

ENTERTAINMENT

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**Investor Day**  
**September 28, 2006**

**Radio Division**

***“Building on a Strong Core”***



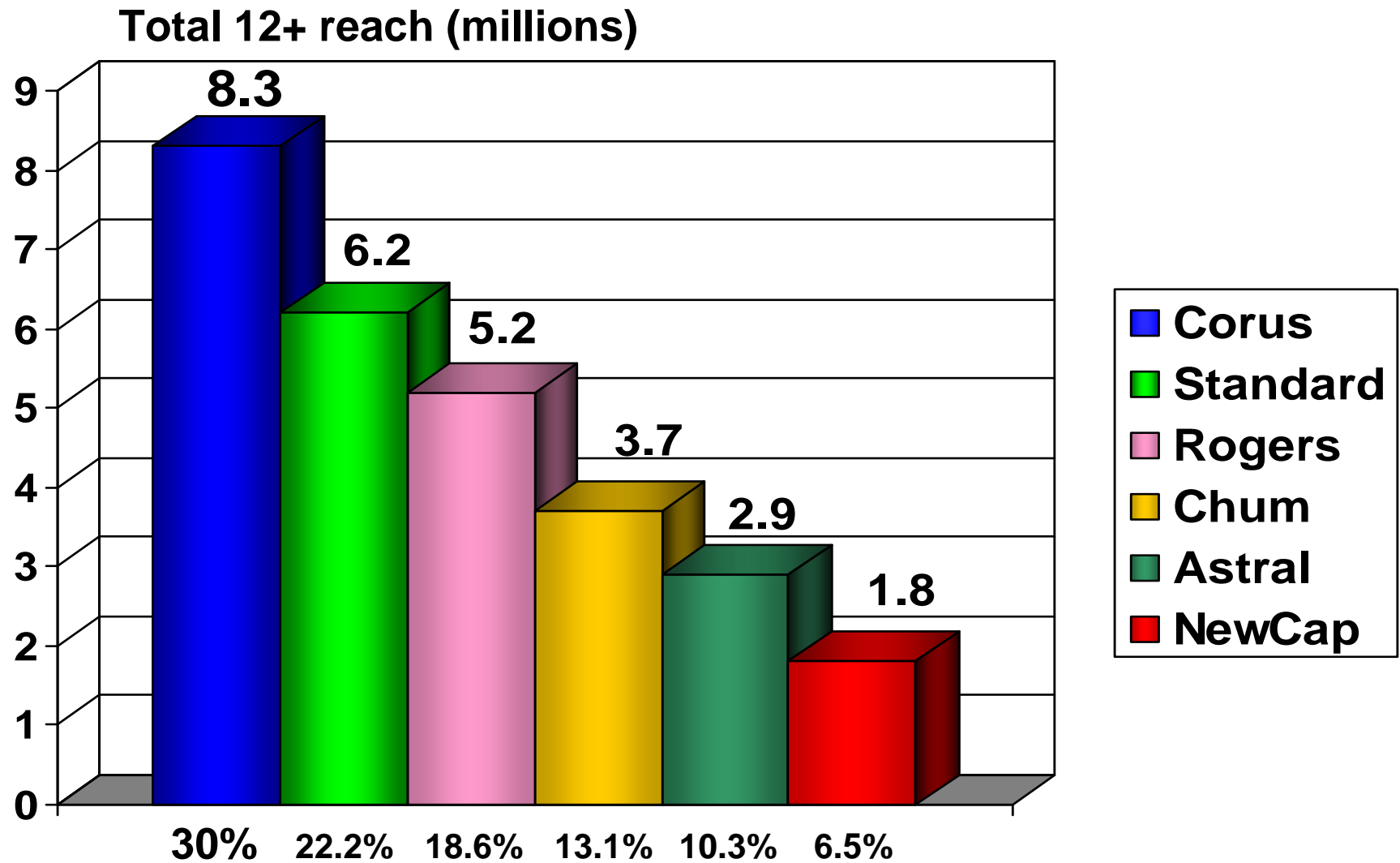
## The Reports of the “Death of Radio” Have Been Greatly Exaggerated

