



Corus Entertainment Announces Fiscal 2013 First Quarter Results

- Monthly dividend increased 6.25%
- Net income attributable to shareholders up 3%
- Basic earnings per share attributable to shareholders up 3%
- Segment profit up 2%
- Strong segment profit margins for Television (45%) and Radio (36%)

(January 14, 2013 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B) announced its first quarter financial results today.

“Corus has delivered a solid first quarter, achieving double-digit segment profit growth in Radio, strong Women’s advertising sales, subscriber gains on Pay television and continued success in controlling costs, which was partially offset by soft results in our Kids business,” said John Cassaday, President and Chief Executive Officer, Corus Entertainment. “Looking ahead, we expect our strong ratings momentum on Oprah Winfrey Network, ABC Spark and Nickelodeon will contribute to revenue growth as the fiscal year progresses.”

Financial Highlights

	Three months ended November 30,	
	2012	2011
<i>(unaudited - in thousands of Canadian dollars except per share amounts)</i>		
Revenues		
Television	173,823	185,027
Radio	52,324	51,864
	226,147	236,891
Segment profit ⁽¹⁾		
Television	78,698	80,495
Radio	18,956	16,402
Corporate	(4,961)	(5,683)
	92,693	91,214
Net income attributable to:		
Shareholders	52,159	50,548
Non-controlling interest	1,857	2,132
	54,016	52,680
Earnings per share attributable to shareholders:		
Basic	\$ 0.63	\$ 0.61
Diluted	\$ 0.62	\$ 0.61
Free cash flow ⁽¹⁾	37,885	24,059

⁽¹⁾ See definitions and discussion under Key Performance Indicators in MD&A.

Consolidated Results from Continuing Operations

Consolidated revenues for the three months ended November 30, 2012 were \$226.1 million, down 5% from \$236.9 million last year. Consolidated segment profit was \$92.7 million, up 2% from \$91.2 million last year. Net income attributable to shareholders for the quarter was \$52.2 million (\$0.63 basic and \$0.62 diluted per share), up 3% compared to \$50.5 million (\$0.61 basic and diluted per share) last year.

Operational Results - Highlights

Television

- Segment revenues decreased 6%
- Segment profit⁽¹⁾ decreased 2%
- Specialty advertising revenues decreased 3%
- Subscriber revenues increased 1%
- Movie Central finished the quarter with 998,000 subscribers, up 22,000 from the fourth quarter of fiscal 2012
- Merchandising, distribution and other revenues decreased 25%
- Segment profit margins of 45%

Radio

- Segment revenues increased 1%
- Segment profit⁽¹⁾ increased 16%
- Segment profit margins of 36%

⁽¹⁾ See definitions and discussion under Key Performance Indicators in MD&A.

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, children's animation and animation software. 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, Toon Boom and 37 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.

The unaudited consolidated financial statements and accompanying notes for the three months ended November 30, 2012 and Management's Discussion and Analysis are available on the Company's website at www.corusent.com in the Investor Relations section.

A conference call with Corus senior management is scheduled for January 15, 2013 at 4:00 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 1.800.909.4795 and for local/international callers is 416.641.6684. PowerPoint slides for the call will be posted 15 minutes prior to the start of the call and can be found on the Corus Entertainment website at 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 November 30, 2012	As at August 31, 2012
ASSETS		
Current		
Cash and cash equivalents	50,483	24,588
Accounts receivable	206,036	173,421
Income taxes recoverable	—	9,542
Prepaid expenses and other	14,633	12,664
Total current assets	271,152	220,215
Tax credits receivable	45,571	43,865
Intangibles, investments and other assets	42,067	42,390
Property, plant and equipment	160,691	163,563
Program and film rights	276,743	271,244
Film investments	69,684	67,983
Broadcast licenses	569,505	569,505
Goodwill	674,393	674,393
Deferred tax assets	29,318	28,327
	2,139,124	2,081,485
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	203,214	185,991
Income taxes payable	16	—
Provisions	1,638	2,322
Total current liabilities	204,868	188,313
Long-term debt	528,898	518,258
Other long-term liabilities	83,357	87,853
Deferred tax liabilities	150,714	150,971
Total liabilities	967,837	945,395
SHAREHOLDERS' EQUITY		
Share capital	916,085	910,005
Contributed surplus	8,175	7,835
Retained earnings	229,798	198,445
Accumulated other comprehensive loss	(232)	(812)
Total equity attributable to shareholders	1,153,826	1,115,473
Equity attributable to non-controlling interest	17,461	20,617
Total shareholders' equity	1,171,287	1,136,090
	2,139,124	2,081,485

