



Corus Entertainment Announces Fiscal 2013 Second Quarter Results

- Adjusted net income attributable to shareholders of \$24.4 million for the second quarter and \$76.6 million year-to-date
- Free cash flow up 12% year-to-date
- Consolidated segment profit margins of 30% for the second quarter and 36% year-to-date
- Movie Central finished the quarter above 1 million subscribers

(April 11, 2013 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B) announced its second quarter and six months year-to-date financial results today.

“The second quarter business results were soft, as expected, but we were able to end the first half of the year with significant increases in year-to-date free cash flow and improved margins,” said John Cassaday, President and Chief Executive Officer of Corus Entertainment. “The highlight of the quarter was the successful refinancing of our Senior Unsecured Guaranteed Notes, which resulted in a 300 basis point reduction in our financing costs. This activity was followed up by a series of significant transactions subsequent to the quarter, certain of which are subject to CRTC approval, which will enable us to expand our presence in Radio, consolidate our position in TELETOON and ABC Spark, enter the Quebec specialty television market and realize substantial gains on the sale of our minority interest in the Food Network (Canada) and on the revaluation of TELETOON.”

Financial Highlights

	Three months ended		Six months ended	
	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
(unaudited - in thousands of Canadian dollars except per share amounts)				
Revenues				
Television	143,423	163,299	317,246	348,326
Radio	40,277	42,384	92,601	94,248
	183,700	205,683	409,847	442,574
Segment profit ⁽¹⁾				
Television	51,796	60,421	130,494	140,916
Radio	9,654	9,879	28,610	26,281
Corporate	(6,802)	(8,053)	(11,763)	(13,736)
	54,648	62,247	147,341	153,461
Net income attributable to shareholders	5,944	31,571	58,103	82,119
Adjusted net income attributable to shareholders ^{(1) (2)}	24,432	31,571	76,591	82,119
Basic earnings per share	\$ 0.07	\$ 0.38	\$ 0.70	\$ 0.99
Adjusted basic earnings per share ^{(1) (2)}	\$ 0.29	\$ 0.38	\$ 0.92	\$ 0.99
Diluted earnings per share	\$ 0.07	\$ 0.38	\$ 0.69	\$ 0.99
Free cash flow ⁽¹⁾	45,974	50,772	83,859	74,831

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

⁽²⁾ Excludes the impact of debt refinancing costs of \$25.0 million (\$0.22 per share)

Consolidated Results from Continuing Operations

Consolidated revenues for the three months ended February 28, 2013 were \$183.7 million, down 11% from \$205.7 million last year. Consolidated segment profit was \$54.6 million, down 12% from \$62.2 million last year. Net income attributable to shareholders for the quarter was \$5.9 million (\$0.07 basic and diluted per share), compared to \$31.6 million (\$0.38 basic and diluted per share) last year. Net income for the current quarter includes a pre-tax charge for debt refinancing of \$25.0 million. Removing the impact of this item results in adjusted net income attributable to shareholders of \$24.4 million (\$0.29 per share) in the current quarter.

Consolidated revenues for the six months ended February 28, 2013 were \$409.8 million, down 7% from \$442.6 million last year. Consolidated segment profit was \$147.3 million, down 4% from \$153.5 million last year. Net income attributable to shareholders for the six months was \$58.1 million (\$0.70 basic and \$0.69 diluted per share), compared to \$82.1 million (\$0.99 basic and diluted per share) last year. Removing the impact of the debt refinancing costs results in adjusted net income attributable to shareholders of \$76.6 million (\$0.92 per share) in the current year.

