



**FOR IMMEDIATE RELEASE**

## **CORUS ENTERTAINMENT ANNOUNCES THIRD QUARTER RESULTS**

- **Earnings per share of \$0.45 for the third quarter, up 29% from prior year**
- **Combined Radio and Television revenues up 4% for the third quarter**
- **Segment profit of \$71.8 million, up 11% for the third quarter**

(July 9, 2008 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B; NYSE: CJR) announced its third quarter financial results today, led by continued revenue growth from its broadcasting businesses.

"This was another strong quarter for Corus Entertainment meeting our expectations" said John Cassaday, President and CEO of Corus Entertainment Inc. "Once again, we delivered excellent results from our Television division; solid revenue performance from all of our divisions; and continued excellent overall cost control. We remain very optimistic about our outlook, particularly given the growth opportunities in the expanding women's segment of specialty television and continued strong economic performance in western Canada, supporting our radio and premium television businesses."

### **Third Quarter Results**

Consolidated revenues for the three months ended May 31, 2008 were \$207.8 million, up 5% from \$197.6 million last year. Consolidated segment profit was \$71.8 million, up 11% from \$64.8 million last year. Net income for the quarter was \$37.7 million (\$0.45 basic and diluted), compared to net income of \$29.6 million (\$0.35 basic and \$0.34 diluted) last year. The current quarter benefited from \$10.0 million in recoveries related to income tax changes, and was negatively impacted by an accrual of \$9.7 million related to disputed regulatory fees.

Corus Television contributed quarterly revenues of \$114.6 million, up 5% from \$109.2 million last year, led by specialty advertising growth of 2% and subscriber revenue growth of 2%. Quarterly segment profit increased to \$49.6 million, up 8% from \$46.1 million last year.

Corus Radio revenues were \$77.0 million, up 3% from \$74.8 million last year. Segment profit was \$24.7 million compared to \$25.1 million last year.

Corus Content revenues were \$16.3 million, up 12% from \$14.6 million last year. Segment profit was \$3.7 million, compared to \$0.1 million last year.

### **Year-to-Date Results**

Consolidated revenues for the nine months ended May 31, 2008 were \$601.4 million, up 3% from \$581.5 million last year. Consolidated segment profit was \$204.9 million, up 5% from \$194.5 million last year. Net income for the nine-month period was \$112.4 million (\$1.35 basic and \$1.32 diluted), up 31% compared to net income of \$85.8 million (\$1.02 basic and \$0.99 diluted) last year. The current period benefited from \$23.2 million in recoveries related to income tax changes, and was negatively impacted by an accrual of \$9.7 million related to disputed regulatory fees.

Corus Television contributed revenues of \$345.3 million, up 4% from \$332.1 million last year, led by specialty advertising growth of 3% and subscriber revenue growth of 2%. Segment profit increased to \$156.1 million, up 5% from \$148.4 million last year.

Corus Radio revenues were \$218.0 million, up 4% from \$209.2 million last year. Segment profit was \$60.4 million, up 1% from \$60.1 million last year.

Corus Content revenues were \$39.1 million, down 10% from \$43.7 million last year. Segment profit was \$4.6 million, compared to \$3.2 million last year.

In the first nine months of fiscal 2008, the Company purchased for cancellation 2,601,800 Class B Non-Voting Shares at an average price of \$22.51 per share. In June 2008, a further 524,400 Class B Non-Voting Shares were purchased and cancelled at an average price of \$19.59 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](http://www.corusent.com).

The unaudited consolidated financial statements and accompanying notes for the quarter ended May 31, 2008 and Management's Discussion and Analysis are available on the Company's website at [http://www.corusent.com/corporate/investor\\_information/press\\_releases.asp](http://www.corusent.com/corporate/investor_information/press_releases.asp).

