

- In conjunction with the Telus and Rogers partnership agreements, French Services will introduce a new direct-to-consumers subscription offering for ICI.TOU.TV EXTRA Tier, at a rate of $6.95 per month, with the entire content library viewable commercial-free.

A0057739_3-000102

A2. KEY DECISION ELEMENTS



A0057739_4-000103

A2. KEY DECISION ELEMENTS

- Key assumptions:
  - Telus and Rogers mobility subscriber base:
  - [redacted]
  - [redacted]
  - [redacted]
  - s.18(a) s.18(b) [redacted]
  - [redacted]
  - s.20(1)(b) s.20(1)(c) [redacted]
  - s.68.1 [redacted]

A0057739_5-000104

A3. SITUATION AND FINANCIAL FORECASTS

TOU.TV

($000)

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
				← Forecast →					
Revenues									
Expenses									
Net									

EXTRA

($000)

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
				← Forecast →					
Revenues									
Expenses									
Net									

s.18(a)
s.18(b)

s.68.1

TOTAL

($000)

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
				← Forecast →					
Revenues									
Expenses									
Net									

A0057739_6-000105

A4. KEY BENEFITS, IMPACTS AND RISKS

- Business Objectives:
  -
  -
  -
  -
  -
  -

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

s.20(1)(c)

A0057739_7-000106

A4. KEY BENEFITS, IMPACTS AND RISKS

- Key risks and solutions:
  - First ever user-pay subscriber-based content offering with payment directly to CBC/Radio-Canada.
    - Keep promoting the wealth of free content that continues to be available on the platform without access restrictions.
    - Strengthen customer service (e.g., transactions, user guidance, information) to ensure timely responses to subscriber requests.

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

s.20(1)(b)
s.20(1)(c)

A0057739_8-000107

A4. KEY BENEFITS, IMPACTS AND RISKS

- Key risks and solutions:
  -
    -
    -
    - s.18(b)
      s.21(1)(b)
    - s.20(1)(b)
      s.20(1)(c)

A0057739_9-000108

A5. OTHER OPTIONS CONSIDERED

- Launch a subscription service based solely on a direct sales to consumers model.
  -
  -
- Status quo.
  -

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

s.20(1)(c)

A0057739_10-000109

A6. SUCCESS MEASURES

- Development of a robust platform that delivers the customization functionalities needed to build subscriber loyalty, while continuing to meet expectations of loyal current Tou.tv users.
-
-

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

s.20(1)(c)

s.20(1)(b)

A0057739_11-000110

A7. RESOLUTION

That the new Tou.tv business model comprising the launch of EXTRA Tier for partner's customers plus a direct-to-consumer subscription offering be approved.

A0057739_12-000111