

**ANALYSIS OF FINANCIAL AND CPE AND PNI SPENDING  
DATA FILED BY THE LARGE ENGLISH-LANGUAGE  
BROADCAST GROUPS AS PART OF THEIR GROUP LICENCE  
RENEWAL RECONSIDERATION APPLICATIONS  
(Broadcasting Notice of Consultation CRTC 2017-429)**

**Prepared by:**

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**For:**

**Alliance of Canadian Cinema, Television and Radio Artists (ACTRA);  
Canadian Media Producers Association (CMPA);  
Directors Guild of Canada (DGC); and  
Writers Guild of Canada (WGC)**

**January 2018**

# **Bell Media Designated English Group**

<b>Bell Media Designated English Group - Discretionary Services - REVENUE</b>					
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>3-Yr Avg.</b>
Animal Planet	\$7,381,303	\$8,621,239	\$9,142,516	\$9,880,190	\$9,214,648
Book Television	\$4,536,135	\$4,479,209	\$4,606,920	\$3,947,940	\$4,344,690
Bravo!	\$42,206,412	\$50,688,922	\$53,302,373	\$51,362,650	\$51,784,648
BNN - Business News Network	\$31,960,060	\$31,833,362	\$31,851,373	\$29,685,232	\$31,123,322
Comedy Gold	\$4,214,490	\$5,129,881	\$4,729,181	\$4,476,872	\$4,778,645
CP24	\$22,934,127	\$24,479,042	\$26,776,033	\$30,542,905	\$27,265,993
Discovery Channel	\$99,195,065	\$101,372,078	\$99,822,502	\$97,372,938	\$99,522,506
E!	\$28,589,667	\$30,788,250	\$29,348,755	\$29,596,215	\$29,911,073
ESPN Classic	\$3,032,454	\$2,918,882	\$3,035,184	\$2,130,825	\$2,694,964
FashionTelevisionChannel	\$4,819,780	\$4,864,993	\$4,686,678	\$4,422,844	\$4,658,172
Gusto (formerly M3, MuchMore, and MuchMoreMusic)	\$17,499,436	\$17,500,020	\$19,830,647	\$19,227,563	\$18,852,743
Investigation Discovery	\$5,686,212	\$7,355,527	\$9,696,321	\$11,065,902	\$9,372,583
MTV (Canada) (formerly Talk TV)	\$24,155,316	\$24,227,219	\$20,768,271	\$18,703,594	\$21,233,028
MTV2 (formerly Razer)	\$4,683,724	\$4,779,879	\$5,078,052	\$5,531,401	\$5,129,777
Much (formerly MuchMusic)	\$40,220,246	\$37,673,999	\$37,363,015	\$34,907,246	\$36,648,087
Space	\$50,145,857	\$50,273,989	\$51,086,234	\$54,940,271	\$52,100,165
The Comedy Network	\$55,855,948	\$60,803,740	\$58,631,153	\$56,594,130	\$58,676,341
The Movie Network (TMN)	\$136,706,702	\$127,766,895	\$124,480,286	\$120,563,853	\$124,270,345
The Movie Network Encore (TMN Encore)	\$23,820,182	\$23,118,903	\$21,824,131	\$20,374,376	\$21,772,470
Discovery Science	\$4,611,650	\$5,180,971	\$5,606,414	\$5,857,324	\$5,548,236
Discovery Velocity	\$27,139,756	\$26,297,113	\$25,357,350	\$24,108,599	\$25,254,354
<b>Total Discretionary Services Revenue</b>	<b>\$639,394,522</b>	<b>\$650,154,113</b>	<b>\$647,023,389</b>	<b>\$635,292,870</b>	<b>\$644,156,791</b>

<b>Bell Media Designated English Group - REVENUE</b>					
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>3-Yr Avg.</b>
Basic TV (Conventional TV)*	\$787,131,282	\$760,805,650	\$728,490,000	\$723,773,000	\$737,689,550
Discretionary Services	\$639,394,522	\$650,154,113	\$647,023,389	\$635,292,870	\$644,156,791
<b>Total Group Revenue</b>	<b>\$1,426,525,804</b>	<b>\$1,410,959,763</b>	<b>\$1,375,513,389</b>	<b>\$1,359,065,870</b>	<b>\$1,381,846,341</b>

Sources: Bell Media Designated Group Aggregated Conventional TV (Basic TV Stations) Annual Returns; CRTC Statistical and Financial Summaries for Individual Discretionary and On-Demand Services

Note: \* Excluding LPIF and SMLPF revenue

<b>Bell Media Designated English Group - CPE (Individual Numbers Provided by Bell Media)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.</b>
Animal Planet	\$829,546	\$944,511	\$1,446,679	\$1,308,959	\$1,060,149	\$1,271,929
Book Television	\$385,812	\$285,637	\$213,261	\$96,243	\$142,893	\$150,799
Bravo!	\$7,759,236	\$8,364,949	\$6,019,283	\$3,661,888	\$3,716,272	\$4,465,814
BNN - Business News Network	\$13,088,258	\$12,915,452	\$14,969,217	\$13,926,592	\$14,568,513	\$14,488,107
Comedy Gold	\$0	\$0	\$0	\$0	\$0	\$0
CP24	\$14,031,505	\$15,484,205	\$17,239,733	\$18,058,590	\$19,485,763	\$18,261,362
Discovery Channel	\$43,395,179	\$49,356,190	\$47,439,894	\$47,820,233	\$32,860,668	\$42,706,932
E!	\$7,719,518	\$6,246,132	\$9,372,428	\$7,414,543	\$7,525,452	\$8,104,141
ESPN Classic	\$380,337	\$441,443	\$412,550	\$291,618	\$219,701	\$307,956
FashionTelevisionChannel	\$1,074,828	\$444,836	\$1,220,328	\$237,409	\$140,063	\$532,600
Gusto	\$3,412,563	\$3,576,157	\$4,934,813	\$3,213,251	\$3,161,719	\$3,769,928
Investigation Discovery	\$549,601	\$369,371	\$447,423	\$477,920	\$513,481	\$479,608
MTV (Canada)	\$13,544,360	\$10,782,844	\$10,307,953	\$4,965,542	\$4,073,775	\$6,449,090
MTV2	\$548,666	\$513,954	\$530,193	\$497,642	\$548,363	\$525,399
Much	\$17,381,305	\$17,876,969	\$15,505,741	\$9,731,527	\$9,408,520	\$11,548,596
Space	\$12,919,156	\$17,638,350	\$16,660,798	\$6,559,991	\$8,983,712	\$10,734,834
The Comedy Network	\$10,514,368	\$10,692,022	\$10,315,718	\$5,476,810	\$4,411,844	\$6,734,791
The Movie Network (TMN)		\$24,161,676	\$22,210,909	\$33,539,481	\$39,065,754	\$31,605,381
The Movie Network Encore (TMN Encore)		\$4,615,233	\$2,178,934	\$1,767,461	\$2,028,794	\$1,991,730
Discovery Science	\$739,936	\$605,412	\$548,503	\$1,001,631	\$749,116	\$766,417
Discovery Velocity	\$3,666,315	\$3,418,085	\$3,990,418	\$4,307,008	\$2,021,317	\$3,439,581
<b>Total Discretionary Services CPE</b>	<b>\$151,940,489</b>	<b>\$188,733,428</b>	<b>\$185,964,776</b>	<b>\$164,354,339</b>	<b>\$154,685,869</b>	<b>\$168,334,995</b>