A conference call with Corus senior management is scheduled for July 9, 2008 at 8:30 a.m. ET / 7:30 a.m. CT/ 6:30 a.m. MT /5:30 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 (866) 321-6651 (North America) or (416) 642-5212 (International). The confirmation code for this call is: 4627540. PowerPoint slides for the call will be posted at 8:15 a.m. ET on July 9, 2008 and can be found on the Corus Entertainment website at: [http://www.corusent.com/corporate/investor\\_information/index.asp](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 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 related to, among other things, our objectives, goals, strategies, intentions, plans, estimates and outlook, including advertising, program, 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, program, 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 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, 2008	As at August 31, 2007
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	28,518	33,347
Accounts receivable	172,098	151,380
Income taxes recoverable	780	—
Prepaid expenses and other	9,213	10,921
Program and film rights	125,027	125,068
Future tax asset	12,475	13,518
<b>Total current assets</b>	<b>348,111</b>	<b>334,234</b>
Tax credits receivable	28,597	16,875
Investments and other assets	19,920	17,492
Property, plant and equipment, net	71,912	78,342
Program and film rights	102,551	90,687
Film investments	70,463	66,593
Deferred charges	—	4,100
Broadcast licenses	533,876	532,812
Goodwill	795,817	795,832
	<b>1,971,247</b>	<b>1,936,967</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	166,718	166,083
Income taxes payable	—	1,474
<b>Total current liabilities</b>	<b>166,718</b>	<b>167,557</b>
Long-term debt	627,751	610,697
Other long-term liabilities	62,745	64,773
Future tax liability	91,889	102,851
<b>Total liabilities</b>	<b>949,103</b>	<b>945,878</b>
Non-controlling interest	19,112	15,196
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	865,686	882,244
Contributed surplus	15,741	10,250
Retained earnings	140,159	95,568
Accumulated other comprehensive loss	(18,554)	(12,169)
<b>Total shareholders' equity</b>	<b>1,003,032</b>	<b>975,893</b>
	<b>1,971,247</b>	<b>1,936,967</b>

**CORUS ENTERTAINMENT INC.  
CONSOLIDATED STATEMENTS OF INCOME**

[unaudited] [in thousands of Canadian dollars except per share amounts]	Three months ended <b>May 31,</b>		Nine months ended <b>May 31,</b>	
	<b>2008</b>	2007	<b>2008</b>	2007
Revenues	<b>207,819</b>	197,612	<b>601,382</b>	581,539
Direct cost of sales, general and administrative expenses	<b>136,047</b>	132,801	<b>396,487</b>	386,999
Depreciation	<b>4,974</b>	5,286	<b>16,253</b>	15,788
Amortization	<b>—</b>	300	<b>—</b>	1,255
Interest expense	<b>10,345</b>	9,114	<b>31,407</b>	27,021
Disputed regulatory fees	<b>9,734</b>	1,311	<b>9,734</b>	3,803
Other expense, net	<b>63</b>	674	<b>3,988</b>	7,237
Income before income taxes and non-controlling interest	<b>46,656</b>	48,126	<b>143,513</b>	139,436
Income tax expense	<b>7,533</b>	17,184	<b>27,124</b>	49,590
Non-controlling interest	<b>1,449</b>	1,355	<b>3,960</b>	4,047
<b>Net income for the period</b>	<b>37,674</b>	29,587	<b>112,429</b>	85,799
<b>Earnings per share</b>				
Basic	<b>\$0.45</b>	\$0.35	<b>\$1.35</b>	\$1.02
Diluted	<b>\$0.45</b>	\$0.34	<b>\$1.32</b>	\$0.99

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

[unaudited] [in thousands of Canadian dollars]	Three months ended <b>May 31,</b>		Nine months ended <b>May 31,</b>	
	<b>2008</b>	2007	<b>2008</b>	2007
<b>Net income for the period</b>	<b>37,674</b>	29,587	<b>112,429</b>	85,799
Other comprehensive loss, net of tax				
Unrealized foreign currency translation adjustment	<b>213</b>	(1,437)	<b>(1,054)</b>	(428)
Unrealized change in fair value of available- for-sale investments	<b>(1,121)</b>	—	<b>(938)</b>	—
Unrealized change in fair value of cash flow hedges	<b>390</b>	—	<b>(11,400)</b>	—
	<b>(518)</b>	(1,437)	<b>(13,392)</b>	(428)
<b>Comprehensive income for the period</b>	<b>37,156</b>	28,150	<b>99,037</b>	85,371

