



## **Investor Presentation – Focus on Advertising**

February, 2017

# Safe Harbour Disclosure Forward-looking Statements

This press release contains forward-looking information and should be read subject to the following cautionary language:

To the extent any statements made in this report contain information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, our objectives, goals, strategies, intentions, plans, estimates and outlook, including advertising, distribution, merchandise and subscription revenues, operating costs and tariffs, taxes and fees, and can generally be identified by the use of the words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Although Corus believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including without limitation factors and assumptions regarding advertising, distribution, merchandise and subscription revenues, operating costs and tariffs, taxes and fees and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things: our ability to attract and retain advertising revenues; audience acceptance of our television programs and cable networks; our ability to recoup production costs, the availability of tax credits and the existence of co-production treaties; our ability to compete in any of the industries in which we do business; the opportunities (or lack thereof) that may be presented to and pursued by us; conditions in the entertainment, information and communications industries and technological developments therein; changes in laws or regulations or the interpretation or application of those laws and regulations; our ability to integrate and realize anticipated benefits from our acquisitions and to effectively manage our growth; our ability to successfully defend ourselves against litigation matters arising out of the ordinary course of business; and changes in accounting standards. Additional information about these factors and about the material assumptions underlying such forward-looking statements may be found in our Annual Information Form. Corus cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Corus, investors and other should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking statements whether as a result of new information, events or circumstances that arise after the date thereof or otherwise.



# Executive Summary

- The brand building power of TV is undeniable
- Corus is innovating to meet the evolving needs of our advertisers
- We are very well positioned in the new advertising ecosystem with our scale, powerful brands, coveted demos and custom solutions

Corus' focus is on strengthening our core business while driving innovation

# Strong Industry Momentum in 2017

**The New York Times**

Facebook Apologizes for Overstating Video Metrics

**THE WALL STREET JOURNAL.**

**P&G to Scale Back Targeted Facebook Ads**

Move shows challenges of such limits on big brands; Facebook offers new tools for large companies

**Marketing  
DIVE**

Coke CMO: TV provides 'best ROI across media channels'

2017 begins with a renewed sense of optimism for the **power of TV**

# The Enduring Strength of TV

- There continues to be broad acknowledgement that the power of TV is undeniable
- TV is still the most effective medium for delivering mass awareness and impact through 'sight, sound and motion'
- Both blue chip marketers like Coke and digital natives use TV to build their brands



Hotels.com

trivago®

Google



# Our Vision For Next Gen Advertising

## MASS REACH

Advertising reaches millions of Canadians en masse, sold on the basis of show



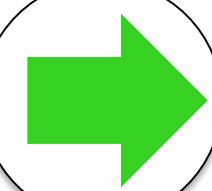
## AUDIENCE INSIGHTS

Leveraging data to define and reach an advertisers true target audience and improve efficiency