<b>Bell Media Designated English Group - CPE (Consolidated Numbers Provided by Bell Media)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.</b>
Basic TV (Conventional TV)	\$242,158,432	\$190,530,991	\$211,340,121	\$231,440,251	\$237,874,435	\$226,884,936
Discretionary Services	\$151,940,490	\$188,733,427	\$185,964,775	\$164,354,340	\$154,685,873	\$168,334,996
<b>Total Group CPE</b>	<b>\$394,098,922</b>	<b>\$379,264,418</b>	<b>\$397,304,896</b>	<b>\$395,794,591</b>	<b>\$392,560,308</b>	<b>\$395,219,932</b>

<b>Total Group 3-Year Average Revenue (2012-2013, 2013-2014, and 2014-2015)</b>	<b>\$1,381,846,341</b>
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<b>Total Group 3-Year Average CPE (2013-2014, 2014-2015, 2015-2016) as a % of Previous 3-Year Average Group Revenue (2012-2013, 2013-2014, and 2014-2015)</b>	<b>28.6%</b>
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Sources: Bell Media licence renewal reconsideration application, Revised Financial Appendices - Appendix 1 Historical CPE, Appendix 2 1st Run

<b>Bell Media Designated English Group - PNI Spending (Individual Numbers Provided by Bell Media)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.</b>
Animal Planet	\$818,276	\$918,157	\$1,420,224	\$1,283,591	\$1,049,877	\$1,251,231
Book Television	\$117,228	\$128,105	\$138,170	\$24,946	\$85,225	\$82,780
Bravo!	\$3,842,615	\$7,515,830	\$5,795,604	\$2,394,366	\$3,136,782	\$3,775,584
BNN - Business News Network	\$0	\$0	\$0	\$391,510	\$427,102	\$272,871
Comedy Gold	\$0	\$0	\$0	\$0	\$0	\$0
CP24	\$0	\$0	\$0	\$0	\$0	\$0
Discovery Channel	\$19,370,082	\$21,258,570	\$21,269,031	\$25,939,924	\$13,429,023	\$20,212,659
E!	\$17,229	\$61,949	\$376,721	\$1,158,584	\$2,040,000	\$1,191,768
ESPN Classic	\$0	\$0	\$0	\$0	\$0	\$0
FashionTelevisionChannel	\$333	\$0	\$1,157,760	\$194,358	\$140,063	\$497,394
Gusto	\$162,725	\$38,117	\$3,112,951	\$2,492,571	\$2,907,496	\$2,837,673
Investigation Discovery	\$549,601	\$351,324	\$447,423	\$477,920	\$513,481	\$479,608
MTV (Canada)	\$49,790	\$63,243	\$1,068,690	\$2,357,587	\$2,818,261	\$2,081,513
MTV2	\$0	\$0	\$530,193	\$497,642	\$548,363	\$525,399
Much	\$3,637,377	\$6,064,619	\$6,111,518	\$6,091,274	\$6,566,245	\$6,256,346
Space	\$8,288,933	\$13,984,563	\$12,356,919	\$2,639,740	\$4,937,374	\$6,644,678
The Comedy Network	\$9,941,603	\$9,447,918	\$7,253,599	\$2,007,311	\$2,875,849	\$4,045,586
The Movie Network (TMN)		\$21,554,066	\$21,546,813	\$32,770,498	\$38,471,110	\$30,929,474
The Movie Network Encore (TMN Encore)		\$3,649,138	\$2,170,928	\$1,764,005	\$1,968,290	\$1,967,741
Discovery Science	\$739,936	\$462,737	\$548,503	\$1,001,631	\$749,116	\$766,417
Discovery Velocity	\$3,112,082	\$2,811,797	\$2,918,654	\$3,356,632	\$1,682,530	\$2,652,605
<b>Total Discretionary Services PNI</b>	<b>\$50,647,810</b>	<b>\$88,310,133</b>	<b>\$88,223,701</b>	<b>\$86,844,090</b>	<b>\$84,346,187</b>	<b>\$86,471,326</b>

<b>Bell Media Designated English Group - PNI Spending (Consolidated Numbers Provided by Bell Media)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.</b>
Basic TV (Conventional TV)	\$20,381,334	\$30,017,375	\$27,756,046	\$15,893,363	\$13,605,219	\$19,084,876
Discretionary Services	\$50,647,810	\$88,310,132	\$88,223,701	\$86,844,088	\$84,346,187	\$86,471,325
<b>Total Group PNI</b>	<b>\$71,029,144</b>	<b>\$118,327,507</b>	<b>\$115,979,747</b>	<b>\$102,737,451</b>	<b>\$97,951,406</b>	<b>\$105,556,201</b>

<b>Total Group 3-Year Average Revenue (2012-2013, 2013-2014, and 2014-2015)</b>	<b>\$1,381,846,341</b>
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<b>Total Group 3-Year Average PNI (2013-2014, 2014-2015, and 2015-2016) as a % of Previous 3-Year Average Group Revenue</b>	<b>7.6%</b>
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Sources: Bell Media licence renewal reconsideration application, Revised Financial Appendices - Appendix 1 Historical CPE, Appendix 2 1st Run

**Bell Media Designated English Group's Financial / Programming Expense Projections -  
Based on Bell's Proposed CPE and PNI Levels**

Service	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<b>Total Revenue</b>						
Basic TV stations	\$675,432,000	\$648,342,000	\$648,994,000	\$643,117,000	\$635,710,000	\$618,174,000
Discretionary services	\$668,699,000	\$673,892,000	\$653,936,000	\$634,820,000	\$617,867,000	\$598,659,000
<b>Total Group Revenue</b>	<b>\$1,344,131,000</b>	<b>\$1,322,234,000</b>	<b>\$1,302,930,000</b>	<b>\$1,277,937,000</b>	<b>\$1,253,577,000</b>	<b>\$1,216,833,000</b>
<b>Total CPE</b>						
Basic TV stations	\$229,382,000	\$226,649,000	\$214,284,000	\$211,498,000	\$207,767,000	\$205,491,000
Discretionary services	\$153,225,000	\$175,780,000	\$160,603,000	\$155,614,000	\$150,158,000	\$145,708,000
<b>Total Group CPE</b>	<b>\$382,607,000</b>	<b>\$402,429,000</b>	<b>\$374,887,000</b>	<b>\$367,112,000</b>	<b>\$357,925,000</b>	<b>\$351,199,000</b>
CPE as % of prior year revenue	27.8%	29.9%	28.4%	28.2%	28.0%	28.0%
<b>Total PNI</b>						
Basic TV stations	\$12,237,000	\$10,262,000	\$10,366,000	\$10,468,000	\$13,859,000	\$13,873,000
Discretionary services	\$88,720,000	\$67,648,000	\$64,392,000	\$62,696,000	\$62,918,000	\$61,490,000
<b>Total Group PNI</b>	<b>\$100,957,000</b>	<b>\$77,910,000</b>	<b>\$74,758,000</b>	<b>\$73,164,000</b>	<b>\$76,777,000</b>	<b>\$75,363,000</b>
PNI as % of prior year revenue	7.3%	5.8%	5.7%	5.6%	6.0%	6.0%
<b>P.B.I.T.</b>						
Basic TV stations	-\$33,203,000	-\$38,209,000	-\$36,464,000	-\$41,600,000	-\$47,478,000	-\$65,077,000
Discretionary services	\$240,103,000	\$176,659,000	\$153,641,000	\$121,413,000	\$90,468,000	\$54,796,000
<b>Total Group P.B.I.T.</b>	<b>\$206,900,000</b>	<b>\$138,450,000</b>	<b>\$117,177,000</b>	<b>\$79,813,000</b>	<b>\$42,990,000</b>	<b>-\$10,281,000</b>