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited - in thousands of Canadian dollars except per share amounts)	Three months ended	
	November 30,	
	2012	2011
Revenues	226,147	236,891
Direct cost of sales, general and administrative expenses	133,454	145,677
Depreciation and amortization	6,429	6,239
Interest expense	12,132	13,427
Other expense, net	506	447
Income before income taxes	73,626	71,101
Income tax expense	19,610	18,421
Net income for the period	54,016	52,680
Net income attributable to:		
Shareholders	52,159	50,548
Non-controlling interest	1,857	2,132
	54,016	52,680
Earnings per share attributable to shareholders:		
Basic	\$ 0.63	\$ 0.61
Diluted	\$ 0.62	\$ 0.61
Net income for the period	54,016	52,680
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to income:		
Unrealized foreign currency translation adjustment	290	1,124
Unrealized change in fair value of available-for-sale investments	290	(74)
	580	1,050
Comprehensive income for the period	54,596	53,730
Comprehensive income attributable to:		
Shareholders	52,739	51,598
Non-controlling interest	1,857	2,132
	54,596	53,730

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total equity attributable to shareholders	Non-controlling interest	Total equity
At August 31, 2012	910,005	7,835	198,445	(812)	1,115,473	20,617	1,136,090
Comprehensive income	—	—	52,159	580	52,739	1,857	54,596
Dividends declared	—	—	(20,050)	—	(20,050)	(5,013)	(25,063)
Issuance of shares under dividend reinvestment plan	6,788	—	—	—	6,788	—	6,788
Shares repurchased	(708)	—	(756)	—	(1,464)	—	(1,464)
Share-based compensation expense	—	340	—	—	340	—	340
At November 30, 2012	916,085	8,175	229,798	(232)	1,153,826	17,461	1,171,287
At August 31, 2011	882,679	10,299	143,717	(1,075)	1,035,620	19,200	1,054,820
Comprehensive income	—	—	50,548	1,050	51,598	2,132	53,730
Dividends declared	—	—	(17,950)	—	(17,950)	(4,223)	(22,173)
Issuance of shares under stock option plan	106	(20)	—	—	86	—	86
Issuance of shares under dividend reinvestment plan	6,282	—	—	—	6,282	—	6,282
Shares repurchased	(2,110)	—	(1,778)	—	(3,888)	—	(3,888)
Share-based compensation expense	—	293	—	—	293	—	293
At November 30, 2011	886,957	10,572	174,537	(25)	1,072,041	17,109	1,089,150

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended November 30,	
	2012	2011
OPERATING ACTIVITIES		
Net income for the period	54,016	52,680
Add (deduct) non-cash items:		
Depreciation and amortization	6,429	6,239
Amortization of program and film rights	45,693	47,055
Amortization of film investments	6,207	9,987
Deferred income taxes	(1,294)	1,362
Share-based compensation expense	340	293
Imputed interest	2,525	3,034
Other	(304)	(243)
Net change in non-cash working capital balances related to operations	(29,133)	(41,391)
Payment of program and film rights	(27,626)	(35,429)
Net additions to film investments	(16,074)	(17,136)
Cash provided by operating activities	40,779	26,451
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(3,542)	(3,370)
Net cash flows for intangibles, investments and other assets	73	1,131
Other	(88)	(153)
Cash used in investing activities	(3,557)	(2,392)
FINANCING ACTIVITIES		
Increase in bank loans	9,985	—
Issuance of shares under stock option plan	—	86
Shares repurchased	(1,464)	(3,888)
Dividends paid	(13,223)	(11,675)
Dividends paid to non-controlling interest	(4,313)	(4,223)
Other	(2,312)	(2,272)
Cash used in financing activities	(11,327)	(21,972)
Net change in cash and cash equivalents during the period	25,895	2,087
Cash and cash equivalents, beginning of the period	24,588	55,922
Cash and cash equivalents, end of the period	50,483	58,009

**CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION**

(unaudited - in thousands of Canadian dollars)

Three months ended November 30, 2012

	Radio	Television	Corporate	Consolidated
Revenues	52,324	173,823	—	226,147
Direct cost of sales, general and administrative expenses	33,368	95,125	4,961	133,454
Segment profit (loss)⁽¹⁾	18,956	78,698	(4,961)	92,693
Depreciation and amortization				6,429
Interest expense				12,132
Other expense, net				506
Income before income taxes				73,626

Three months ended November 30, 2011

	Radio	Television	Corporate	Consolidated
Revenues	51,864	185,027	—	236,891
Direct cost of sales, general and administrative expenses	35,462	104,532	5,683	145,677
Segment profit (loss)⁽¹⁾	16,402	80,495	(5,683)	91,214
Depreciation and amortization				6,239
Interest expense				13,427
Other expense, net				447
Income before income taxes				71,101

⁽¹⁾ See definitions and discussion under Key Performance Indicators in MD&A.

Revenues by type

	Three months ended	
	November 30,	
	2012	2011
Advertising	117,894	119,449
Subscriber fees	74,981	74,141
Merchandising, distribution and other	33,272	43,301
	226,147	236,891