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- **95% of Canadians listen weekly**
- **30% of all Canadians hear a Corus station weekly**
- **21.6 hours of radio usage by listeners (18+)**
- **33% of time spent with media spent with radio**
- **56% of listeners use radio outside the home**
- **70% of Canadians listen to the radio in their cars**
- **Radio rates are highest of all media for the ability to reach the consumer less than one hour before shopping** (Radio 51%, TV 21%, Newspapers 18%)
- **Radio reaches 91% of 12-17 year olds weekly.** (81% of teens report time with radio has increased)



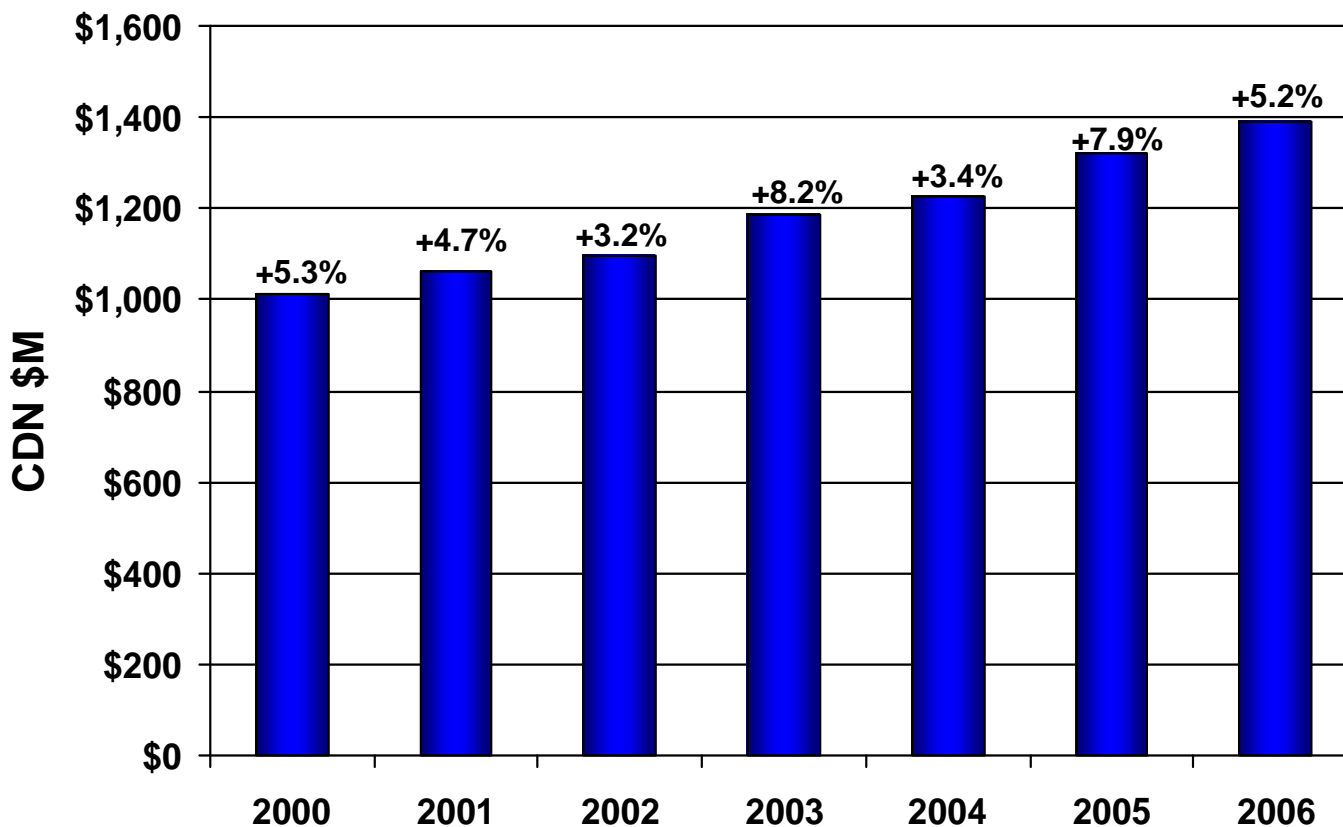
# Corus Radio is Big





# Radio Revenue is Growing

## Trend in Radio Advertising Revenue - 2000 to 2006



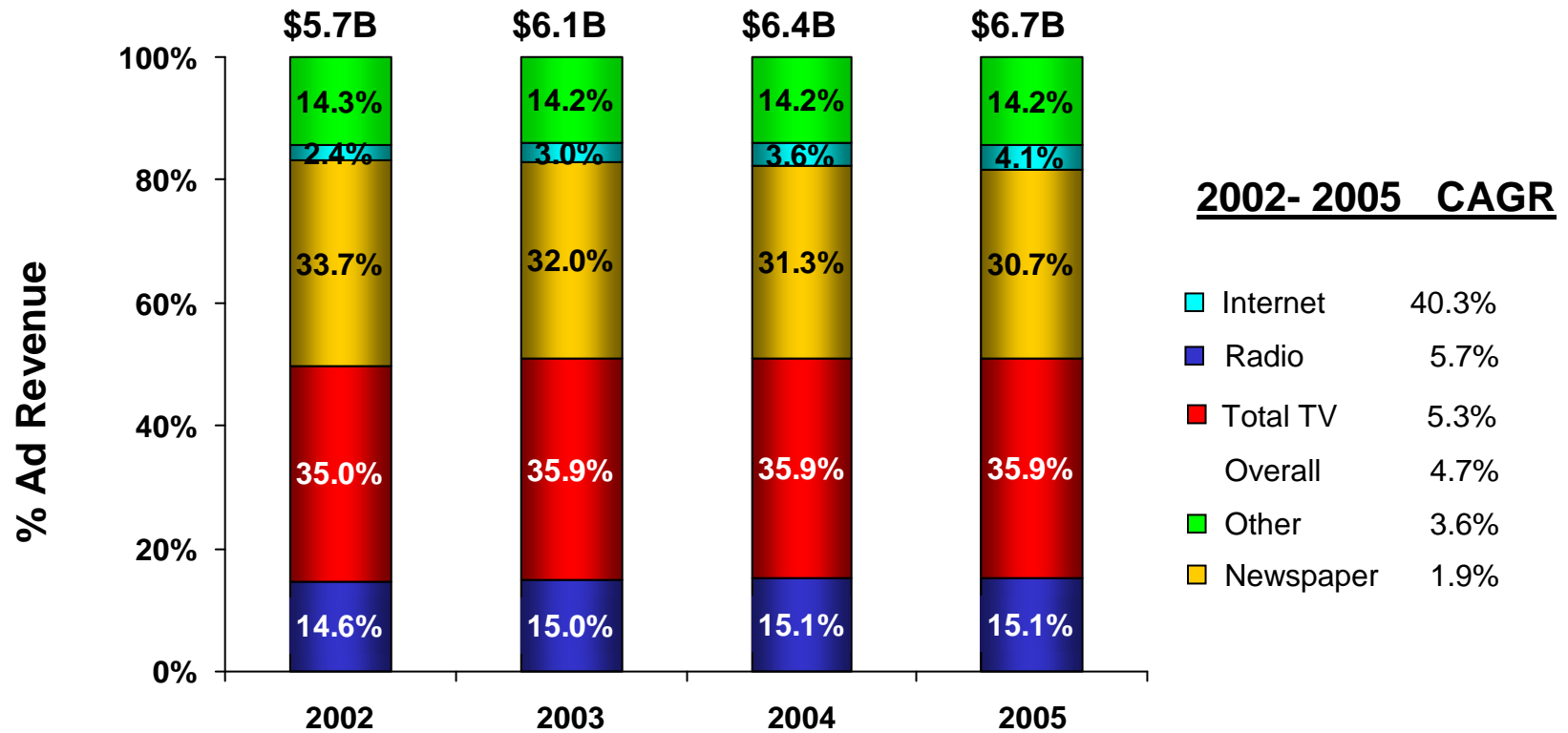