<b>Total Group CPE required if at 30% level</b>			\$396,670,200	\$390,879,000	\$383,381,100	\$376,073,100	
<b>Variance between Bell projected CPE spending and 30% CPE requirement</b>			-\$21,783,200	-\$23,767,000	-\$25,456,100	-\$24,874,100	<b>4 Year Total = -\$95,880,400</b>
<b>Total Group PNI required if at historical spending level (8%)</b>			\$105,778,720	\$104,234,400	\$102,234,960	\$100,286,160	
<b>Variance between Bell projected PNI spending and 8% PNI requirement</b>			-\$31,020,720	-\$31,070,400	-\$25,457,960	-\$24,923,160	<b>4 Year Total = -\$112,472,240</b>

**Underlying Financial Assumptions**

- Advertising revenue estimates are based on projections of year-over-year trends, adjusted where appropriate for one-time events.
- Subscriber revenue estimates are based on management's expectations about future volumes and rates for subscribers, including the estimated ongoing impact of unbundling.
- Programming and production cost estimates are based on management's expectations about future content costs.
- Other costs included in P.B.I.T. are based on management's expectations about future operating costs.

Sources and Notes:

- 1) Bell Media licence renewal reconsideration application, Revised Financial Appendices - Appendix 5, 6, and 7
- 2) CPE and PNI % for 2016-2017 based on actual 2015-2016 revenue of \$1,378,358,102 for the services that make up the new Bell Media Designated English Group (Sources: Bell Media Designated Group Aggregated Conventional TV (Basic TV Stations) Annual Return for 2015-2016; CRTC Statistical and Financial Summaries for Individual Discretionary and On-Demand)

## **Corus Entertainment Designated Group**

<b>Corus Entertainment Designated Group - Discretionary Services - REVENUE</b>					
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>3-Yr Avg.</b>
ABC Spark		\$10,085,063	\$10,747,178	\$11,757,913	\$10,863,385
Action	\$19,053,414	\$20,684,588	\$22,363,535	\$20,535,374	\$21,194,499
BBC Canada	\$10,443,040	\$10,665,892	\$10,816,074	\$10,640,953	\$10,707,640
BC News 1		\$725,793	\$1,508,225	\$1,518,176	\$1,513,201
Cartoon Network	\$7,489,719	\$7,397,661	\$7,073,348	\$6,662,286	\$7,044,432
CMT	\$29,274,064	\$24,722,402	\$19,623,587	\$19,895,757	\$21,413,915
Cooking Channel	\$6,458,378	\$7,413,357	\$7,650,029	\$7,012,101	\$7,358,496
Cosmopolitan TV	\$12,410,361	\$11,684,310	\$9,670,271	\$8,606,368	\$9,986,983
Crime + Investigation	\$14,541,189	\$15,876,463	\$17,777,611	\$19,159,154	\$17,604,409
Deja View	\$8,199,848	\$7,823,923	\$7,982,565	\$7,991,727	\$7,932,738
Disney Channel					N/A
Disney Junior					N/A
Disney XD					N/A
D.I.Y.	\$10,742,635	\$10,431,319	\$12,092,599	\$11,495,834	\$11,339,917
DTOUR	\$37,954,647	\$32,064,795	\$27,034,590	\$25,739,539	\$28,279,641
Fiy	\$6,980,301	\$7,022,948	\$7,002,571	\$8,176,265	\$7,400,595
Food Network	\$59,752,722	\$66,357,863	\$69,106,930	\$67,130,676	\$67,531,823
HGTV	\$72,324,931	\$73,865,085	\$76,619,880	\$72,121,413	\$74,202,126
History Television	\$76,212,608	\$78,364,726	\$77,704,532	\$75,912,398	\$77,327,219
H2	\$4,928,135	\$6,545,575	\$8,094,393	\$9,358,148	\$7,999,372
Independent Film Channel	\$10,463,899	\$10,998,575	\$10,344,424	\$9,448,583	\$10,263,861
Lifetime	\$17,492,990	\$22,166,452	\$21,746,682	\$20,874,300	\$21,595,811
MovieTime	\$13,782,916	\$15,117,984	\$15,071,115	\$16,003,712	\$15,397,604
National Geographic Channel	\$22,616,433	\$25,545,086	\$27,367,553	\$26,942,303	\$26,618,314
National Geographic Wild		\$6,099,430	\$6,409,033	\$5,824,459	\$6,110,974
Nickelodeon	\$7,005,074	\$6,878,900	\$6,460,041	\$5,817,794	\$6,385,578
OWN	\$28,195,696	\$29,503,904	\$28,501,941	\$28,600,672	\$28,868,839
Showcase	\$74,156,563	\$72,915,334	\$75,689,620	\$72,927,202	\$73,844,052
Slice	\$41,133,820	\$42,692,492	\$43,389,115	\$38,885,052	\$41,655,553

Sundance Channel	\$5,071,095	\$5,628,290	\$4,937,292	\$4,708,649	\$5,091,410
Teletoon/Télétoon	\$83,955,599	\$84,369,692	\$79,332,249	\$69,453,197	\$77,718,379
Treehouse TV	\$14,254,510	\$14,498,692	\$13,342,449	\$13,841,370	\$13,894,170
W Network	\$88,092,883	\$91,182,639	\$81,407,308	\$79,862,168	\$84,150,705
YTV	\$90,844,092	\$89,391,006	\$80,225,087	\$73,440,802	\$81,018,965
<b>Total Discretionary Services Revenue</b>	<b>\$873,831,562</b>	<b>\$908,720,239</b>	<b>\$887,091,827</b>	<b>\$850,344,345</b>	<b>\$882,314,606</b>