Operational Results - Highlights

Television

- Movie Central finished the quarter with 1,013,000 subscribers, up 37,000 year-to-date
- Segment profit margin of 41% year-to-date
- Segment revenues decreased 12% in Q2 2013 and 9% year-to-date
- Segment profit⁽¹⁾ decreased 14% in Q2 2013 and 7% year-to-date

Radio

- Segment profit margin of 31% year-to-date
- Segment revenues decreased 5% in Q2 2013 and 2% year-to-date
- Segment profit⁽¹⁾ decreased 2% in Q2 2013, but increased 9% year-to-date

Other

- Issued \$550.0 million of 4.25% Senior Unsecured Guaranteed Notes due in 2020
- Agreements completed, subsequent to the quarter, to extend Radio presence into Ottawa, consolidate ownership of TELETOON and ABC Spark, acquire 100% of Historia and Séries+, and divest Corus' minority interest in the Food Network (Canada)

⁽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), Cosmopolitan TV, 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 and six months ended February 28, 2013 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 April 11, 2013 at 2:00 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 1.800.732.6870 and for local/international callers is 416.981.9030. 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 February 28, 2013	As at August 31, 2012
ASSETS		
Current		
Cash and cash equivalents	573,781	24,588
Accounts receivable	181,842	173,421
Income taxes recoverable	961	9,542
Prepaid expenses and other	12,134	12,664
Asset held-for-sale	9,881	—
Total current assets	778,599	220,215
Tax credits receivable	45,799	43,865
Intangibles, investments and other assets	39,361	42,390
Property, plant and equipment	157,070	163,563
Program and film rights	274,749	271,244
Film investments	79,382	67,983
Broadcast licenses	569,505	569,505
Goodwill	674,393	674,393
Deferred tax assets	35,096	28,327
	2,653,954	2,081,485
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	191,672	185,991
Provisions	1,198	2,322
Current portion of long-term debt	518,125	—
Total current liabilities	710,995	188,313
Long-term debt	537,957	518,258
Other long-term liabilities	88,167	87,853
Deferred tax liabilities	151,071	150,971
Total liabilities	1,488,190	945,395
SHAREHOLDERS' EQUITY		
Share capital	923,806	910,005
Contributed surplus	8,322	7,835
Retained earnings	214,347	198,445
Accumulated other comprehensive income (loss)	995	(812)
Total equity attributable to shareholders	1,147,470	1,115,473
Equity attributable to non-controlling interest	18,294	20,617
Total shareholders' equity	1,165,764	1,136,090
	2,653,954	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		Six months ended	
	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
Revenues	183,700	205,683	409,847	442,574
Direct cost of sales, general and administrative expenses	129,052	143,436	262,506	289,113
Depreciation and amortization	7,517	6,653	13,946	12,892
Interest expense	13,271	13,410	25,403	26,837
Debt refinancing	25,033	—	25,033	—
Other (income) expense, net	(426)	(1,617)	80	(1,170)
Income before income taxes	9,253	43,801	82,879	114,902
Income tax expense	2,373	10,262	21,983	28,683
Net income for the period	6,880	33,539	60,896	86,219
Net income attributable to:				
Shareholders	5,944	31,571	58,103	82,119
Non-controlling interest	936	1,968	2,793	4,100
	6,880	33,539	60,896	86,219
Earnings per share attributable to shareholders:				
Basic	\$ 0.07	\$ 0.38	\$ 0.70	\$ 0.99
Diluted	\$ 0.07	\$ 0.38	\$ 0.69	\$ 0.99
Net income for the period	6,880	33,539	60,896	86,219
Other comprehensive income (loss), net of tax:				
Items that may be reclassified subsequently to income:				
Unrealized foreign currency translation adjustment	1,191	(587)	1,481	537
Unrealized change in fair value of available-for-sale investments	36	(17)	326	(91)
	1,227	(604)	1,807	446
Comprehensive income for the period	8,107	32,935	62,703	86,665
Comprehensive income attributable to:				
Shareholders	7,171	30,967	59,910	82,565
Non-controlling interest	936	1,968	2,793	4,100
	8,107	32,935	62,703	86,665

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 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	—	—	58,103	1,807	59,910	2,793	62,703
Dividends declared	—	—	(41,445)	—	(41,445)	(5,116)	(46,561)
Issuance of shares under stock option plan	994	(245)	—	—	749	—	749
Issuance of shares under dividend reinvestment plan	13,515	—	—	—	13,515	—	13,515
Shares repurchased	(708)	—	(756)	—	(1,464)	—	(1,464)
Share-based compensation expense	—	732	—	—	732	—	732
At February 28, 2013	923,806	8,322	214,347	995	1,147,470	18,294	1,165,764
At August 31, 2011	882,679	10,299	143,717	(1,075)	1,035,620	19,200	1,054,820
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
At February 29, 2012	904,856	7,780	186,090	(629)	1,098,097	18,877	1,116,974