**CAGR**

'00-'06 = 5.4%



# Radio Continues to Extract 15% Share of All Ad Spend

## Trend in Share of Ad Spend and Growth by Medium



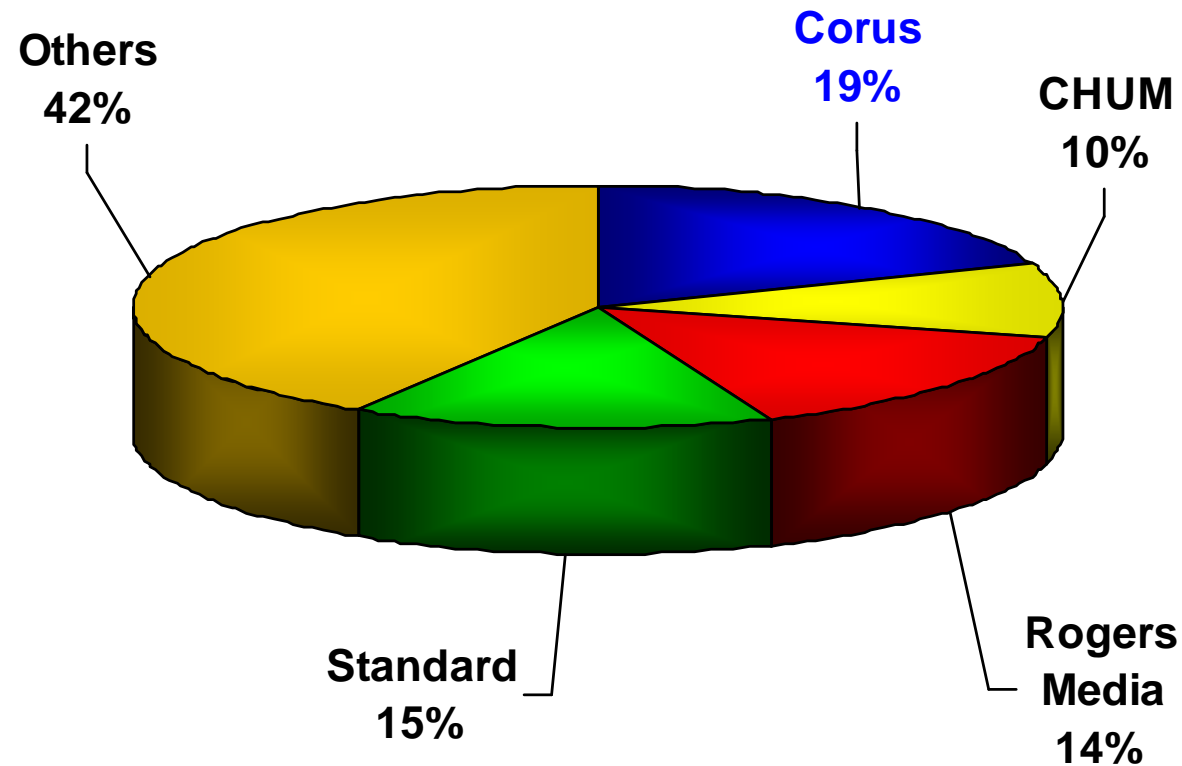
Note: All other includes magazines, outdoor, other print, all \$USD

Sources: Stats Can, CRTC, Industry sources, PWC Global Entertainment & Media Outlook 2005-2009