<b>Corus Entertainment Designated Group - REVENUE</b>					
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>3-Yr Avg.</b>
Basic TV (excluding Corus TV stations)*	\$439,671,428	\$414,095,756	\$401,997,000	\$405,113,000	\$407,068,585
Discretionary Services	\$873,831,562	\$908,720,239	\$887,091,827	\$850,344,345	\$882,314,606
<b>Total Group Revenue</b>	<b>\$1,313,502,990</b>	<b>\$1,322,815,995</b>	<b>\$1,289,088,827</b>	<b>\$1,255,457,345</b>	<b>\$1,289,383,192</b>

Sources: Shaw Media / Corus Entertainment Designated Group Aggregated Conventional TV (Basic TV Stations) Annual Returns; CRTC Statistical and Financial Summaries for Individual Discretionary and On-Demand Services

Notes:

- 1) \* Excluding LPIF revenue and Corus' regional TV stations in Ontario. Revenue for the Corus Basic TV stations (those not previously owned by Shaw) is excluded for all years above because data are not publicly available.
- 2) BC News 1 average revenue consists of a two-year average using 2013-2014 and 2014-2015 given that the service launched in March 2013 and therefore 2012-2013 does not represent a full year of revenue.
- 3) Teletoon/Télétoon and Cartoon Network were not part of the Corus Entertainment Designated Group and DIY was not part of the Shaw Media Designated Group until 2013-2014 but data for prior years is included above to achieve proper new Corus group historical calculations.
- 4) Disney Channel, Disney Junior, and Disney XD launched in the 2015-2016 broadcast year.

<b>Corus Entertainment Designated Group - Discretionary Services - CPE (Individual Numbers Provided by Corus)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.*</b>
ABC Spark	\$355,243	\$687,186	\$836,761	\$1,247,410	\$1,498,947	\$3,583,118
Action	\$848,151	\$821,493	\$930,125	\$852,021	\$611,560	\$797,902
BBC Canada	\$497,523	\$436,261	\$529,770	\$433,970	\$407,764	\$457,168
BC News 1		\$1,818,587	\$3,758,631	\$3,706,361	\$2,560,041	\$3,133,201
Cartoon Network			\$292,947	\$312,465	\$1,692,870	\$766,094
CMT	\$9,128,679	\$9,625,988	\$8,986,928	\$9,797,383	\$7,644,694	\$8,809,668
Cooking Channel	\$1,319,682	\$1,140,584	\$955,817	\$1,327,148	\$1,007,328	\$1,096,764
Cosmopolitan TV	\$1,829,461	\$1,845,578	\$1,334,567	\$897,616	\$884,946	\$1,039,043
Crime + Investigation	\$4,494,896	\$4,295,292	\$4,295,882	\$2,701,836	\$3,033,303	\$3,343,674
Deja View	\$252,320	\$312,343	\$283,204	\$179,745	\$193,725	\$218,891
Disney Channel					\$1,044,505	N/A
Disney Junior					\$268,388	N/A
Disney XD					\$342,043	N/A
D.I.Y.	\$304,513	\$284,078	\$309,233	\$278,931	\$278,687	\$288,950
DTOUR	\$14,195,752	\$8,627,386	\$5,863,593	\$3,703,716	\$3,882,375	\$4,483,228
Food Network	\$20,161,830	\$21,925,624	\$21,469,040	\$22,130,343	\$20,847,795	\$21,482,393
Fyi	\$1,233,759	\$804,776	\$836,171	\$441,369	\$436,761	\$571,434
H2		\$610,676	\$552,112	\$535,119	\$428,851	\$505,361
HGTV	\$29,008,341	\$22,688,171	\$22,341,754	\$27,552,200	\$29,772,784	\$26,555,579
History Television	\$18,014,182	\$19,020,902	\$15,430,620	\$11,256,703	\$9,963,844	\$12,217,056
Independent Film Channel	\$1,253,415	\$1,537,421	\$1,495,294	\$1,497,371	\$1,190,203	\$1,394,289
Lifetime	\$668,659	\$691,681	\$774,583	\$727,174	\$505,375	\$669,044
MovieTime	\$419,721	\$432,901	\$357,502	\$330,895	\$247,214	\$311,870
National Geographic Channel	\$945,017	\$1,117,502	\$1,546,252	\$1,393,909	\$946,540	\$1,295,567
National Geographic Wild	\$66,844	\$368,628	\$402,450	\$470,433	\$457,844	\$1,330,727
Nickelodeon	\$994,237	\$1,008,285	\$1,129,935	\$1,908,101	\$613,857	\$1,217,298
OWN	\$6,980,525	\$7,658,886	\$6,881,806	\$6,661,541	\$4,056,379	\$5,866,575
Showcase	\$13,696,871	\$17,157,334	\$13,902,269	\$15,596,760	\$17,191,565	\$15,563,531
Slice	\$23,715,448	\$27,797,503	\$25,246,714	\$14,473,912	\$17,416,412	\$19,045,679

Sundance Channel	\$439,499	\$399,712	\$334,280	\$400,925	\$410,323	\$381,843
Teletoon/Télétoon			\$36,617,287	\$23,988,659	\$21,296,982	\$27,300,976
Treehouse TV	\$4,796,203	\$4,946,979	\$5,208,119	\$9,914,920	\$5,300,688	\$6,807,909
W Network	\$36,123,605	\$39,173,008	\$34,813,882	\$29,416,668	\$21,745,772	\$28,658,774
YTV	\$27,397,984	\$32,849,563	\$43,979,808	\$25,335,295	\$22,091,090	\$30,468,731
<b>Total Discretionary Services CPE</b>	<b>\$219,142,360</b>	<b>\$230,084,328</b>	<b>\$261,697,336</b>	<b>\$219,470,899</b>	<b>\$200,271,455</b>	<b>\$229,662,338</b>

<b>Corus Entertainment Designated Group - CPE (Consolidated Numbers Provided by Corus**)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.*</b>
Basic TV (excluding Corus TV stations)***	\$140,055,920	\$145,760,311	\$140,761,661	\$147,723,212	\$157,236,528	\$148,573,800
Discretionary Services	\$209,276,404	\$213,160,427	\$236,373,180	\$219,470,894	\$200,271,456	\$218,705,177
<b>Total Group CPE</b>	<b>\$349,332,324</b>	<b>\$358,920,738</b>	<b>\$377,134,841</b>	<b>\$367,194,106</b>	<b>\$357,507,984</b>	<b>\$367,278,977</b>

<b>Total Group 3-Year Average Revenue (2012-2013, 2013-2014, and 2014-2015)</b>	<b>\$1,289,383,192</b>
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<b>Total Group 3-Year Average CPE (2012-2013, 2013-2014, and 2014-2015) as a % of Previous 3-Year Average Group Revenue</b>	<b>28.5%</b>
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Sources: Corus Entertainment licence renewal reconsideration application, Revised Financial Appendices - Appendix 1 Historical CPE, Appendix 2 1st Run

Notes:

- 1) \* To calculate the historical CPE level for BC News 1 we can use only a two-year average given that the service launched in March 2013 and a full year of CPE must be compared to a full year of prior year's revenue. No historical CPE average can be done for Disney Channel, Disney Junior, and Disney XD because these services launched during the 2015-2016 broadcast year and there is no prior year revenue.
- 2) \* The CPE numbers provided by Corus for Basic TV in Appendix 1 includes CPE for the regional Corus TV stations in Ontario for which comparable revenue data has never been publicly available, until the 2015-2016 broadcast year when that data was included and consolidated with the former Shaw Media Basic TV stations. As such, the 2011-2012 to 2014-2015 Basic TV CPE data above comes from Shaw Media's Aggregated Annual Returns for Conventional TV (Basic TV) and excludes the Corus TV stations in Ontario. Given that we are unable to extract CPE for the Corus TV stations in Ontario from the 2015-2016 CPE number above provided by Corus to compare to previous year's revenue which excludes these stations, the 3-year average CPE percentage above is slightly skewed.
- 3) \*\* We note that most of the consolidated CPE numbers for Discretionary Services provided by Corus in Appendix 1 and included in the table above do not match the sum of the individual numbers for each Discretionary Service provided by Corus in Appendix 2 and included above. The Total Group 3-Year Average CPE percentage above is based on the consolidated numbers. If one uses the sum of the individual numbers, one gets a Total Group 3-Year Average CPE percentage of 29.3% which, when rounded, results in the same 29% level.

<b>Corus Entertainment Designated Group - Discretionary Services - PNI Spending (Individual Numbers Provided by Corus)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.*</b>
ABC Spark	\$268,288	\$501,528	\$449,371	\$679,119	\$797,283	\$1,925,773
Action	\$759,291	\$747,156	\$814,826	\$819,297	\$610,534	\$748,219
BBC Canada	\$66,639	\$113,658	\$174,166	\$13,703	\$29,653	\$72,507
BC News 1	0	\$0	\$0	\$0	\$0	\$0
Cartoon Network			\$292,947	\$312,465	\$1,692,870	\$766,094
CMT	\$1,456,598	\$1,881,991	\$1,538,161	\$950,241	\$1,305,785	\$1,264,729
Cooking Channel	\$1,060,489	\$1,009,007	\$791,697	\$1,143,979	\$801,483	\$912,386
Cosmopolitan TV	\$68,105	\$143,005	\$210,181	\$171,766	\$238,991	\$206,979
Crime + Investigation	\$4,494,896	\$4,248,232	\$4,243,276	\$2,630,604	\$3,030,017	\$3,301,299
Deja View	\$252,320	\$312,343	\$283,204	\$179,745	\$193,725	\$218,891
Disney Channel					\$919,968	N/A
Disney Junior					\$268,388	N/A
Disney XD					\$227,287	N/A
D.I.Y.	\$0	\$0	\$0	\$0	\$0	\$0
DTOUR	\$2,288,046	\$3,037,222	\$2,272,412	\$1,588,094	\$728,365	\$1,529,624
Food Network	\$2,070,605	\$3,142,818	\$3,825,130	\$3,684,580	\$2,873,896	\$3,461,202
Fyi	\$64,971	\$350,652	\$346,288	\$189,385	\$103,779	\$213,151
H2		\$571,331	\$552,112	\$535,119	\$371,539	\$486,257
HGTV	\$479,266	\$259,145	\$0	\$304,179	\$1,334,345	\$546,175
History Television	\$17,053,634	\$17,855,803	\$15,395,620	\$11,256,703	\$7,035,135	\$11,229,153
Independent Film Channel	\$1,251,928	\$1,537,421	\$1,495,294	\$1,497,371	\$1,190,203	\$1,394,289
Lifetime	\$586,956	\$648,702	\$745,808	\$727,174	\$448,901	\$640,628
MovieTime	\$419,721	\$432,901	\$357,502	\$330,895	\$245,447	\$311,281
National Geographic Channel	\$617,029	\$1,008,370	\$1,546,252	\$1,393,909	\$920,310	\$1,286,824
National Geographic Wild	\$66,844	\$368,628	\$402,450	\$288,707	\$133,233	\$824,390
Nickelodeon	\$873,889	\$670,383	\$978,957	\$1,659,481	\$551,560	\$1,063,333
OWN	\$2,999,396	\$1,777,516	\$1,686,528	\$1,481,839	\$1,150,151	\$1,439,506
Showcase	\$13,505,103	\$16,829,104	\$13,523,246	\$15,336,570	\$17,176,177	\$15,345,331
Slice	\$6,050,144	\$5,502,321	\$1,597,746	\$2,272,324	\$1,829,821	\$1,899,964

Sundance Channel	\$420,884	\$377,354	\$329,784	\$318,539	\$305,095	\$317,806
Teletoon/Télétoon			\$22,976,949	\$23,065,854	\$19,490,922	\$21,844,575
Treehouse TV	\$4,540,480	\$3,888,758	\$4,388,810	\$8,825,938	\$4,654,864	\$5,956,537
W Network	\$3,318,781	\$3,199,652	\$3,702,400	\$3,239,850	\$2,660,233	\$3,200,828
YTV	\$18,463,174	\$20,136,786	\$35,133,984	\$15,675,698	\$16,170,327	\$22,326,670
<b>Total Discretionary Services PNI</b>	<b>\$83,497,477</b>	<b>\$90,551,787</b>	<b>\$120,055,101</b>	<b>\$100,573,128</b>	<b>\$89,490,287</b>	<b>\$104,734,400</b>

<b>Corus Entertainment Designated Group - PNI Spending (Consolidated Numbers Provided by Corus**)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.*</b>
Basic TV (Conventional TV)	\$8,658,405	\$11,308,501	\$6,089,621	\$6,734,518	\$10,232,644	\$7,685,594
Discretionary Services	\$83,186,148	\$89,599,792	\$117,497,236	\$100,900,788	\$89,159,019	\$102,519,014
<b>Total Group PNI</b>	<b>\$91,844,553</b>	<b>\$100,908,293</b>	<b>\$123,586,857</b>	<b>\$107,635,306</b>	<b>\$99,391,663</b>	<b>\$110,204,609</b>

<b>Total Group 3-Year Average Revenue (2012-2013, 2013-2014, and 2014-2015)</b>	<b>\$1,289,383,192</b>
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<b>Total Group 3-Year Average PNI (2012-2013, 2013-2014, and 2014-2015) as a % of Previous 3-Year Average Group Revenue</b>	<b>8.5%</b>
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Sources: Corus Entertainment licence renewal reconsideration application, Revised Financial Appendices - Appendix 1 Historical CPE, Appendix 2 1st Run

Notes:

1) \* To calculate the historical PNI level for BC News 1 we can use only a two-year average given that the service launched in March 2013 and a full year of PNI must be compared to a full year of prior year's revenue. No historical PNI average can be done for Disney Channel, Disney Junior, and Disney XD because these services launched during the 2015-2016 broadcast year and there is no prior year revenue.

