



## Corus Entertainment Announces Fiscal 2012 Second Quarter Results

- Net income attributable to shareholders from continuing operations up 16%
- Consolidated revenues up 8% and segment profit up 4%
- Television revenue up 10% and segment profit up 1%
- Radio revenue down 1% and segment profit up 2%

(April 12, 2012 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B) announced its second quarter financial results today.

“We are delighted with our second quarter results as we continued to grow our revenue and net income, despite a challenging ad sales environment,” said John Cassaday, President and CEO of Corus Entertainment. “Our portfolio of Women’s brands delivered double digit ad growth, and our Kids business continued to grow on the strength of our Beyblade sales. Our Radio business also experienced a return to growth in the quarter. The introduction of ABC Spark in March represents another exciting growth opportunity for Corus, and expands on our relationship with Disney.”

### Financial Highlights

(unaudited)

(in thousands of Canadian dollars except per share amounts)

	Three months ended		Six months ended	
	February 29, 2012	February 28, 2011	February 29, 2012	February 28, 2011
Revenues				
Television	163,299	148,429	348,326	315,946
Radio <sup>(1)</sup>	42,384	42,647	94,248	97,286
	<b>205,683</b>	191,076	<b>442,574</b>	413,232
Segment profit				
Television	60,421	59,923	140,916	140,192
Radio <sup>(1)</sup>	9,879	9,672	26,281	28,186
Corporate	(8,053)	(9,617)	(13,736)	(17,740)
	<b>62,247</b>	59,978	<b>153,461</b>	150,638
<b>Net income attributable to shareholders:</b>				
From continuing operations	31,571	27,291	82,119	73,489
From discontinued operations	—	3,501	—	5,023
	<b>31,571</b>	30,792	<b>82,119</b>	78,512
<b>Basic earnings per share attributable to shareholders:</b>				
From continuing operations	\$ 0.38	\$ 0.34	\$ 0.99	\$ 0.90
From discontinued operations	—	\$ 0.04	—	\$ 0.06
	<b>\$ 0.38</b>	\$ 0.38	<b>\$ 0.99</b>	\$ 0.96

<sup>(1)</sup> Reflects the disposition of the Quebec Radio operations, which occurred on February 1, 2011, as discontinued operations in all periods presented.

## **Consolidated Results from Continuing Operations**

Consolidated revenues for the three months ended February 29, 2012 were \$205.7 million, up 8% from \$191.1 million last year. Consolidated segment profit was \$62.2 million, up 4% from \$60.0 million last year. Net income attributable to Shareholders for the second quarter 2012 was \$31.6 million (\$0.38 basic and diluted), compared to \$27.3 million (\$0.34 basic and \$0.33 diluted) last year.

Consolidated revenues for the six months ended February 29, 2012 were \$442.6 million, up 7% from \$413.2 million last year. Consolidated segment profit was \$153.5 million, up 2% from \$150.6 million last year. Net income attributable to Shareholders for the six month period was \$82.1 million (\$0.99 basic and diluted), compared to \$73.5 million (\$0.90 basic and diluted) last year.

## **Operational Results - Highlights**

### **Television**

- Segment revenues increased 10% in Q2 2012 and year-to-date
- Segment profit increased 1% in Q2 2012 and year-to-date
- Specialty advertising revenues increased 4% in Q2 2012 and year-to-date
- Subscriber revenues consistent with the prior year in Q2 2012 and year-to-date
- Merchandise, distribution and other revenue increased 46% in Q2 2012 and 55% year-to-date
- Movie Central finished Q2 2012 with 988,000 paid subscribers

### **Radio<sup>(1)</sup>**

- Segment revenues down 1% in Q2 2012 and down 3% year-to-date
- Segment expenses down 1% in Q2 2012 and down 2% year-to-date
- Segment profit increased 2% in Q2 2012 and down 7% year-to-date

<sup>(1)</sup> Radio results reflect the disposition of the Quebec Radio operations, which occurred on February 1, 2011, as discontinued operations in all periods presented.

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, television broadcasting, children's book publishing and children's animation. The company's multimedia entertainment brands include YTV, Treehouse, Nickelodeon (Canada), ABC Spark, W Network, OWN: Oprah Winfrey Network (Canada), CosmoTV, Sundance Channel (Canada), Movie Central, HBO Canada, Nelvana, Kids Can Press and radio stations including CKNW AM 980, 99.3 The FOX, Country 105, 630 CHED, Q107, and 102.1 the Edge. Corus creates engaging branded entertainment experiences for its audiences across multiple platforms. A publicly traded company, Corus is listed on the Toronto Stock Exchange (CJR.B). Experience Corus on the web at [www.corusent.com](http://www.corusent.com).