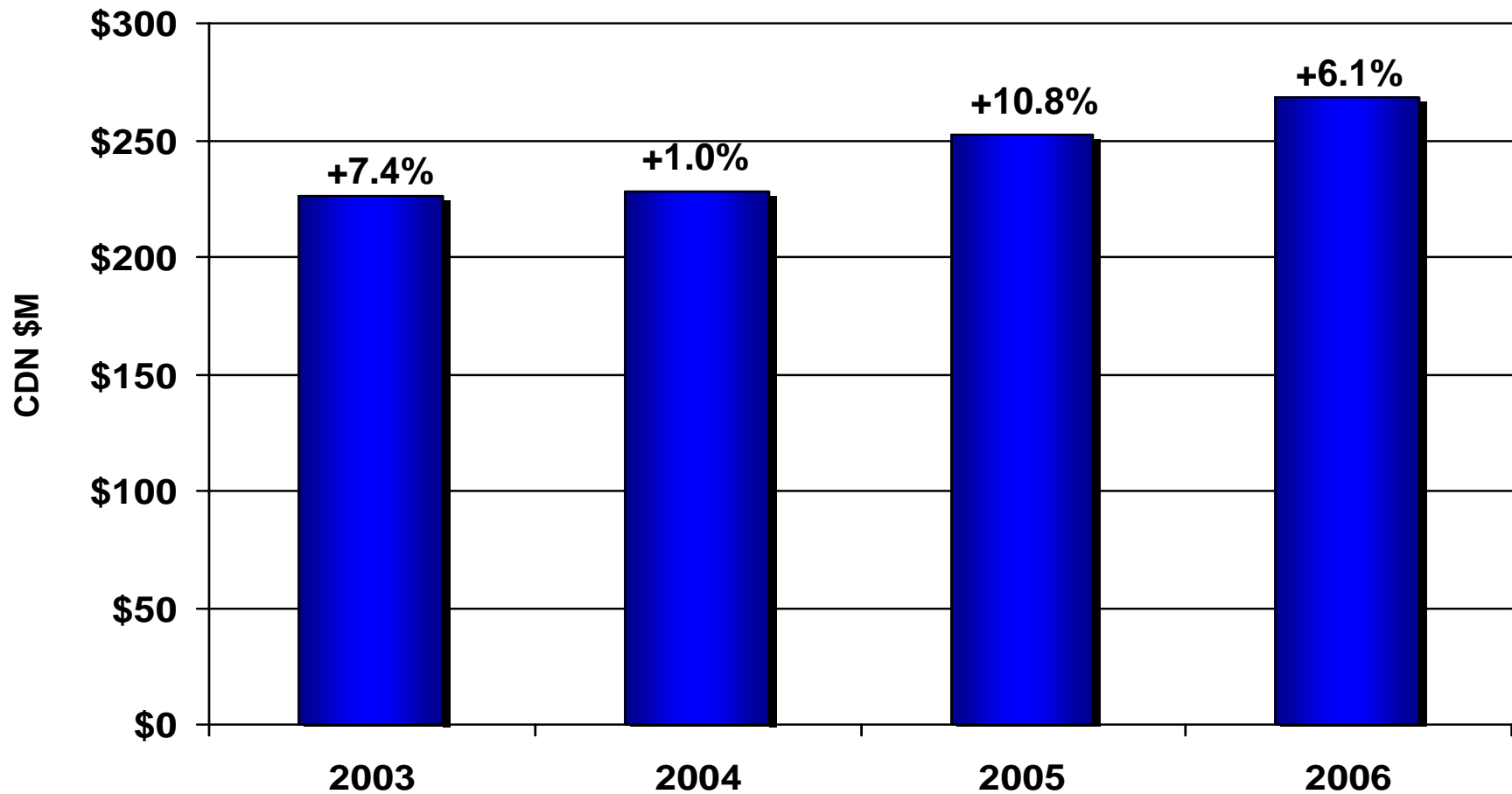
# Corus is Canada's Radio Revenue Leader