2) \*\* We note that the consolidated PNI numbers for Discretionary Services provided by Corus in Appendix 1 and included in the table above do not match the sum of the individual numbers for each Discretionary Service provided by Corus in Appendix 2 and included above. The Total Group 3-Year Average PNI percentage above is based on the consolidated numbers. If one uses the sum of the individual numbers, one gets a Total Group 3-Year Average CPE percentage of 8.7% which, when rounded, results in the same 9% level.

**Corus Entertainment Group's Financial / Programming Expense Projections -  
Based on Corus' Proposed CPE and PNI Levels**

Service	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
<b>Total Revenue</b>							
Basic TV stations	\$352,767,821	\$358,547,529	\$362,133,005	\$358,511,675	\$362,096,791	\$358,475,824	
Discretionary services	\$812,373,785	\$802,280,468	\$787,898,823	\$774,631,427	\$762,378,057	\$751,048,028	
<b>Total Group Revenue</b>	<b>\$1,165,141,606</b>	<b>\$1,160,827,997</b>	<b>\$1,150,031,828</b>	<b>\$1,133,143,102</b>	<b>\$1,124,474,848</b>	<b>\$1,109,523,852</b>	
<b>CPE</b>							
Basic TV stations	\$159,587,673	\$160,423,492	\$159,222,704	\$161,074,147	\$162,732,305	\$164,759,036	
Discretionary services	\$199,602,739	\$189,118,990	\$165,809,135	\$160,934,764	\$154,547,764	\$150,093,921	
<b>Total Group CPE</b>	<b>\$359,190,412</b>	<b>\$349,542,482</b>	<b>\$325,031,839</b>	<b>\$322,008,911</b>	<b>\$317,280,069</b>	<b>\$314,852,957</b>	
CPE as % of prior year revenue	29.6%	30.0%	28.0%	28.0%	28.0%	28.0%	
<b>PNI</b>							
Basic TV stations	\$2,979,773	\$2,820,817	\$2,468,203	\$2,393,909	\$2,296,763	\$2,228,790	
Discretionary services	\$84,540,487	\$77,492,884	\$67,805,956	\$65,764,959	\$63,096,196	\$61,228,837	
<b>Total Group PNI</b>	<b>\$87,520,260</b>	<b>\$80,313,701</b>	<b>\$70,274,159</b>	<b>\$68,158,868</b>	<b>\$65,392,959</b>	<b>\$63,457,627</b>	
PNI as % of prior year revenue	7.4%	6.9%	6.1%	5.9%	5.8%	5.6%	
<b>P.B.I.T.</b>							
Basic TV stations	-\$55,863,930	-\$39,763,445	-\$38,062,081	-\$46,661,882	-\$47,904,727	-\$54,749,519	
Discretionary services	\$329,735,556	\$319,833,581	\$324,692,369	\$312,166,504	\$302,102,789	\$290,963,642	
<b>Total Group P.B.I.T.</b>	<b>\$273,871,626</b>	<b>\$280,070,136</b>	<b>\$286,630,288</b>	<b>\$265,504,622</b>	<b>\$254,198,062</b>	<b>\$236,214,123</b>	
<b>Total Group CPE required if at 30% level</b>			<b>\$348,248,399</b>	<b>\$345,009,548</b>	<b>\$339,942,931</b>	<b>\$337,342,454</b>	
<b>Variance between Corus projected CPE spending and 30% CPE requirement</b>			<b>-\$23,216,560</b>	<b>-\$23,000,637</b>	<b>-\$22,662,862</b>	<b>-\$22,489,497</b>	<b>4 Year Total = -\$91,369,556</b>
<b>Total Group PNI required if at historical spending level (9%)</b>			<b>\$104,474,520</b>	<b>\$103,502,865</b>	<b>\$101,982,879</b>	<b>\$101,202,736</b>	
<b>Variance between Corus projected PNI spending and 9% PNI requirement</b>			<b>-\$34,200,361</b>	<b>-\$35,343,997</b>	<b>-\$36,589,920</b>	<b>-\$37,745,109</b>	<b>4 Year Total = -\$143,879,387</b>

**Underlying Financial Assumptions**

- 2017-2018 CPE and PNI requirement based on current licence requirements of 30% and 5% respectively. Starting in 2018-2019, CPE based on 28% requirement and PNI based on 6% requirement for basic and discretionary services for all services included in group.
- Advertising Revenue fluctuates depending on market conditions and competitive pressures.
- Subscriber revenue: Rate increases partially offset mild erosion of subscriber numbers with introduction of more flexible packaging and continued cord-cutting.
- Foreign programming expense growth based on inflationary rates.
- Fixed operating expenses (excluding programming) growth based on inflationary rates and variable operating expenses depend on regulated revenue.

Sources and Notes:

- 1) Corus licence renewal reconsideration application, Revised Financial Appendices - Appendix 5, 6, and 7
- 2) CPE and PNI % for 2016-2017 based on actual 2015-2016 revenue of \$1,177,646,170 for the services that make up the new Corus Designated Group, excluding Disney Channel, Disney Junior, and Disney XD because no revenue data are publicly available for these services (Sources: Corus Designated Group Aggregated Conventional TV (Basic TV Stations) Annual Return for 2015-2016; CRTC Statistical and Financial Summaries for Individual Discretionary and On-Demand Services)

## **Rogers Media Designated Group**

<b>Rogers Media Designated Group - Discretionary Services - REVENUE</b>					
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>3-Yr Avg.*</b>
FX	\$3,772,528	\$8,486,483	\$10,127,571	\$14,363,003	\$10,992,352
FXX (Canada)			\$215,699	\$4,524,696	\$4,524,696
Outdoor Life Network	\$20,137,380	\$22,518,808	\$19,947,076	\$20,059,081	\$20,841,655
Sportsnet 360	\$43,089,245	\$41,655,159	\$29,311,192	\$35,101,198	\$35,355,850
VICELAND (formerly Biography)	\$8,146,468	\$8,178,047	\$7,355,238	\$6,360,365	\$7,297,883
<b>Total Discretionary Services Revenue</b>	<b>\$75,145,621</b>	<b>\$80,838,497</b>	<b>\$66,956,776</b>	<b>\$80,408,343</b>	<b>\$79,012,436</b>

<b>Total Group - REVENUE</b>					
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>3-Yr Avg.*</b>
Basic TV (City stations, excluding City Sask.)	N/A	N/A	N/A	\$197,561,600	\$197,561,600
Discretionary Services	\$75,145,621	\$80,838,497	\$66,956,776	\$80,408,343	\$79,012,436
<b>Total Group Revenue</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$277,969,943</b>	<b>\$276,574,036</b>

Sources: Rogers Media Designated Group 2014-2015 Aggregated Conventional TV (Basic TV Stations) Annual Return; CRTC Statistical and Financial Summaries for Individual Discretionary and On-Demand Services

Notes:

- 1) \* Basic TV (Conventional TV) average revenue consists of a one-year actual revenue number (2014-2015) since prior year data are not publicly available, which obviously skews the results. FXX average revenue consists of a one-year actual revenue number (2014-2015) given that the service launched in April 2014 and therefore 2013-2014 does not represent a full year of revenue.
- 2) Sportsnet 360 was not part of the Rogers Media Designated Group until 2014-2015 but data for prior years are included above to achieve proper new Rogers Media Designated Group historical revenue calculations.