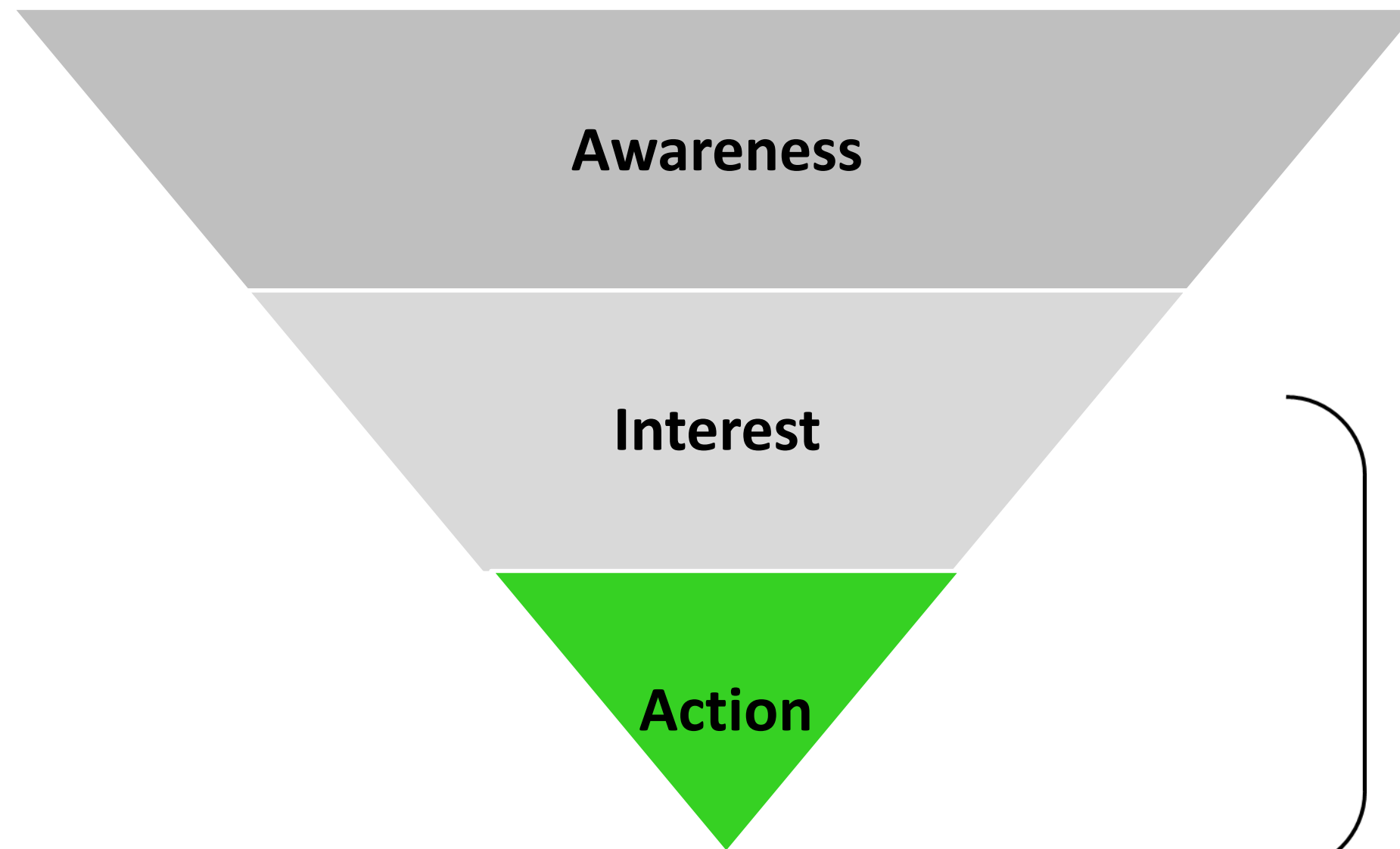
## TARGETED ADVERTISING

Enabling the delivery of specific messages to targeted audiences across all platforms and programs



## PROVING AND IMPROVING ROI

# Revisiting the Purchase Funnel



Mass awareness helps introduce new and non-users to a product – traditionally TV's greatest strength and the hardest impact to measure

Many marketers have shifted too much emphasis to mid/end of funnel targeting, where attribution is easier

Recent influential research from the Advertising Research Foundation and How Brands Grow emphasizes the importance of mass awareness in achieving advertiser goals