**CORUS ENTERTAINMENT INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY**

[unaudited] [in thousands of Canadian dollars]	Three months ended <b>May 31,</b>		Nine months ended <b>May 31,</b>	
	<b>2008</b>	2007	<b>2008</b>	2007
<b>Share capital</b>				
Balance, beginning of period	<b>874,911</b>	887,821	<b>882,244</b>	870,563
Issuance of shares under Stock Option Plan	<b>945</b>	8,047	<b>10,783</b>	26,392
Shares repurchased	<b>(10,170)</b>	(9,729)	<b>(27,571)</b>	(11,050)
Repayment of executive stock purchase loans	<b>—</b>	—	<b>230</b>	234
Balance, end of period	<b>865,686</b>	886,139	<b>865,686</b>	886,139
<b>Contributed surplus</b>				
Balance, beginning of period	<b>13,515</b>	8,450	<b>10,250</b>	6,878
Stock-based compensation	<b>2,237</b>	1,026	<b>6,156</b>	3,106
Exercise of stock options	<b>(11)</b>	(206)	<b>(665)</b>	(714)
Balance, end of period	<b>15,741</b>	9,270	<b>15,741</b>	9,270
<b>Retained earnings</b>				
Balance, beginning of period	<b>123,252</b>	88,329	<b>95,568</b>	51,585
Cumulative impact of accounting changes	<b>—</b>	—	<b>(1,594)</b>	—
Adjusted opening balance	<b>123,252</b>	88,329	<b>93,974</b>	51,585
Net income for the period	<b>37,674</b>	29,587	<b>112,429</b>	85,799
Dividends	<b>(12,347)</b>	(14,084)	<b>(35,238)</b>	(32,276)
Share repurchase excess	<b>(8,420)</b>	(12,054)	<b>(31,006)</b>	(13,330)
Balance, end of period	<b>140,159</b>	91,778	<b>140,159</b>	91,778
<b>Accumulated other comprehensive loss</b>				
Balance, beginning of period	<b>(18,036)</b>	(10,519)	<b>(12,169)</b>	(11,528)
Cumulative impact of accounting changes	<b>—</b>	—	<b>7,007</b>	—
Adjusted opening balance	<b>(18,036)</b>	(10,519)	<b>(5,162)</b>	(11,528)
Other comprehensive loss, net of tax	<b>(518)</b>	(1,437)	<b>(13,392)</b>	(428)
Balance, end of period	<b>(18,554)</b>	(11,956)	<b>(18,554)</b>	(11,956)

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

[unaudited] [in thousands of Canadian dollars]	Three months ended May 31,		Nine months ended May 31,	
	2008	2007	2008	2007
<b>OPERATING ACTIVITIES</b>				
Net income for the period	37,674	29,587	112,429	85,799
Add (deduct) non-cash items:				
Depreciation	4,974	5,286	16,253	15,788
Amortization of program and film rights	35,875	35,398	107,862	101,562
Amortization of film investments	8,885	7,389	21,496	26,357
Other amortization	—	300	—	1,255
Future income taxes	(1,966)	4,911	(7,029)	12,958
Non-controlling interest	1,449	1,355	3,960	4,047
Stock-based compensation	2,284	3,989	5,972	10,040
Other	2,134	614	6,408	1,184
Net change in non-cash working capital balances related to operations	(5,029)	(1,870)	(29,940)	(33,510)
Payment of program and film rights	(40,657)	(36,171)	(118,339)	(115,075)
Net additions to film investments	(13,212)	(16,192)	(42,690)	(45,694)
<b>Cash provided by operating activities</b>	<b>32,411</b>	<b>34,596</b>	<b>76,382</b>	<b>64,711</b>
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(2,975)	(4,886)	(10,102)	(14,439)
Business combinations	—	—	(774)	(46,645)
Net change in other investments and assets	(2,600)	(498)	(4,021)	897
Decrease in public benefits associated with acquisitions	(958)	(1,699)	(2,903)	(4,302)
<b>Cash used in investing activities</b>	<b>(6,533)</b>	<b>(7,083)</b>	<b>(17,800)</b>	<b>(64,489)</b>
<b>FINANCING ACTIVITIES</b>				
Increase (decrease) in bank loans	636	(5,093)	21,043	19,838
Issuance of shares under Stock Option Plan	934	7,841	10,118	25,678
Shares repurchased	(18,590)	(21,783)	(58,577)	(24,380)
Dividends paid	(12,436)	(16,168)	(34,027)	(34,246)
Dividend paid to non-controlling interest	(139)	—	(1,742)	(1,524)
Other	(147)	(695)	(226)	(872)
<b>Cash used in financing activities</b>	<b>(29,742)</b>	<b>(35,898)</b>	<b>(63,411)</b>	<b>(15,506)</b>
<b>Decrease in cash and cash equivalents during the period</b>	<b>(3,864)</b>	<b>(8,385)</b>	<b>(4,829)</b>	<b>(15,284)</b>
Cash and cash equivalents, beginning of period	32,382	36,737	33,347	43,636
<b>Cash and cash equivalents, end of period</b>	<b>28,518</b>	<b>28,352</b>	<b>28,518</b>	<b>28,352</b>

