

‘Cord-cutting’ in Canadian traditional TV service market accelerates in Q2 2013, according to new research

Publicly traded TV service providers see combined decline in subscribers in each of last three quarters

Ottawa, August 13, 2013—Canada’s publicly traded television service providers¹ (cable, satellite, and telephone companies) lost an estimated 19,624 TV subscribers combined in the second quarter of 2013 (February/March to May/June 2013), according to new research from Ottawa-based research and consulting firm Boon Dog Professional Services Inc.

While Q2 is traditionally a slow quarter for TV service subscriber growth, the latest subscriber results signal an acceleration of so-called “cord-cutting” in the Canadian traditional TV service market. The Q2 2013 loss in subscribers followed a loss of an estimated 5,394 TV subscribers in Q1 2013 (November/December 2012 to February/March 2013) and a decrease of an estimated 8,175 in Q4 2012 (August/September to November/December 2012).

More than 90% of all traditional TV service subscribers in Canada are customers of the publicly traded TV service providers. Given that these large and best capitalized TV service providers lost customers as a whole in each of the last three quarters, Boon Dog estimates that the entire traditional TV service market also shrank by similar levels in the same periods. 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 roughly 11.8 million households at the end of Q2 2013.

“Interestingly, the ‘cord-cutting’ situation in Canada mirrors what is happening south of the border,” says Mario Mota, Boon Dog Partner and principal author of the *Canadian Digital TV Market Monitor* research series. “U.S. analyst Craig Moffett of Moffett Research noted in a research note last week that the U.S. TV service market has now declined for three consecutive quarters. While the decline in subscribers in Canada is small relative to the size of the total TV market, it is statistically significant because we too now have three straight quarters of data for the Canadian market that confirms that cord-cutting is a reality.”

Canadian Publicly Traded TV Service Providers Net TV Subscriber Growth/Decline (Q2 2013 Ended May/June 2013)

TV Service Provider/Q2 End	Net TV Subscriber Growth/Decline
Rogers - June 30	(35,000)
Bell TV - June 30	24,605*
Shaw - May 31	(26,578)
Vidéotron - June 30	(16,800)
Shaw Direct - May 31	(2,930)
Cogeco - May 31	(7,363)
TELUS - June 30	31,000
Bell Aliant - June 30	11,452
MTS - June 30	1,990
Total	(19,624)

* The Bell TV subscriber number above excludes an estimated 1,000 wholesale satellite TV subscribers sold to TELUS. This number is included in TELUS’ reported TV subscriber number so it is excluded from the reported Bell TV number to avoid double counting.

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

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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