The unaudited consolidated financial statements and accompanying notes for the three months ended February 29, 2012 and Management's Discussion and Analysis are available on the Company's website at [www.corusent.com](http://www.corusent.com) in the Investor Relations section.

A conference call with Corus senior management is scheduled for April 12, 2012 at 1:00 p.m. ET. 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 for North America is 1.800.734.8583 and for local/international callers is 416.981.9001. PowerPoint

slides for the call will be posted 15 minutes prior the the start of the call and can be found on the Corus Entertainment website at [www.corusent.com](http://www.corusent.com) in the Investor Relations section.

*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 related 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 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 arise after the date thereof or otherwise.*

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**CORUS ENTERTAINMENT INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(unaudited - in thousands of Canadian dollars)	As at February 29, 2012	As at August 31, 2011	As at September 1, 2010
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	65,575	55,922	7,969
Accounts receivable	175,170	178,531	175,134
Income taxes recoverable	4,692	603	1,781
Prepaid expenses and other	12,296	13,497	18,008
<b>Total current assets</b>	<b>257,733</b>	<b>248,553</b>	<b>202,892</b>
Tax credits receivable	56,671	43,108	39,597
Intangibles, investments and other assets	40,767	39,980	22,699
Property, plant and equipment	164,837	169,600	161,585
Program and film rights	264,572	256,970	244,963
Film investments	78,842	83,133	80,611
Broadcast licenses	569,505	569,505	610,423
Goodwill	671,827	671,827	695,029
Deferred tax asset	28,058	30,915	32,130
	<b>2,132,812</b>	<b>2,113,591</b>	<b>2,089,929</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	213,694	206,773	192,839
Provisions	3,057	5,267	13,048
<b>Total current liabilities</b>	<b>216,751</b>	<b>212,040</b>	<b>205,887</b>
Long-term debt	567,387	600,796	691,891
Other long-term liabilities	88,572	104,574	95,840
Deferred tax liability	143,128	141,361	146,044
<b>Total liabilities</b>	<b>1,015,838</b>	<b>1,058,771</b>	<b>1,139,662</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	904,856	882,679	856,655
Contributed surplus	7,780	10,299	12,706
Retained earnings	186,090	143,717	62,509
Accumulated other comprehensive income (loss)	(629)	(1,075)	342
Total equity attributable to shareholders	1,098,097	1,035,620	932,212
Equity attributable to non-controlling interest	18,877	19,200	18,055
<b>Total shareholder's equity</b>	<b>1,116,974</b>	<b>1,054,820</b>	<b>950,267</b>
	<b>2,132,812</b>	<b>2,113,591</b>	<b>2,089,929</b>

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

	Three months ended		Six months ended	
	February 29, 2012	February 28, 2011	February 29, 2012	February 28, 2011
(unaudited - in thousands of Canadian dollars)				
Revenues	205,683	191,076	442,574	413,232
Direct cost of sales, general and administrative expenses	143,436	131,098	289,113	262,594
Depreciation	6,653	6,053	12,892	12,161
Interest expense	13,410	14,717	26,837	28,790
Restructuring	—	—	—	2,250
Other income, net	(1,617)	(1,125)	(1,170)	(1,242)
Income before income taxes	43,801	40,333	114,902	108,679
Income tax expense	10,262	11,034	28,683	31,362
<b>Net income for the period from continuing operations</b>	<b>33,539</b>	29,299	<b>86,219</b>	77,317
Net income for the period from discontinued operations	—	3,501	—	5,023
<b>Net income for the period</b>	<b>33,539</b>	32,800	<b>86,219</b>	82,340
<b>Net income attributable to:</b>				
Shareholders from continuing operations	31,571	27,291	82,119	73,489
Shareholders from discontinued operations	—	3,501	—	5,023
Non-controlling interest	1,968	2,008	4,100	3,828
	<b>33,539</b>	32,800	<b>86,219</b>	82,340
<b>Basic earnings per share attributable to shareholders:</b>				
From continuing operations	\$ 0.38	\$ 0.34	\$ 0.99	\$ 0.90
From discontinued operations	—	0.04	—	0.06
	<b>\$ 0.38</b>	\$ 0.38	<b>\$ 0.99</b>	\$ 0.96
<b>Diluted earnings per share attributable to shareholders:</b>				
From continuing operations	\$ 0.38	\$ 0.33	\$ 0.99	\$ 0.90
From discontinued operations	—	0.04	—	0.06
	<b>\$ 0.38</b>	\$ 0.37	<b>\$ 0.99</b>	\$ 0.96
<b>Net income for the period</b>	<b>33,539</b>	32,800	<b>86,219</b>	82,340
Other comprehensive income (loss), net of tax				
Unrealized foreign currency translation adjustment	(587)	(1,108)	537	(1,861)
Unrealized change in fair value of available-for-sale investments, net of tax	(17)	(95)	(91)	76
Actuarial gain on employee future benefits	—	433	—	433
	<b>(604)</b>	(770)	<b>446</b>	(1,352)
<b>Comprehensive income for the period</b>	<b>32,935</b>	32,030	<b>86,665</b>	80,988
<b>Comprehensive income attributable to:</b>				
Shareholders	30,967	30,022	82,565	77,160
Non-controlling interest	1,968	2,008	4,100	3,828
	<b>32,935</b>	32,030	<b>86,665</b>	80,988