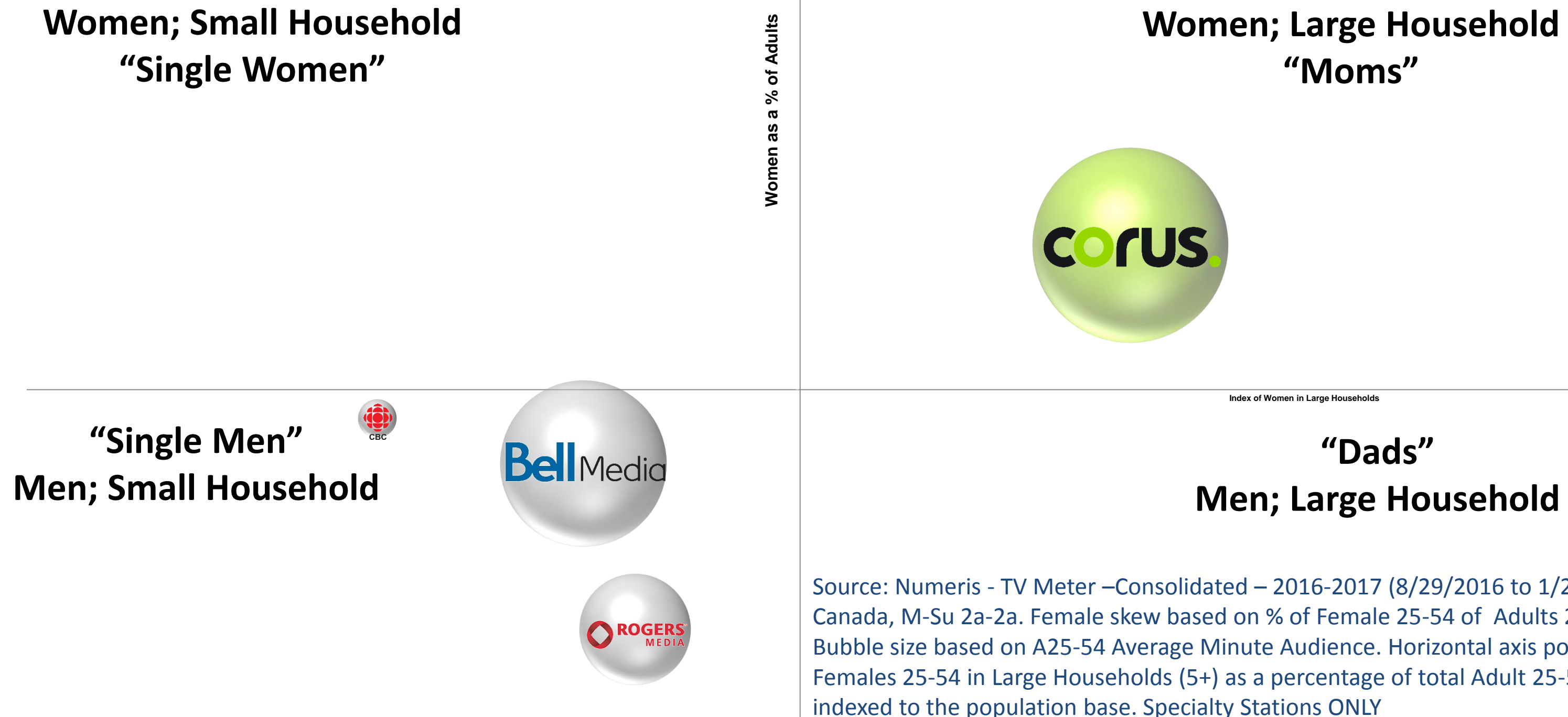
# The Consumer Path to Purchase



The consumer path to purchase emphasizes the mass reach of television and the integral role of other, more targeted solutions



# Corus Leads in Women



Corus Specialty TV is clearly differentiated, delivering more women in large households with larger basket sizes than any other media company in Canada

