



FOR IMMEDIATE RELEASE

CORUS ENTERTAINMENT ANNOUNCES THIRD QUARTER RESULTS

- **Earnings per share of \$0.70 for third quarter, up from earnings of \$0.55 in the prior year**
- **Combined Radio and Television revenues up 7% for quarter and year-to-date**
- **Combined Radio and Television segment profit up 11% for quarter and 12% for year-to-date**
- **461,200 shares acquired through normal course issuer bid in the third quarter**

(July 10, 2007 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B; NYSE: CJR) announced third quarter financial results today, led by strong revenue growth from its broadcasting businesses.

"We enjoyed another solid quarter with strong ad sales in Radio and Television," said John Cassaday, President and Chief Executive Officer, Corus Entertainment Inc. "Our program investments at W Network and Movie Central are driving growth in these key brands and our focus on attracting and retaining strong local talent for our Radio properties resulted in another strong ratings performance in the most recent industry survey. We continue to feel we are well positioned to capitalize on Canada's continued strong economic growth."

Third Quarter Results

Consolidated revenues for the third quarter ended May 31, 2007 were \$197.6 million, up 9% from \$181.6 million last year. Consolidated segment profit was \$63.5 million, up 10% from \$57.7 million last year. Net income for the quarter was \$29.6 million (\$0.70 basic and \$0.68 diluted), compared to net income of \$23.2 million (\$0.55 basic and \$0.54 diluted) last year.

Corus Television contributed quarterly revenues of \$109.2 million, up 9% from \$100.6 million last year, led by continued specialty advertising growth of 12% and subscriber revenue growth of 7%. Quarterly segment profit increased to \$45.6 million, up 9% from \$41.7 million last year.

Corus Radio revenues were \$74.8 million, up 4% from \$71.9 million last year. Segment profit was \$24.2 million, up 15% from \$21.1 million last year.

Corus Content revenues were \$14.6 million, up 34% from \$10.9 million last year. Segment profit was \$0.1 million, compared to \$0.5 million last year.

Year-to-Date Results

Consolidated revenues for the nine months ended May 31, 2007 were \$581.5 million, up 7% from \$541.3 million last year. Consolidated segment profit was \$190.7 million, up 12% from \$169.6 million last year. Net income for the nine months was \$85.8 million (\$2.03 basic and \$1.98 diluted), compared to a loss of \$11.2 million (loss of \$0.26 basic and diluted) last year. The prior year's nine-month period included a pre-tax debt refinancing loss of \$132.0 million.

Corus Television, led by specialty advertising growth of 13% and subscriber growth of 9%, contributed nine-month revenues of \$332.1 million, up 9% from \$305.0 million last year. Movie Central increased its subscriber base to 887,000 at the end of the third quarter, an increase of 8% from the same time last

year. Segment profit for the nine-month period increased to \$146.9 million, up 12% from \$130.7 million last year.

Corus Radio revenues were \$209.2 million for the nine-month period, up 4% from \$202.1 million last year. Segment profit was \$57.8 million, up 10% from \$52.5 million last year.

Corus Content revenues were \$43.7 million, up 12% from \$39.1 million last year. Segment profit for the nine-month period was \$3.2 million, up from \$2.3 million last year.

"All of our divisions delivered strong results and we continue to enhance shareholder value through our dividend policy and active share buybacks this quarter" said Heather Shaw, Executive Chair, Corus Entertainment Inc.

Corus has continued to purchase shares under its Normal Course Issuer Bid announced in fiscal 2006 and renewed in February 2007. In the first nine months of fiscal 2007, the Company purchased for cancellation 524,100 Class B Non-Voting Shares at an average price of \$46.52 per share.

Corus Entertainment Inc. reports in Canadian dollars.

About Corus Entertainment Inc.

Corus Entertainment Inc. is a Canadian-based media and entertainment company. Corus is a market leader in specialty television and radio with additional assets in pay television, advertising and digital audio services, television broadcasting, children's book publishing and children's animation. The company's multimedia entertainment brands include YTV, Treehouse, W Network, Movie Central, Nelvana, Kids Can Press and radio stations including CKNW, CKOI and Q107. Corus creates engaging branded entertainment experiences for its audiences across multiple platforms. A publicly traded company, Corus is listed on the Toronto (CJR.B) and New York (CJR) exchanges. Experience Corus on the web at www.corusent.com.

The unaudited consolidated financial statements and accompanying notes for the nine months ended May 31, 2007 and Management's Discussion and Analysis are available on the Company's website at http://www.corusent.com/corporate/investor_information/press_releases.asp.