**CORUS ENTERTAINMENT INC.  
BUSINESS SEGMENT INFORMATION**

**Three months ended May 31, 2008**

	<b>Radio</b>	<b>Television</b>	<b>Content</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Consolidated</b>
Revenues	76,964	114,644	16,338	—	(127)	<b>207,819</b>
Direct cost of sales, general and administrative expenses	52,276	65,033	12,640	6,320	(222)	<b>136,047</b>
Segment profit	24,688	49,611	3,698	(6,320)	95	<b>71,772</b>
Depreciation	1,615	2,239	70	1,050	—	<b>4,974</b>
Interest expense	262	1,141	6	8,936	—	<b>10,345</b>
Disputed regulatory fees	5,421	4,313	—	—	—	<b>9,734</b>
Other expense, net	(35)	(28)	968	(842)	—	<b>63</b>
Income before income taxes and non-controlling interest	17,425	41,946	2,654	(15,464)	95	<b>46,656</b>

**Three months ended May 31, 2007**

	<b>Radio</b>	<b>Television</b>	<b>Content</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Consolidated</b>
Revenues	74,765	109,242	14,606	—	(1,001)	197,612
Direct cost of sales, general and administrative expenses	49,708	63,140	14,554	6,432	(1,033)	132,801
Segment profit	25,057	46,102	52	(6,432)	32	64,811
Depreciation	1,516	2,669	40	1,061	—	5,286
Amortization	—	—	—	300	—	300
Interest expense	302	105	31	8,676	—	9,114
Disputed regulatory fees	830	481	—	—	—	1,311
Other expense, net	570	151	564	(611)	—	674
Income before income taxes and non-controlling interest	21,839	42,696	(583)	(15,858)	32	48,126

**Nine months ended May 31, 2008**

	<b>Radio</b>	<b>Television</b>	<b>Content</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Consolidated</b>
Revenues	217,967	345,337	39,113	—	(1,035)	<b>601,382</b>
Direct cost of sales, general and administrative expenses	157,522	189,277	34,499	16,759	(1,570)	<b>396,487</b>
Segment profit	60,445	156,060	4,614	(16,759)	535	<b>204,895</b>
Depreciation	4,788	7,489	120	3,856	—	<b>16,253</b>
Interest expense	779	2,827	698	27,103	—	<b>31,407</b>
Disputed regulatory fees	5,421	4,313	—	—	—	<b>9,734</b>
Other expense, net	(163)	3,644	2,005	(1,498)	—	<b>3,988</b>
Income before income taxes and non-controlling interest	49,620	137,787	1,791	(46,220)	535	<b>143,513</b>

**Nine months ended May 31, 2007**

	<b>Radio</b>	<b>Television</b>	<b>Content</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Consolidated</b>
Revenues	209,192	332,051	43,672	—	(3,376)	581,539
Direct cost of sales, general and administrative expenses	149,053	183,656	40,484	17,472	(3,666)	386,999
Segment profit	60,139	148,395	3,188	(17,472)	290	194,540
Depreciation	4,339	8,342	95	3,012	—	15,788
Amortization	—	355	—	900	—	1,255
Interest expense	774	144	297	25,806	—	27,021
Disputed regulatory fees	2,315	1,488	—	—	—	3,803
Other expense, net	1,321	5,529	2,251	(1,864)	—	7,237
Income before income taxes and non-controlling interest	51,390	132,537	545	(45,326)	290	139,436