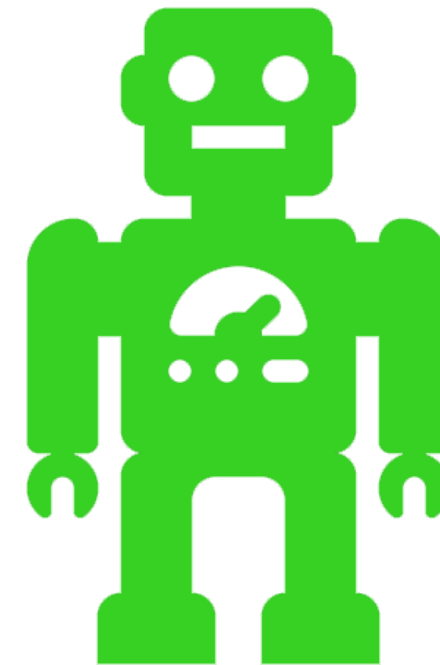
# Advertising Innovation Roadmap



**Audience  
Data**



**Addressable  
Advertising**



**Programmatic  
Platform**



**Cross Platform  
Execution**

Corus innovation roadmap informed by global best practices

# Audience Data



## WHAT?

- Who the audience is
- How the audience interacts with content
- Privacy is paramount

## HOW?

- Subscriber data
- Consumer data
- Advertiser data
- Set top box data
- Digital tagging

## WHY?

- Deeper view of the audience
- More precise targeting
- Develop common audience language with an advertiser





# Collecting Television Viewing Data



- Collecting second by second viewing data from over **550,000 TV households**
- All live and playback tuning events for Corus Channels
- Viewing data is integrated with data from Environics Analytics