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

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total attributable to shareholders	Non-controlling interest	Total equity
<b>At August 31, 2011</b>	<b>882,679</b>	<b>10,299</b>	<b>143,717</b>	<b>(1,075)</b>	<b>1,035,620</b>	<b>19,200</b>	<b>1,054,820</b>
Comprehensive income	—	—	82,119	446	82,565	4,100	86,665
Dividends declared	—	—	(37,968)	—	(37,968)	(4,423)	(42,391)
Issuance of shares under stock option plan	11,448	(3,111)	—	—	8,337	—	8,337
Issuance of shares under dividend reinvestment plan	12,839	—	—	—	12,839	—	12,839
Shares repurchased	(2,110)	—	(1,778)	—	(3,888)	—	(3,888)
Share-based compensation expense	—	592	—	—	592	—	592
<b>At February 29, 2012</b>	<b>904,856</b>	<b>7,780</b>	<b>186,090</b>	<b>(629)</b>	<b>1,098,097</b>	<b>18,877</b>	<b>1,116,974</b>

	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total attributable to shareholders	Non-controlling interest	Total equity
<b>At September 1, 2010</b>	<b>856,655</b>	<b>12,706</b>	<b>62,509</b>	<b>342</b>	<b>932,212</b>	<b>18,055</b>	<b>950,267</b>
Comprehensive income (loss)	—	—	78,512	(1,352)	77,160	3,828	80,988
Actuarial gain transfer	—	—	433	(433)	—	—	—
Dividends declared	—	—	(30,612)	—	(30,612)	(4,366)	(34,978)
Issuance of shares under stock option plan	7,911	(2,028)	—	—	5,883	—	5,883
Issuance of shares under dividend reinvestment plan	5,056	—	—	—	5,056	—	5,056
Share-based compensation expense	—	548	—	—	548	—	548
<b>At February 28, 2011</b>	<b>869,622</b>	<b>11,226</b>	<b>110,842</b>	<b>(1,443)</b>	<b>990,247</b>	<b>17,517</b>	<b>1,007,764</b>

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

(unaudited - in thousands of Canadian dollars)	Three months ended		Six months ended	
	February 29, <b>2012</b>	February 28, 2011	February 29, <b>2012</b>	February 28, 2011
<b>OPERATING ACTIVITIES</b>				
Net income for the period	33,539	32,800	86,219	82,340
Deduct earnings from discontinued operations	—	(3,501)	—	(5,023)
Add (deduct) non-cash items:				
Depreciation	6,653	6,053	12,892	12,161
Amortization of program rights	46,433	42,847	93,488	85,389
Amortization of film investments	7,960	10,591	17,947	18,877
Deferred income taxes	3,424	352	4,786	824
Share-based compensation expense	299	295	592	548
Imputed interest	2,976	2,484	6,010	5,084
Other	(547)	(1,327)	(790)	(1,594)
Net change in non-cash working capital balances related to operations	20,665	30,277	(20,726)	(2,400)
Payment of program and film rights	(50,997)	(34,975)	(86,426)	(73,128)
Net additions to film investments	(16,837)	(11,270)	(33,973)	(33,120)
Cash provided by operating activities from continuing operations	53,568	74,626	80,019	89,958
Cash used in operating activities from discontinued operations	—	(13,374)	—	(13,262)
<b>Cash provided by operating activities</b>	<b>53,568</b>	<b>61,252</b>	<b>80,019</b>	<b>76,696</b>
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(4,714)	(13,948)	(8,084)	(27,215)
Net cash flows for intangibles, investments and other assets	(122)	(3,382)	1,009	(4,267)
Other	(165)	(357)	(318)	(582)
Cash used in investing activities from continuing operations	(5,001)	(17,687)	(7,393)	(32,064)
Cash provided by investing activities from discontinued operations	—	74,996	—	74,996
<b>Cash provided by (used in) investing activities</b>	<b>(5,001)</b>	<b>57,309</b>	<b>(7,393)</b>	<b>42,932</b>
<b>FINANCING ACTIVITIES</b>				
Decrease in bank loans	(34,674)	(74,956)	(34,674)	(44,764)
Issuance of shares under stock option plan	8,251	3,581	8,337	5,884
Shares repurchased	—	—	(3,888)	—
Dividends paid	(12,145)	(11,958)	(23,820)	(23,549)
Dividend paid to non-controlling interest	(200)	(160)	(4,423)	(4,366)
Other	(2,233)	(2,144)	(4,505)	(4,324)
<b>Cash used in financing activities from continuing operations</b>	<b>(41,001)</b>	<b>(85,637)</b>	<b>(62,973)</b>	<b>(71,119)</b>
Net change during the period in cash and cash equivalents from continuing operations	7,566	(28,698)	9,653	(13,225)
Net change during the period in cash and cash equivalents from discontinued operations	—	61,622	—	61,734
Net increase in cash and cash equivalents during the period	7,566	32,924	9,653	48,509
Cash and cash equivalents, beginning of period	58,009	23,554	55,922	7,969
<b>Cash and cash equivalents, end of period</b>	<b>65,575</b>	<b>56,478</b>	<b>65,575</b>	<b>56,478</b>

