

NEWS RELEASE

Canadian broadcasters spent a record \$177 million in television public benefits in the 2011-2012 broadcast year

Television benefits spending more than triple that of previous year

Third installment of annual research study tracks English-language television benefits spending

Ottawa, April 29, 2013 – Spending on so-called tangible public benefits¹ related to the acquisition of regulated Canadian broadcast television assets skyrocketed to a record \$177 million in the 2011-2012 broadcast year ended August 31, 2012, according to new research from Ottawa-based research and consulting firm Boon Dog Professional Services Inc. The unprecedented level of English-language television benefits spending by various Canadian broadcasters in 2011-2012 more than tripled from the amount (\$52 million) spent in the previous year.

“To put the numbers into perspective, according to our analysis the amount of television benefits funds expended in 2011-2012 alone equaled roughly the same as that spent in the previous four years combined, or almost as much as Shaw Media is required to spend (\$182.1 million) in television benefits over 7 years related to Shaw’s acquisition of Canwest in 2010,” says Mario Mota, Boon Dog Partner and principal author of the research. “That’s partly a function of timing and the significant amount of consolidation that has occurred in the television market in the last few years. The end result was a banner year for recipients of television benefits funds, including creators of Canadian programming.”

Of the \$177 million spent in 2011-2012, 64% or \$113.5 million went to on-screen/programming-related initiatives—primarily the creation of new Canadian programming—and the remaining 36% or \$63.6 million went to social initiatives such as funding for digital television upgrades, training programs, and television/film festivals.

The latest research is contained in the third installment (2013 report) of the annual syndicated research study called the ***Canadian Television Benefits Monitor: Tracking Spending on English-Language Television Benefits Packages***, published by Boon Dog. The report is almost 80 pages in length and tracks spending for all current English-language TV benefits packages (20 in total), using data contained in reports filed with the CRTC.

Some highlights from the 2013 report (based on data for the year ended August 31, 2012) include the following:

- The combined value of the 20 television benefits packages tracked in the report totals \$752.4 million, of which \$348.4 million had been spent by August 31, 2012. That leaves about \$404 million to be spent by August 31, 2019;²

¹ The CRTC generally requires broadcasters to pay 10% of the value of television assets being acquired as “tangible public benefits”, in lieu of a competitive process for the transfer of broadcasting licences.

² When proposed television benefits funds related to BCE’s acquisition of Astral Media are factored in, assuming CRTC approval of the transaction, at least \$528.6 million in English- and French-language television benefits must be spent by August 31, 2019.

- By August 31, 2019, \$355.4 million remains to be spent on screen-based and/or programming-related benefits and \$48.7 million must be spent on social and/or other benefits;³ and
- In total, 81% of benefits funds detailed in the report (excluding benefits related to the BCE-CTV transaction in 2000, which are almost fully paid) have been committed to go to on-screen/programming-related initiatives, which is slightly below the CRTC's standard practice of requiring approximately 85% of benefits funds go to such initiatives.

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 Television Benefits Monitor*

Boon Dog's *Canadian Television Benefits Monitor* is an annual syndicated research study that tracks spending for all current English-language television benefits packages, using data contained in reports filed with the CRTC. The Appendix of the research study contains a detailed list of specific TV and new media programming projects funded through the various benefits packages (for the largest packages only). The 2013 research study is the third installment in this annual series.

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³ These numbers will be at least \$461.3 million (in on-screen benefits) and \$67.4 million (in social benefits) when proposed television benefits funds related to BCE's acquisition of Astral Media are factored in, assuming CRTC approval of the transaction.