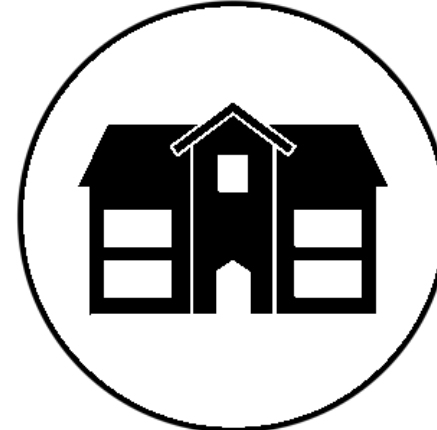
# Advanced Audience Segments



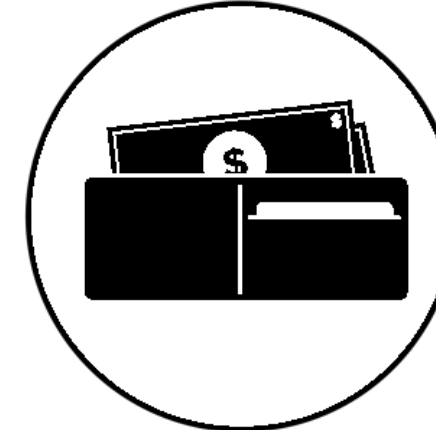
GROCERY BIG SPENDER



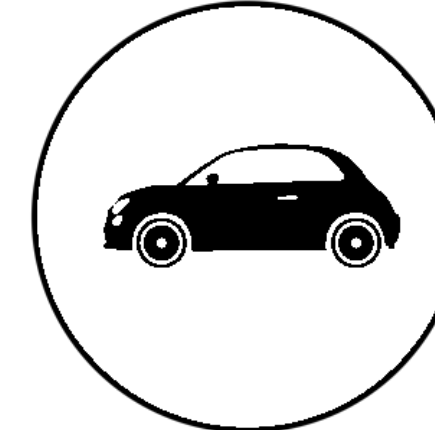
FASHIONISTAS



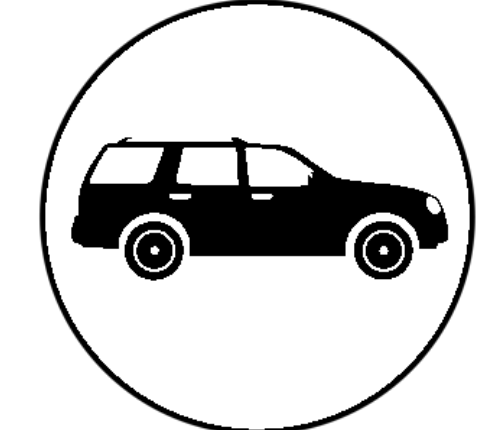
DREAM HOMES



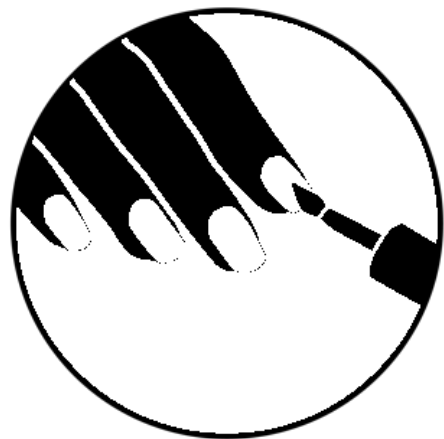
DEEP POCKETS



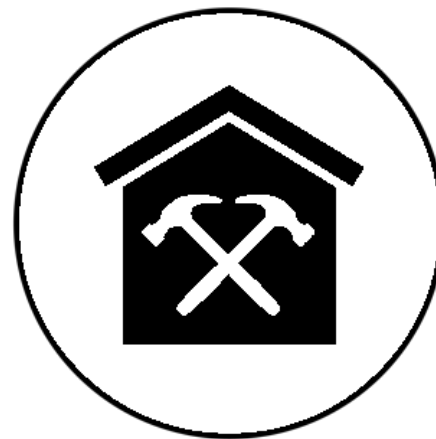
SMALL CARS



SUVers



LOOKING BEAUTIFUL



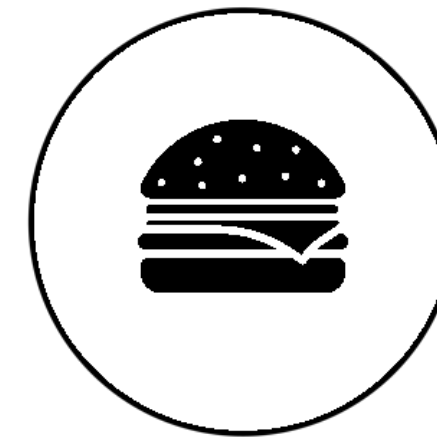
HOME IMPROVERS



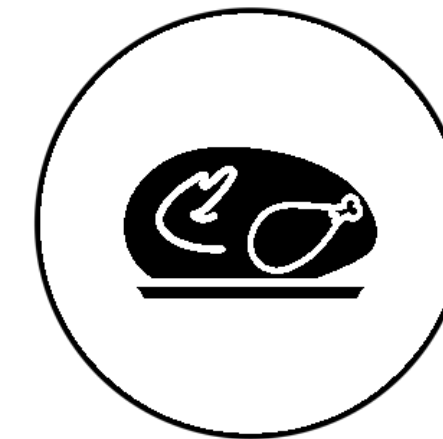
GREAT GETAWAYS



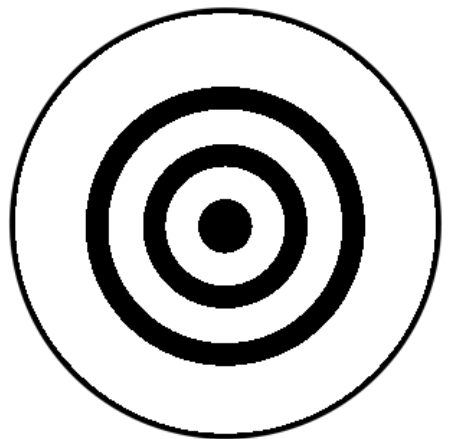
JAVA JOINTS



QUICK SERVICE RESTAURANT



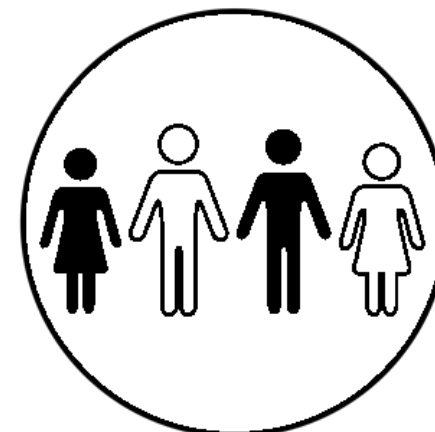
FAMILY SIT DOWN



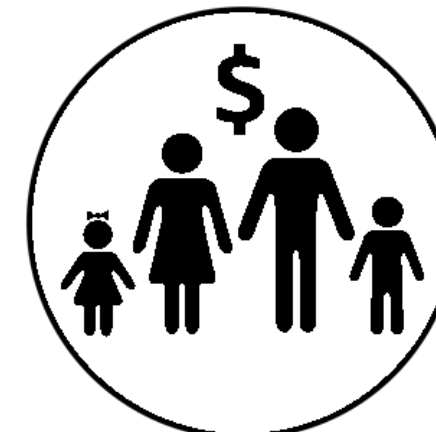
CUSTOM



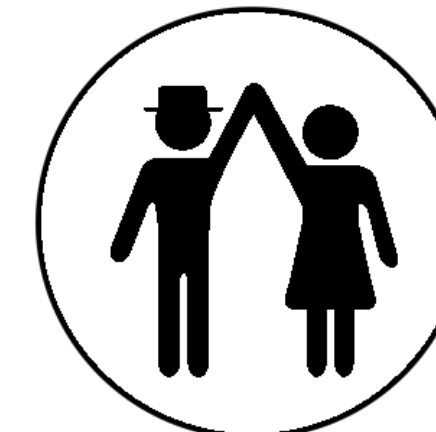
FLEDGLING FAMILIES



YOUNG METRO DIVERSITY



PROSPEROUS PARENTS


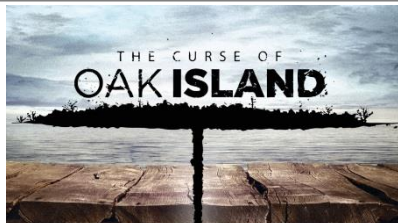






MIDDLE AGED ACHIEVERS



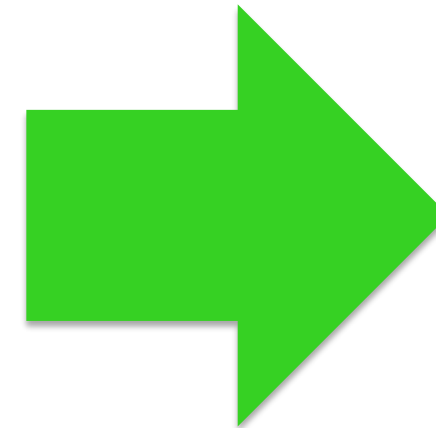








# Improving Efficiency and Yield

Traditional Ad 25-54 Ranker	
by AMA (000)	
	379
	290
	224
	213
	212
	157



MIDDLE AGED  
ACHIEVERS



Middle Aged Achiever Ranker	
by Index	
	194
	193
	162