A conference call with Corus senior management is scheduled for July 10, 2007 at 2 p.m. ET / 1 p.m. CT / 12 p.m. MT / 11 a.m. PT. While this call is directed at analysts and investors, members of the media are welcome to listen in. The dial-in number for the conference call is 1-866-904-6908 (North America) or 416-915-8329 (International). PowerPoint slides for the call will be posted at 1:45 p.m. ET on July 10, 2007 and can be found on the Corus Entertainment website at: http://www.corusent.com/corporate/investor_information/index.asp.

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

To the extent any statements made in this press release contain information that is not historical, these statements are forward-looking statements within the meaning of applicable securities laws. These forward-looking statements related to, among other things, our objectives, goals, strategies, intentions, plans, estimates and outlook 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 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 others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to publicly update or revise any forward-looking statements whether as a result of new information, events or circumstances that arises after the date thereof or otherwise.

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**CORUS ENTERTAINMENT INC.
CONSOLIDATED BALANCE SHEETS**

[unaudited] (in thousands of Canadian dollars)	As at May 31, 2007	As at August 31, 2006
ASSETS		
Current		
Cash and cash equivalents	28,352	43,636
Accounts receivable	166,138	142,934
Prepaid expenses and other	8,954	7,332
Program and film rights	110,173	104,723
Future tax asset	15,157	14,535
Total current assets	328,774	313,160
Tax credits receivable	21,467	13,226
Investments and other assets	30,450	29,642
Property, plant and equipment, net	77,116	78,417
Program and film rights	97,035	79,380
Film investments	66,933	60,779
Deferred charges	4,400	5,655
Broadcast licenses	519,075	505,212
Goodwill	790,813	756,738
	1,936,063	1,842,209
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	173,537	176,384
Income taxes payable	12,230	4,583
Total current liabilities	185,767	180,967
Long-term debt	615,485	596,362
Deferred credits	23,288	28,691
Future tax liability	98,504	80,447
Other long-term liabilities	23,886	26,865
Non-controlling interest	13,902	11,379
Total liabilities	960,832	924,711
SHAREHOLDERS' EQUITY		
Share capital	886,139	870,563
Contributed surplus	9,270	6,878
Retained earnings	91,778	51,585
Cumulative translation adjustment	(11,956)	(11,528)
Total shareholders' equity	975,231	917,498
	1,936,063	1,842,209

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND RETAINED EARNINGS

[unaudited] (in thousands of Canadian dollars except per share amounts)	Three months ended May 31,		Nine months ended May 31,	
	2007	2006	2007	2006
Revenues	197,612	181,562	581,539	541,291
Direct cost of sales, general and administrative expenses	134,112	123,860	390,802	371,687
Depreciation	5,286	5,707	15,788	15,733
Amortization	300	823	1,255	2,306
Interest on long-term debt	9,114	9,041	27,021	34,581
Debt refinancing loss	—	—	—	131,951
Other expense, net	674	4,644	7,237	3,393
Income (loss) before income taxes and non-controlling interest	48,126	37,487	139,436	(18,360)
Income tax expense (recovery)	17,184	13,290	49,590	(10,072)
Non-controlling interest	1,355	1,043	4,047	2,883
Net income (loss) for the period	29,587	23,154	85,799	(11,171)
Retained earnings, beginning of period	88,329	7,002	51,585	50,802
Dividends	(14,084)	(4,170)	(32,276)	(10,566)
Share repurchase excess	(12,054)	(8,041)	(13,330)	(11,120)
Retained earnings, end of period	91,778	17,945	91,778	17,945
Earnings (loss) per share				
Basic	\$0.70	\$0.55	\$2.03	\$(0.26)
Diluted	0.68	0.54	1.98	(0.26)
Weighted average number of shares outstanding [in thousands]				
Basic	42,368	42,283	42,240	42,629
Diluted	43,372	43,176	43,281	42,629

**CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

[unaudited] (in thousands of Canadian dollars)	Three months ended May 31,		Nine months ended May 31,	
	2007	2006	2007	2006
OPERATING ACTIVITIES				
Net income (loss) for the period	29,587	23,154	85,799	(11,171)
Add (deduct) non-cash items:				
Depreciation	5,286	5,707	15,788	15,733
Amortization of program and film rights	35,398	31,888	101,562	92,023
Amortization of film investments	7,389	7,864	26,357	22,014
Other amortization	300	823	1,255	2,306
Future income taxes	4,911	3,235	12,958	(40,872)
Non-controlling interest	1,355	1,043	4,047	2,883
Foreign exchange losses (gains)	—	(31)	33	(356)
Stock-based compensation	3,989	2,764	10,040	6,551
Debt refinancing loss	—	—	—	131,951
Other	614	1,804	1,151	2,957
Net change in non-cash working capital balances related to operations	(1,870)	2,831	(33,510)	(19,984)
Payment of program and film rights	(36,171)	(40,753)	(115,075)	(103,135)
Net additions to film investments	(16,192)	(12,832)	(45,694)	(34,785)
Cash provided by operating activities	34,596	27,497	64,711	66,115
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(4,886)	(6,685)	(14,439)	(14,648)
Business combinations	—	—	(46,645)	—
Increase (decrease) in other investments, net	(498)	8,315	(574)	8,076
Decrease in public benefits associated with acquisitions	(1,699)	(2,119)	(4,302)	(6,165)
Proceeds from sale of assets	—	—	1,471	10,569
Cash used in investing activities	(7,083)	(489)	(64,489)	(2,168)
FINANCING ACTIVITIES				
Increase (decrease) in bank loans	(5,093)	(10,574)	19,838	622,780
Notes repurchase and swap termination	(553)	(1,120)	(634)	(727,741)
Additions to deferred financing charges	—	—	—	(6,000)
Decrease in other long-term liabilities	(142)	(131)	(472)	(483)
Issuance of shares under stock option plan	7,841	1,462	25,678	4,036
Shares repurchased	(21,783)	(19,753)	(24,380)	(27,402)
Dividends paid	(16,168)	(4,220)	(34,246)	(6,352)
Dividends paid to non-controlling interest	—	(4,674)	(1,524)	(5,304)
Other	—	—	234	230
Cash used in financing activities	(35,898)	(39,010)	(15,506)	(146,236)
Net decrease in cash and cash equivalents during the period	(8,385)	(12,002)	(15,284)	(82,289)
Cash and cash equivalents, beginning of period	36,737	67,799	43,636	138,086
Cash and cash equivalents, end of period	28,352	55,797	28,352	55,797

**CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION**

Three months ended May 31, 2007

	Radio	Television	Content	Corporate	Eliminations	Consolidated
Revenues	74,765	109,242	14,606	—	(1,001)	197,612
Direct cost of sales, general and administrative expenses	50,538	63,621	14,554	6,432	(1,033)	134,112
Segment profit	24,227	45,621	52	(6,432)	32	63,500
Depreciation	1,516	1,878	831	1,061	—	5,286
Amortization	—	—	—	300	—	300
Interest on long-term debt	—	—	—	9,114	—	9,114
Other expense, net	570	151	564	(611)	—	674
Income (loss) before income taxes and non-controlling interest	22,141	43,592	(1,343)	(16,296)	32	48,126

Three months ended May 31, 2006

	Radio	Television	Content	Corporate	Eliminations	Consolidated
Revenues	71,904	100,631	10,914	—	(1,887)	181,562
Direct cost of sales, general and administrative expenses	50,763	58,931	10,437	5,547	(1,818)	123,860
Segment profit	21,141	41,700	477	(5,547)	(69)	57,702
Depreciation	1,976	1,815	789	1,127	—	5,707
Amortization	—	423	—	400	—	823
Interest on long-term debt	—	—	—	9,041	—	9,041
Other expense, net	3,646	19	(297)	1,276	—	4,644
Income (loss) before income taxes and non-controlling interest	15,519	39,443	(15)	(17,391)	(69)	37,487

Nine months ended May 31, 2007

	Radio	Television	Content	Corporate	Eliminations	Consolidated
Revenues	209,192	332,051	43,672	—	(3,376)	581,539
Direct cost of sales, general and administrative expenses	151,368	185,144	40,484	17,472	(3,666)	390,802
Segment profit	57,824	146,907	3,188	(17,472)	290	190,737
Depreciation	4,339	5,881	2,556	3,012	—	15,788
Amortization	—	355	—	900	—	1,255
Interest on long-term debt	—	—	—	27,021	—	27,021
Other expense, net	1,321	5,529	2,251	(1,864)	—	7,237
Income (loss) before income taxes and non-controlling interest	52,164	135,142	(1,619)	(46,541)	290	139,436

Nine months ended May 31, 2006

	Radio	Television	Content	Corporate	Eliminations	Consolidated
Revenues	202,080	304,983	39,072	—	(4,844)	541,291
Direct cost of sales, general and administrative expenses	149,572	174,238	36,802	16,147	(5,072)	371,687
Segment profit	52,508	130,745	2,270	(16,147)	228	169,604
Depreciation	5,165	5,489	2,238	2,841	—	15,733
Amortization	—	799	—	1,507	—	2,306
Interest on long-term debt	—	—	—	34,581	—	34,581
Debt refinancing loss	—	—	—	131,951	—	131,951
Other expense, net	3,930	357	(301)	(593)	—	3,393
Income (loss) before income taxes and non-controlling interest	43,413	124,100	333	(186,434)	228	(18,360)