<b>Rogers Media Designated Group - Discretionary Services - CPE (Individual Numbers Provided by Rogers)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.*</b>
FX	\$502,770	\$376,074	\$517,828	\$662,956	\$425,871	\$535,552
FXX (Canada)				\$345,228	\$377,918	\$377,918
Outdoor Life Network	\$7,276,109	\$8,250,108	\$9,566,201	\$6,167,056	\$4,145,146	\$6,626,134
Sportsnet 360		\$17,678,045	\$18,584,510	\$18,128,119	\$16,880,520	\$17,864,383
VICELAND	\$2,883,760	\$183,967	\$3,363,883	\$4,057,383	\$2,464,847	\$3,295,371
<b>Total Discretionary Services CPE</b>	<b>\$10,662,639</b>	<b>\$26,488,194</b>	<b>\$32,032,422</b>	<b>\$29,360,742</b>	<b>\$24,294,302</b>	<b>\$28,699,358</b>

<b>Total Group - CPE (Sum of Individual Numbers Provided by Rogers)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.*</b>
Basic TV (City stations, excluding City Sask.)	\$56,220,881	\$51,307,904	\$52,187,004	\$75,199,883	\$57,023,317	\$57,023,317
Discretionary Services	\$10,662,639	\$26,488,194	\$32,032,422	\$29,360,742	\$24,294,302	\$28,699,358
<b>Total Group CPE</b>	<b>\$66,883,520</b>	<b>\$77,796,098</b>	<b>\$84,219,426</b>	<b>\$104,560,625</b>	<b>\$81,317,619</b>	<b>\$85,722,675</b>

<b>Total Group 3-Year Average Revenue (2012-2013, 2013-2014, and 2014-2015)*</b>	<b>\$276,574,036</b>
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<b>Total Group 3-Year Average CPE (2013-2014, 2014-2015, and 2015-2016) as a % of Previous 3-Year Average Group Revenue (2012-2013, 2013-2014, and 2014-2015)</b>	<b>31.0%</b>
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Sources: Rogers Media licence renewal reconsideration application, Revised Financial Appendices - Appendix 1 Historical CPE, Appendix 2 1st Run

Notes:

- 1) \* To calculate the historical CPE level for Basic TV we can use only a one-year actual CPE number (2015-2016) given that only one year (2014-2015) of prior year revenue is publicly available, which obviously skews the results. FXX average CPE consists of a one-year actual CPE number (2015-2016) given that the service launched in April 2014 and therefore 2014-2015 represents the only full year of revenue available.
- 2) Sportsnet 360 was not part of the Rogers Media Designated Group until 2014-2015 and FX and FXX Canada became part of the group only in 2017-2018. However, data for prior years are included above to achieve proper new Rogers Media Designated Group historical CPE calculations.
- 3) The CPE number above for Outdoor Life Network for 2015-2016 (\$4,145,146) does not match the number (\$4,285,595) published in the CRTC's Statistical and Financial Summaries for Individual Discretionary and On-Demand Services. The CPE numbers above for VICELAND for 2012-2013 (\$183,967) and 2015-2016 (\$2,464,847) do not match the numbers (\$3,319,830 and \$2,506,602 respectively) published in the CRTC's Statistical and Financial Summaries for Individual Discretionary and On-Demand Services.

<b>Rogers Media Designated Group - Discretionary Services - PNI Spending (Individual Numbers Provided by Rogers)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.*</b>
FX	\$0	\$0	\$0	\$0	\$0	\$0
FXX (Canada)				\$0	\$0	\$0
Outdoor Life Network	\$2,057,383	\$3,261,073	\$1,415,696	\$3,936,340	\$3,584,049	\$2,978,695
Sportsnet 360	\$0	\$0	\$0	\$0	\$0	\$0
VICELAND	\$955,665	\$1,555,957	\$1,443,125	\$453,750	\$2,281,284	\$1,392,720
<b>Total Discretionary Services PNI</b>	<b>\$3,013,048</b>	<b>\$4,817,030</b>	<b>\$2,858,821</b>	<b>\$4,390,090</b>	<b>\$5,865,333</b>	<b>\$4,371,415</b>

<b>Total Group - PNI Spending (Sum of Individual Numbers Provided by Rogers)</b>						
<b>Service</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>3-Yr Avg.*</b>
Basic TV (City stations, excluding City Sask.)	\$4,387,660	\$5,256,046	\$6,803,834	\$7,771,655	\$7,323,970	\$7,323,970
Discretionary Services	\$3,013,048	\$4,817,030	\$2,858,821	\$4,390,090	\$5,865,333	\$4,371,415
<b>Total Group PNI</b>	<b>\$7,400,708</b>	<b>\$10,073,076</b>	<b>\$9,662,655</b>	<b>\$12,161,745</b>	<b>\$13,189,303</b>	<b>\$11,695,385</b>

<b>Total Group 3-Year Average Revenue (2012-2013, 2013-2014, and 2014-2015)*</b>	<b>\$276,574,036</b>
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<b>Total Group 3-Year Average PNI (2013-2014, 2014-2015, and 2015-2016) as a % of Previous 3-Year Average Group Revenue (2012-2013, 2013-2014, and 2014-2015)</b>	<b>4.2%</b>
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Sources: Rogers Media licence renewal reconsideration application, Revised Financial Appendices - Appendix 1 Historical CPE, Appendix 2 1st Run

Notes:

- 1) \* To calculate the historical PNI spending level for Basic TV we can use only a one-year actual PNI number (2015-2016) given that only one year (2014-2015) of prior year revenue is publicly available, which obviously skews the results. FXX average PNI spending consists of a one-year actual PNI spending number (2015-2016) given that the service launched in April 2014 and therefore 2014-2015 represents the only full year of revenue available.
- 2) Sportsnet 360 was not part of the Rogers Media Designated Group until 2014-2015 and FX and FXX Canada became part of the group only in 2017-2018. However, data for prior years are included above to achieve proper new Rogers Media Designated Group historical spending calculations.