	160
	156
	152

Source: Numeris (BBM Canada) PPM Total Canada AMA 2+ airings,  
09/05/16-01/01/17

Source: Corus Entertainment RPD data all markets Avg Second  
Audience 09/05/16-12/11/16 index calculated on program  
composition vs. universe composition

# Addressable Advertising



## WHAT?

Matching specific creative delivery to a data defined audience

## HOW?

Ads are dynamically inserted into a linear video stream or on demand content

## WHY?

- Access niche audience segments economically by
  - City
  - Geographic Region
  - Postal Code
- Connect advertising viewership to outcomes



# Canadian Addressable Outlook

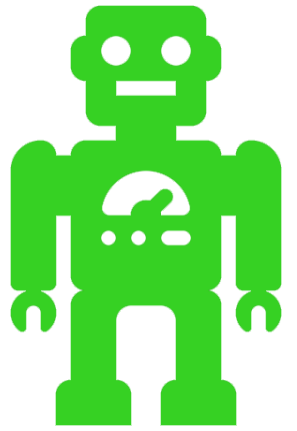


- Technology adoption in Canada has been slower than the US, as Canadian cable and satellite companies do not sell advertising
- Corus is first in market with dynamic ad insertion into linear and VOD in certain small Canadian markets
- Strong collaboration and development of industry business models is required to scale solutions
- IPTV and the release of advanced set top boxes will present new revenue opportunities to both broadcasters and BDUs