**CORUS ENTERTAINMENT INC.  
BUSINESS SEGMENT INFORMATION**

(unaudited - in thousands of Canadian dollars)

**Three months ended February 29, 2012**

	Radio	Television	Corporate	Consolidated
Revenues	42,384	163,299	—	205,683
Direct cost of sales, general and administrative expenses	32,505	102,878	8,053	143,436
<b>Segment profit (loss)</b>	<b>9,879</b>	<b>60,421</b>	<b>(8,053)</b>	<b>62,247</b>
Depreciation	779	787	5,087	6,653
Interest expense	(26)	6,374	7,062	13,410
Other expense (income), net	5	(2,363)	741	(1,617)
<b>Income (loss) before income taxes</b>	<b>9,121</b>	<b>55,623</b>	<b>(20,943)</b>	<b>43,801</b>

Three months ended February 28, 2011

	Radio	Television	Corporate	Consolidated
Revenues	42,647	148,429	—	191,076
Direct cost of sales, general and administrative expenses	32,975	88,506	9,617	131,098
<b>Segment profit (loss)</b>	<b>9,672</b>	<b>59,923</b>	<b>(9,617)</b>	<b>59,978</b>
Depreciation	738	816	4,499	6,053
Interest expense	966	5,165	8,586	14,717
Other expense (income), net	(514)	(1,585)	974	(1,125)
<b>Income (loss) before income taxes</b>	<b>8,482</b>	<b>55,527</b>	<b>(23,676)</b>	<b>40,333</b>

**Six months ended February 29, 2012**

	Radio	Television	Corporate	Consolidated
Revenues	94,248	348,326	—	442,574
Direct cost of sales, general and administrative expenses	67,967	207,410	13,736	289,113
<b>Segment profit (loss)</b>	<b>26,281</b>	<b>140,916</b>	<b>(13,736)</b>	<b>153,461</b>
Depreciation	1,557	1,352	9,983	12,892
Interest expense	96	13,232	13,509	26,837
Other expense (income), net	13	(995)	(188)	(1,170)
<b>Income (loss) before income taxes</b>	<b>24,615</b>	<b>127,327</b>	<b>(37,040)</b>	<b>114,902</b>

Six months ended February 28, 2011

	Radio	Television	Corporate	Consolidated
Revenues	97,286	315,946	—	413,232
Direct cost of sales, general and administrative expenses	69,100	175,754	17,740	262,594
<b>Segment profit (loss)</b>	<b>28,186</b>	<b>140,192</b>	<b>(17,740)</b>	<b>150,638</b>
Depreciation	1,496	2,519	8,146	12,161
Interest expense	2,472	9,877	16,441	28,790
Restructuring	671	3	1,576	2,250
Other expense (income), net	(494)	(2,218)	1,470	(1,242)
<b>Income (loss) before income taxes</b>	<b>24,041</b>	<b>130,011</b>	<b>(45,373)</b>	<b>108,679</b>

**Revenues by type**

	Three months ended		Six months ended	
	February 29, 2012	February 28, 2011	February 29, 2012	February 28, 2011
Advertising	83,870	82,179	203,319	202,499
Subscriber fees	75,924	75,599	150,065	149,361
Merchandising, distribution and other	45,889	33,298	89,190	61,372
	<b>205,683</b>	<b>191,076</b>	<b>442,574</b>	<b>413,232</b>