## Share of Revenue vs. Major Competitors 2006





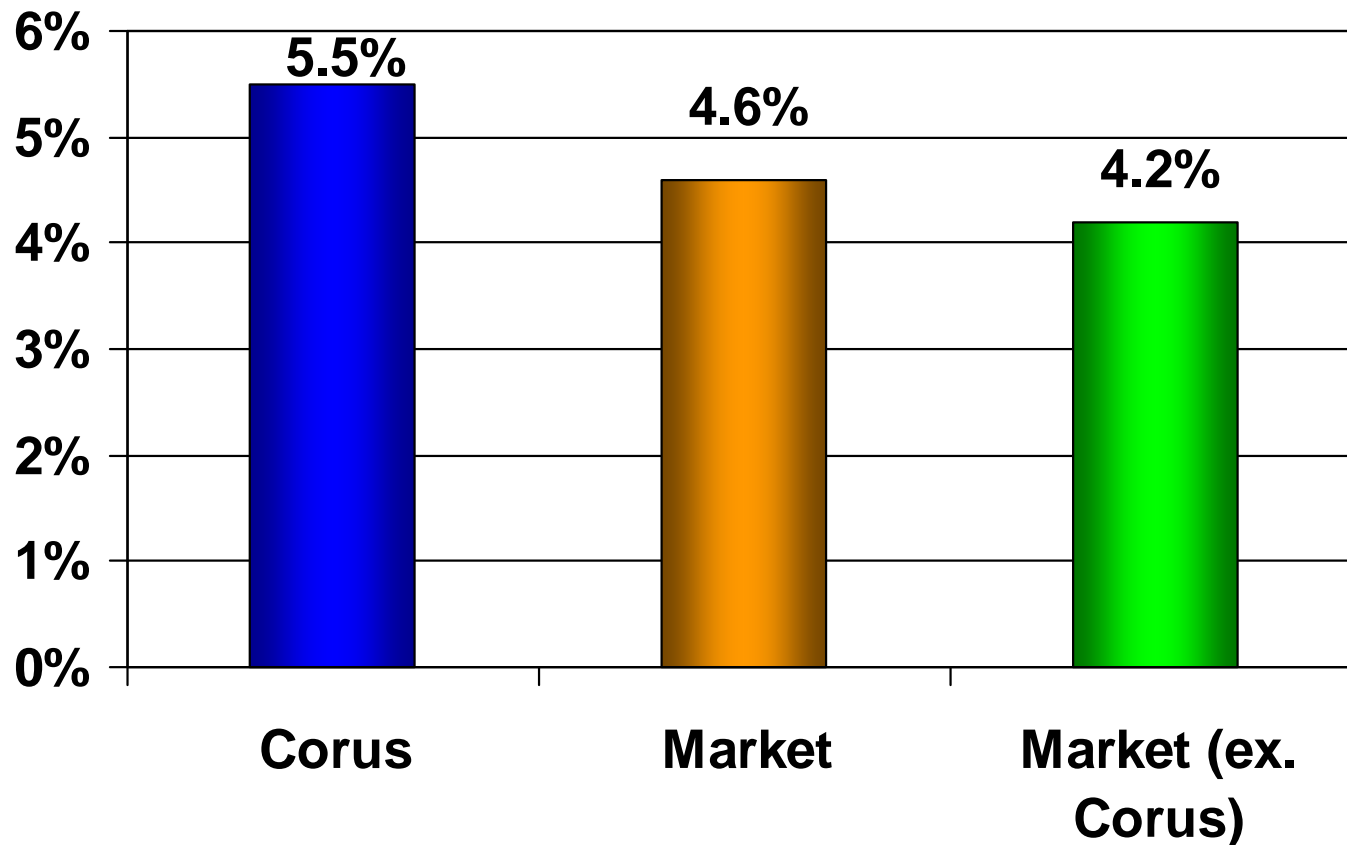
## Corus Revenue Has Accelerated Again





# Corus Focus on Customer Satisfaction Leads to Outperforming Competition for Local Revenue

TRAM Performance Growth F'06 vs. F'05



Corus Radio has developed sales strategies and processes which allow it to outpace the local market growth of its competitors