# Programmatic



## WHAT?

Automation of the buying process informed by data

## HOW?

- Automate campaign planning, delivery, execution, reporting
- Connect advertiser data and requirements with seller data and inventory

## WHY?

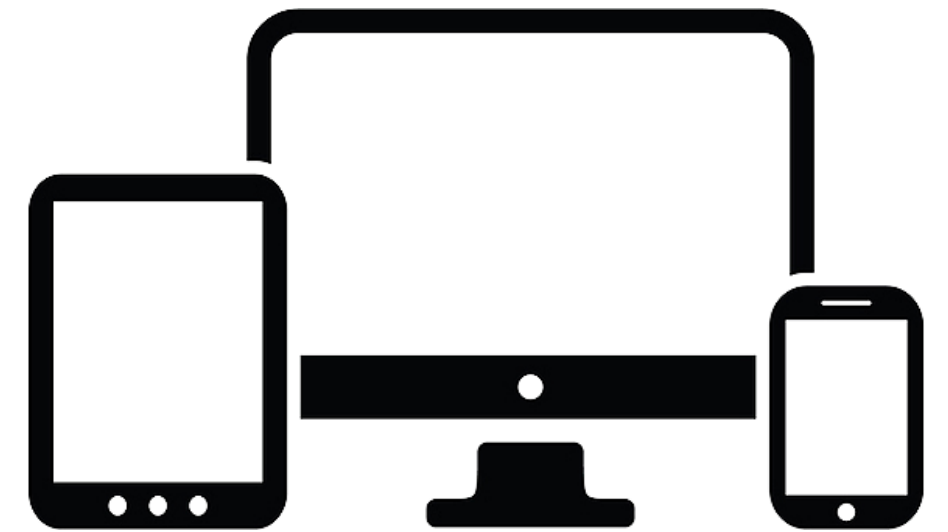
- Identify and target audience segments at scale
- Apply machine logic
- Increased speed and efficiency