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended		Six months ended	
	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
OPERATING ACTIVITIES				
Net income for the period	6,880	33,539	60,896	86,219
Add (deduct) non-cash items:				
Depreciation and amortization	7,517	6,653	13,946	12,892
Amortization of program and film rights	46,908	46,433	92,601	93,488
Amortization of film investments	3,501	7,960	9,708	17,947
Deferred income taxes	(5,432)	3,424	(6,726)	4,786
Share-based compensation expense	392	299	732	592
Imputed interest	2,628	2,976	5,153	6,010
Debt refinancing	25,033	—	25,033	—
Other	590	(547)	286	(790)
Net change in non-cash working capital balances related to operations	19,587	20,665	(9,546)	(20,726)
Payment of program and film rights	(39,806)	(50,997)	(67,432)	(86,426)
Net additions to film investments	(18,160)	(16,837)	(34,234)	(33,973)
Cash provided by operating activities	49,638	53,568	90,417	80,019
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(3,930)	(4,714)	(7,472)	(8,084)
Net cash flows for intangibles, investments and other assets	(7,039)	(122)	(6,966)	1,009
Other	(236)	(165)	(324)	(318)
Cash used in investing activities	(11,205)	(5,001)	(14,762)	(7,393)
FINANCING ACTIVITIES				
Decrease in bank loans	(39,910)	(34,674)	(29,925)	(34,674)
Issuance of notes	550,000	—	550,000	—
Financing fees	(8,607)	—	(8,607)	—
Issuance of shares under stock option plan	749	8,251	749	8,337
Shares repurchased	—	—	(1,464)	(3,888)
Dividends paid	(13,775)	(12,145)	(26,998)	(23,820)
Dividends paid to non-controlling interest	(803)	(200)	(5,116)	(4,423)
Other	(2,789)	(2,233)	(5,101)	(4,505)
Cash provided by (used in) financing activities	484,865	(41,001)	473,538	(62,973)
Net change in cash and cash equivalents during the period	523,298	7,566	549,193	9,653
Cash and cash equivalents, beginning of the period	50,483	58,009	24,588	55,922
Cash and cash equivalents, end of the period	573,781	65,575	573,781	65,575

**CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION**

(unaudited - in thousands of Canadian dollars)

Three months ended February 28, 2013

	Radio	Television	Corporate	Consolidated
Revenues	40,277	143,423	—	183,700
Direct cost of sales, general and administrative expenses	30,623	91,627	6,802	129,052
Segment profit (loss)⁽¹⁾	9,654	51,796	(6,802)	54,648
Depreciation and amortization				7,517
Interest expense				13,271
Debt refinancing				25,033
Other expense (income), net				(426)
Income before income taxes				9,253

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
Segment profit (loss)⁽¹⁾	9,879	60,421	(8,053)	62,247
Depreciation and amortization				6,653
Interest expense				13,410
Other expense (income), net				(1,617)
Income before income taxes				43,801

Six months ended February 28, 2013

	Radio	Television	Corporate	Consolidated
Revenues	92,601	317,246	—	409,847
Direct cost of sales, general and administrative expenses	63,991	186,752	11,763	262,506
Segment profit (loss)⁽¹⁾	28,610	130,494	(11,763)	147,341
Depreciation and amortization				13,946
Interest expense				25,403
Debt refinancing				25,033
Other expense (income), net				80
Income before income taxes				82,879

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
Segment profit (loss)⁽¹⁾	26,281	140,916	(13,736)	153,461
Depreciation and amortization				12,892
Interest expense				26,837
Other expense (income), net				(1,170)
Income before income taxes				114,902

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

Revenues by type

	Three months ended		Six months ended	
	February 28, 2013	February 29, 2012	February 28, 2013	February 29, 2012
Advertising	80,506	83,870	198,400	203,319
Subscriber fees	73,798	75,924	148,779	150,065
Merchandising, distribution and other	29,396	45,889	62,668	89,190
	183,700	205,683	409,847	442,574