**Rogers Media Group's Financial / Programming Expense Projections -  
Based on Rogers' Proposed CPE and PNI Levels**

Service	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
<b>Total Revenue</b>							
Basic TV stations	\$191,547,934	\$184,935,959	\$177,681,214	\$170,569,033	\$163,790,209	\$157,280,910	
Discretionary services	\$82,908,191	\$86,241,834	\$86,309,381	\$86,439,955	\$86,633,170	\$86,888,702	
<b>Total Group Revenue</b>	<b>\$274,456,125</b>	<b>\$271,177,793</b>	<b>\$263,990,595</b>	<b>\$257,008,988</b>	<b>\$250,423,379</b>	<b>\$244,169,612</b>	
<b>Total CPE</b>							
Basic TV stations	\$49,708,099	\$52,714,354	\$50,411,647	\$47,885,201	\$46,062,533	\$45,078,179	
Discretionary services	\$30,169,753	\$30,015,151	\$31,079,549	\$31,312,329	\$31,551,148	\$31,778,846	
<b>Total Group CPE</b>	<b>\$79,877,852</b>	<b>\$82,729,505</b>	<b>\$81,491,196</b>	<b>\$79,197,530</b>	<b>\$77,613,681</b>	<b>\$76,857,025</b>	
CPE as % of prior year revenue	30.4%	30.1%	30.1%	30.0%	30.2%	30.7%	
<b>Total PNI</b>							
Basic TV stations	\$5,532,437	\$6,158,628	\$5,091,700	\$4,732,400	\$4,383,300	\$4,054,000	
Discretionary services	\$8,027,696	\$7,629,660	\$8,467,159	\$8,467,159	\$8,467,159	\$8,467,159	
<b>Total Group PNI</b>	<b>\$13,560,133</b>	<b>\$13,788,288</b>	<b>\$13,558,859</b>	<b>\$13,199,559</b>	<b>\$12,850,459</b>	<b>\$12,521,159</b>	
PNI as % of prior year revenue	5.2%	5.0%	5.0%	5.0%	5.0%	5.0%	
<b>P.B.I.T.</b>							
Basic TV stations	-\$9,155,141	-\$10,894,908	-\$14,159,809	-\$15,939,651	-\$17,375,885	-\$18,099,890	
Discretionary services	\$4,242,435	\$7,083,467	\$2,502,286	\$2,192,522	\$1,917,407	\$1,696,869	
<b>Total Group P.B.I.T.</b>	<b>-\$4,912,706</b>	<b>-\$3,811,441</b>	<b>-\$11,657,523</b>	<b>-\$13,747,129</b>	<b>-\$15,458,478</b>	<b>-\$16,403,021</b>	
<b>Total Group CPE required if at 30% level</b>			<b>\$81,353,338</b>	<b>\$79,197,179</b>	<b>\$77,102,696</b>	<b>\$75,127,014</b>	
<b>Variance between Rogers projected CPE spending and 30% CPE requirement</b>			<b>\$137,858</b>	<b>\$352</b>	<b>\$510,985</b>	<b>\$1,730,011</b>	<b>4 Year Total = \$2,379,206</b>
<b>Total Group PNI required if at historical spending level (5%)*</b>			<b>\$13,558,890</b>	<b>\$13,199,530</b>	<b>\$12,850,449</b>	<b>\$12,521,169</b>	
<b>Variance between Rogers projected PNI spending and 5% PNI requirement</b>			<b>-\$31</b>	<b>\$29</b>	<b>\$10</b>	<b>-\$10</b>	<b>4 Year Total = -\$2</b>

### **Underlying Financial Assumptions**

#### Basic TV stations:

- Advertising Revenue - 4% annual decline
- Other Revenue (signal retransmission royalties) - 4% annual decline
- 16% margin on Programming & Production expenses
- 11% of prior-year revenue spend on locally reflective news
- 2% annual increase on Technical, Sales, and Admin expenses

#### Discretionary services:

- Various assumptions for each service (see source documents)

#### Sources and Notes:

- 1) Rogers Media licence renewal reconsideration application, Revised Financial Appendices - Appendix 5, 6, and 7
- 2) CPE and PNI % for 2016-2017 based on actual 2015-2016 revenue of \$262,981,777 for the services that make up the new Rogers Media Designated Group (Sources: Rogers Media Designated Group Aggregated Conventional TV (Basic TV Stations) Annual Return for 2015-2016; CRTC Statistical and Financial Summaries for Individual Discretionary and On-Demand Services)
- 3) \* 5% is the historical PNI spending level claimed by Rogers. This number cannot be verified due to incomplete data on the public file.

## **Combined Impact of the Broadcast Groups' Proposals Regarding CPE and PNI Levels**

**Combined Impact of the Broadcast Groups' Proposals Regarding CPE and PNI Levels  
Compared to Historical Spending Levels**

	2018-2019	2019-2020	2020-2021	2021-2022	4-Year Total
<i>Total Group CPE required by Bell, Corus, and Rogers groups if at 30% level</i>	\$826,271,937	\$815,085,727	\$800,426,727	\$788,542,568	
<i>Variance between Bell, Corus, and Rogers* projected CPE spending and 30% CPE requirement</i>	-\$44,861,902	-\$46,767,285	-\$47,607,977	-\$45,633,586	-\$184,870,750
<i>Total Group PNI required if at historical spending levels (Bell - 8%; Corus - 9%; Rogers - 5%)</i>	\$223,812,130	\$220,936,795	\$217,068,288	\$214,010,065	
<i>Variance between Bell, Corus, and Rogers projected PNI spending and respective 8%, 9%, and 5% PNI requirements</i>	-\$65,221,112	-\$66,414,368	-\$62,047,870	-\$62,668,279	-\$256,351,629

## APPENDIX

### **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 the following:

- strategic business and market intelligence;
- strategic marketing communications and public relations;
- writing and editing; and
- communications/broadcasting regulatory consulting and analytics.

Boon Dog Co-founder and Partner Mario Mota has extensive knowledge of the Canadian broadcasting and communications industries and CRTC regulatory processes. From 1999 to 2000, Mario served as Director of Policy and Regulatory Affairs at the Specialty and Premium Television Association (SPTV), which represented licensed Canadian specialty, pay, and third-language TV services. Mario assumed the position of Director of Specialty and Pay Television Policy at the Canadian Association of Broadcasters (CAB) following SPTV's merger with the CAB in December 2000. From April 2006 to November 2010, Mario oversaw broadcasting policy and regulatory matters for the Canadian Media Producers Association (CMPA) (then the Canadian Film and Television Production Association and later the Canadian Media Production Association), first as Senior Director of Broadcast Relations & Research and then as Vice-President, Broadcasting Policy & Regulatory Affairs.

Prior to co-founding Boon Dog Professional Services in 2006, Mario was Vice-President of Broadcast/Media Research at Decima Research Inc. (now Harris/Decima) where he managed the company's growing broadcast and media research practice.

Mario first joined the Decima group in July 2001 as President and Publisher of Decima Reports Inc. (then Decima Publishing but now The Wire Report and published by The Hill Times). One of Mario's key mandates in this leadership position was to increase Decima Research's exposure and credibility in the broadcasting sector. He achieved this by coordinating research projects on broadcasting industry topics such as digital television and HDTV. During his time at Decima Reports, Mario developed and managed Decima's successful THE DIGITAL DOMAIN research series, Canada's most comprehensive independent research series on the digital TV market. Mario continued to manage this highly regarded research product when he joined Decima Research in June 2004. Boon Dog Professional Services continues to produce this report series today under the name *Canadian Digital TV Market Monitor*.

Mario and Boon Dog also produce the *Canadian Television Benefits Monitor*, an annual syndicated research study that tracks spending for all current television tangible public benefits packages, using data contained in reports filed annually with the CRTC.

### **How to Contact Boon Dog**

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