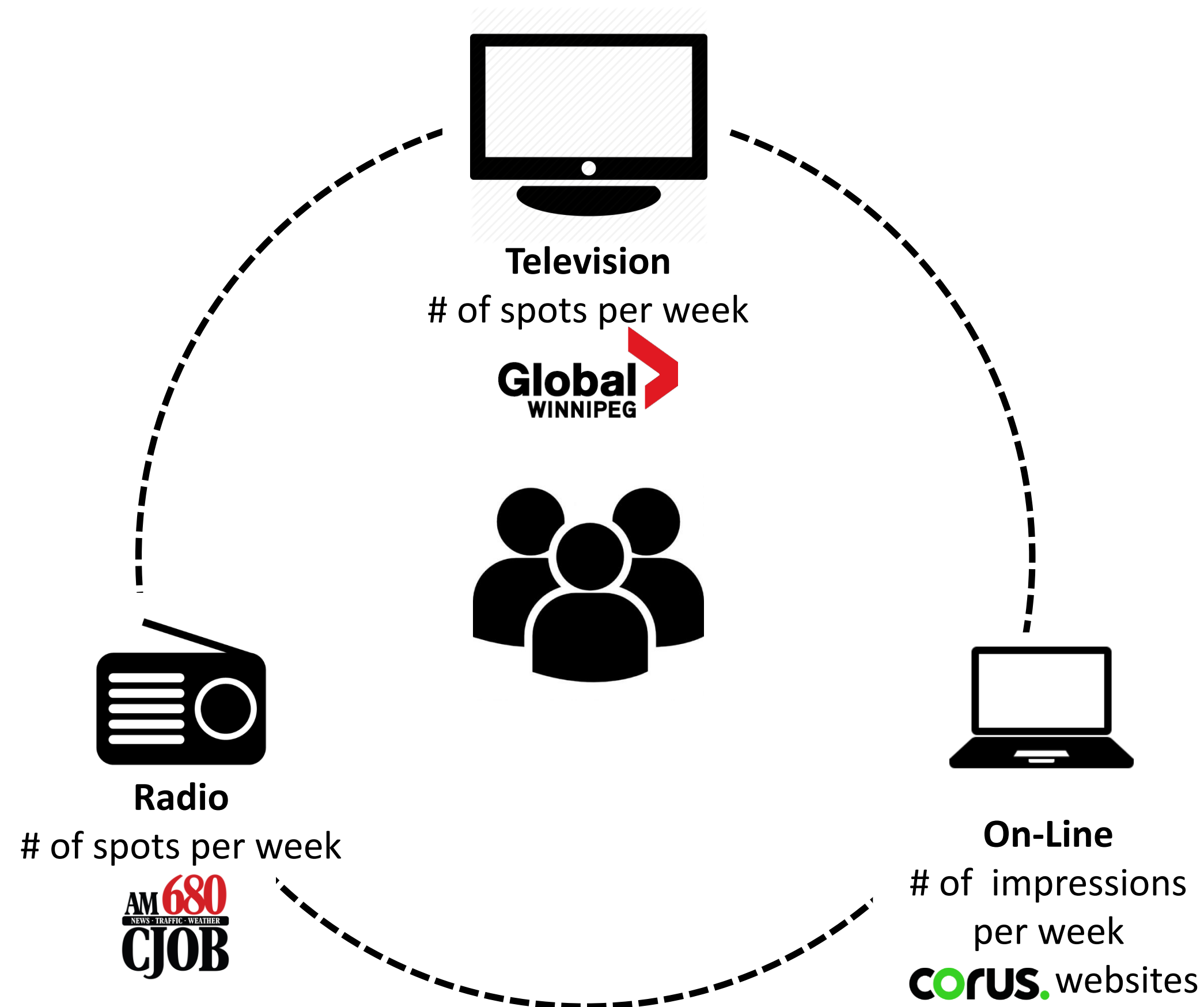
# Cross Platform

- Relevant and contextual delivery of advertising
- Unduplicated measurement of reach, frequency and impact
- Deliver sequential and orchestrated campaigns across screens
- Extend total campaign reach with different combinations of media

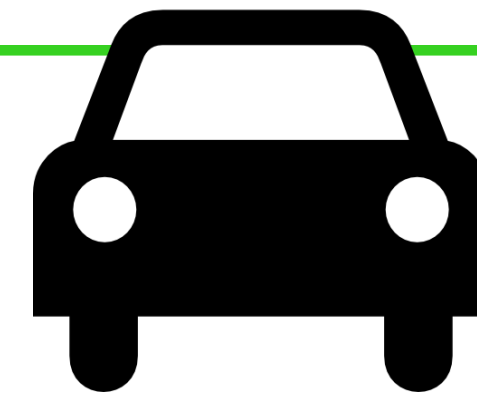




# First Steps at Corus



- Innovative solution in market for local advertising client
- Corus identifies and aggregates potential local buyers across our TV, Radio and Digital properties
- Utilizes strategic audience targeting and the 'cross platform' sales approach
- The solution is powered by the analysis and combination of in-house set top box data and digital data



# Leaders in Advertising Innovation

- ✓ Corus builds valuable audiences across TV, Radio, Websites and Apps, with more new distribution channels to come
- ✓ Corus has made great progress in setting the vision for the future of our advertising business
- ✓ We have established a reputation as leaders in innovation and continue to test and learn with over 70 major advertisers
- ✓ We have begun to meaningfully change advertiser behaviour

Corus is well positioned with scale, powerhouse brands, coveted demos and custom advertising solutions