

Evidence of ‘cord-cutting’ in Canadian traditional TV service market emerges, according to new research

Publicly traded TV service providers see combined decline in subscribers in last two quarters

Ottawa, June 6, 2013—An analysis of subscriber results from the last two fiscal quarters of Canada’s publicly traded television service providers such as cable, satellite, and telephone companies shows the first concrete signs of so-called “cord-cutting” in the Canadian traditional TV service market, according to the latest research from Ottawa-based research and consulting firm Boon Dog Professional Services Inc.

Publicly traded TV service providers¹ lost an estimated 5,394 TV subscribers combined in the first quarter of 2013 (November/December 2012 to February/March 2013). This followed a combined decrease of an estimated 8,175 in the fourth quarter of 2012 (August/September to November/December 2012).

Given that the largest and best capitalized TV service providers lost customers as a whole in each of the last two quarters, Boon Dog estimates that the entire traditional TV service market also shrank by similar levels in the same periods. This marks the first time that the traditional TV subscription market has declined in size since essentially the launch of cable TV in the early 1950s. The analysis is contained in Boon Dog’s the *Canadian Digital TV Market Monitor* research series, which estimates the size of the Canadian traditional TV service market at 11.8 million households.

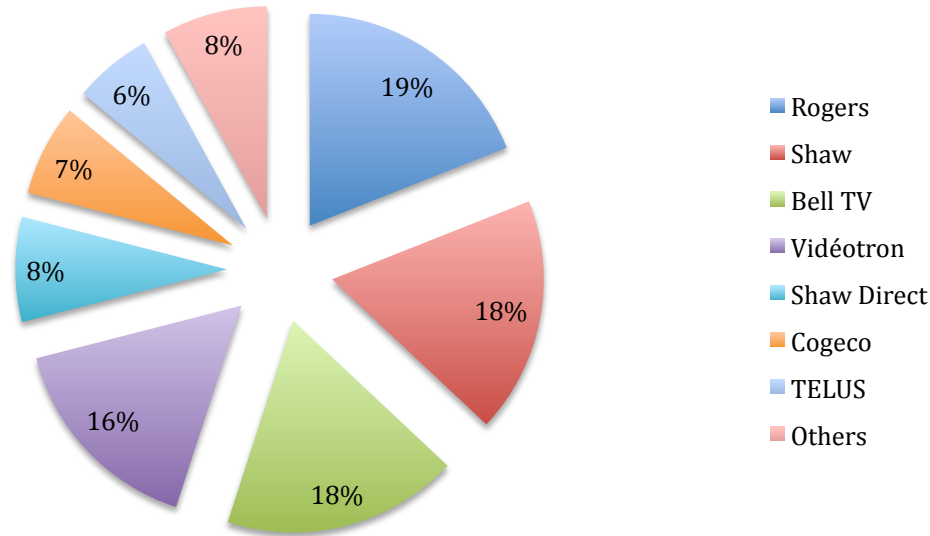
“A report earlier this week by well known U.S. analyst Craig Moffett of Moffett Research concluded that cord-cutting is real in the U.S. market,” says Mario Mota, Boon Dog Partner and principal author of the *Canadian Digital TV Market Monitor* research series. “While the recent decline in subscribers in Canada is small relative to the size of the total TV market, we now have two consecutive quarters of data for the Canadian market that confirms that cord-cutting is a reality here too.”

A selection of key findings from Boon Dog’s latest research include the following:

- At the end of 2012, 88% of all TV subscription households in Canada received a digital TV offering (10.5 million households);
- At December 31, 2012, cable had a 61% share of digital TV households, followed by satellite at 27%, and IPTV at 12%, compared to 62% for cable, 29% for satellite, and 8% for IPTV a year earlier; and
- By the end of 2015, digital TV market shares are forecast to be 58% for cable, 21% for satellite, and 21% for IPTV.

¹ Rogers, Shaw/Shaw Direct, BCE, Vidéotron, Cogeco, TELUS, Bell Aliant, and MTS

Canadian Traditional TV Service Market Share By Distributor (November/December 2012)



About Boon Dog Professional Services Inc.

Boon Dog Professional Services Inc. is an Ottawa-based research and consulting firm offering a range of professional services and research studies to clients in a number of sectors, with an expertise in the broadcasting and media sectors. Services provided include communications/broadcasting regulatory consulting and analytics, strategic business and market intelligence, marketing communications and public relations, writing and editing, project management, graphic design, and basic website design.

About the *Canadian Digital TV Market Monitor*

Published on a quarterly basis, Boon Dog's *Canadian Digital TV Market Monitor* is the most comprehensive independent research series on the Canadian digital television distribution market. The research series tracks the growth and development of the digital TV services market, providing information such as subscriber data and forecasts, digital TV market share by technology (i.e., cable, satellite, and IPTV), estimates of households with HDTV set-top boxes, PVRs/DVRs, and those that are VOD-ready. The research series is now in its 12th year of publication.

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