## Corus Dominates in Top Canadian Markets

<u>Market</u>	<u>HTS</u>	<u>Rank</u>
Toronto	18.6	3
Montreal (E)	29.4	2
Montreal (F)	38.4	1
Vancouver	30.6	1
Edmonton	39.6	1
Calgary	37.0	1
Winnipeg	31.3	1



## Calgary 2007

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- **Five new FM licenses will launch in the next 12 months**
- **2007 revenue and ratings impact not severe**
- **Experience in Edmonton (4 new FM's in '06) suggests temporary chaos in rates, followed by normalcy**
- **Edmonton, four new stations, highest ranked 12+ is CHDI FM (Sonic FM) at #7 by S2 BMM (April-June)**
- **Corus Calgary stations (News/Talk, Country, Classic Rock) will receive no direct format competition by newcomers**
- **New licences in Eclectic AC, Hot AC, AAA, Folk, New Rock**



## **Corus Radio Strategy 2007**

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- **“EBITDA Certainty” Operational Theme**
- **Outpace market revenue**
- **Maintain and improve customer focus**
- **Relentlessly innovate**
- **Selective acquisitions**



## **Corus Radio Innovates, Relentlessly**

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**Corus Radio continually innovates for the benefit of its audiences and advertisers:**

- 2001 Websites and Streaming
- 2002 Deep Sky
- 2003 Universal Sales Training
- 2005 Corus Guarantee
- 2005 Launched Splice Interactive Media
- 2006 Two-Minute Stopsets



## Corus Radio Strategy 2007

**Dominate core demographics and resist competition by maintaining unique and uncontested formats in 23 of 28 top-market stations**

<u>MARKET</u>	<u>STATION</u>
Toronto	Q107 (Classic Rock), Edge (Modern Rock)
Montreal (F)	CHMP (FM News Talk), CKAC (Sports), CINF (All News)
Vancouver	CKNW (News Talk), CFMI (Classic Rock), CFOX (Active Rock), CHMJ (AM Traffic)
Edmonton	CKNG (Joe FM), CHED (News Talk), CHQT (Oldies)
Calgary	CKRY (Country), CHQR (News Talk)
Winnipeg	CJOB (News Talk), CJKR (Active Rock)
London	CKDK (Classic Rock), CFPL FM (Active Rock)
Hamilton	CING (Country), CHML (News Talk)
Quebec City	CFOM (Oldies), CHRC (News Talk)
Kitchener	CJDV (Dave FM)



## **Corus Radio Strategy 2007**

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- **Best in class core competencies creates competitive advantage:**
  - **Strong sales capability**
  - **Programming that attracts audiences regardless of format**
  - **Diligent, monthly, financial review process**
  - **Ongoing training in sales, management, programming**
  - **Continue to explore new media opportunities that contribute to our core**
  - **Maintain and develop great people:**
    - Key talent in place for several years
    - General Managers: a strong team that delivers



## “Core and Explore”

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1. **2006 Interactive Canadian spend \$ 800 million\***
2. **Corus Radio Company Splice Interactive Media:**
  - 50 websites
  - 42 with audio streaming
  - 7 unique B-streams
  - Almost 2 million unique visitors per month
  - Listener clubs total 1 million+
  - 50+ radio personality blogs
  - 30 with 30+ pages of content
  - Profitable in 2006
3. **Radio & Websites are complementary to advertisers**



## Conclusion

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- **Corus is Canada's Radio audience and revenue leader**
- **Corus is poised for another year of strong revenue growth and profitability in 2007**
- **Corus Radio is focused in its core business of operating successful Radio stations**
- **Corus Radio is a key contributor to Corus Entertainment's FCF**
- **Corus Radio has a well balanced strategy of creating long term, sustainable growth while meeting short term annual objectives**
- **2006 examples of "core and explore" at Corus Radio**
  - Astral acquisition enhances core business in Quebec
  - Splice Interactive Media creates a national revenue platform online
  - Innovations continue to enhance audience and advertiser experience