



Corus Entertainment Announces Fiscal 2015 Second Quarter Results

- Consolidated segment profit up 1% for the quarter and year-to-date
- Television revenues up 2% for the quarter and year-to-date
- Television segment profit up 3% for the quarter and up 2% year-to-date
- Net loss attributable to shareholders of \$86.8 million for the quarter, which includes a non-cash Radio broadcast license and goodwill impairment charge of \$130.0 million.
- Adjusted basic earnings per share of \$0.33 per share, up 3% for the quarter

(April 9, 2015 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B) announced its second quarter financial results today.

“In the second quarter, the company continued to see strong audience delivery, particularly from our Women’s, Family and French-language specialty networks, and improved radio ratings in certain key markets. However, as economic headwinds continue to impact advertising market confidence, we do not expect to achieve our segment profit guidance for fiscal 2015,” said Doug Murphy, President and Chief Executive Officer of Corus Entertainment. “Moving forward, we continue to make excellent progress on our four strategic priorities and we are conducting a comprehensive review of opportunities arising from this new flexible regulatory environment. Our recent landmark deal with Nickelodeon is the first example of our priorities in action as we position the company for future growth, embracing the exciting changes and opportunities emerging from the evolving regulatory and content marketplace.”

Financial Highlights

(unaudited - in thousands of Canadian dollars except per share amounts)	Three months ended February 28,		Six months ended February 28,	
	2015	2014	2015	2014
Revenues				
Television	155,175	152,101	336,665	330,050
Radio	36,309	39,312	81,930	87,368
	191,484	191,413	418,595	417,418
Segment profit ⁽¹⁾				
Television	59,700	58,034	143,479	140,558
Radio	6,227	8,470	19,047	24,307
Corporate	(6,208)	(7,222)	(9,531)	(13,307)
	59,719	59,282	152,995	151,558
Net income (loss) attributable to shareholders	(86,786)	6,116	(34,880)	157,007
Adjusted net income attributable to shareholders ^{(1) (2)}	28,499	26,780	80,405	81,957
Basic earnings (losses) per share	\$ (1.01)	\$ 0.07	\$ (0.41)	\$ 1.85
Adjusted basic earnings per share ^{(1) (2)}	\$ 0.33	\$ 0.32	\$ 0.93	\$ 0.97
Diluted earnings (losses) per share	\$ (1.01)	\$ 0.07	\$ (0.41)	\$ 1.85
Free cash flow ⁽¹⁾	59,242	73,405	92,624	123,041

⁽¹⁾ Adjusted net income (loss) attributable to shareholders, adjusted basic earnings per share, segment profit and free cash flow do not have standardized meanings prescribed by IFRS. The Company reports on segment profit and free cash flow because they are key measures used to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the 2015 Report to Shareholders.

⁽²⁾ For the three and six months ended February 28, 2015, excludes radio broadcast license and goodwill impairment charges of \$130.0 million (\$1.44 per share), business acquisition, integration and restructuring charges of \$8.0 million (\$0.07 per share), offset by a gain on disposition of investment of \$17.0 million (\$0.17 per share). For the three months ended February 28, 2014, excludes radio broadcast license impairment charges of \$8.0 million (\$0.07 per share), business acquisition, integration and restructuring costs of \$18.7 million (\$0.20 per share) and a decrease in the purchase price obligation of \$2.1 million (\$0.02 per share). For the six month period ended February 28, 2014, excludes the impact of a \$127.9 million (\$1.51 per share) gain on remeasurement to fair value of the Company's 50% interest in TELETOON which was held prior to consolidation on September 1, 2013, radio broadcast license impairment charges of \$8.0 million (\$0.07 per share), business acquisition, integration and restructuring costs of \$40.7 million (\$0.46 per share), an increase in the purchase price obligation of \$5.3 million (\$0.06 per share) and investment impairment related charges of \$3.3 million (\$0.04 per share).

Consolidated Results from Operations

Consolidated revenues for the three months ended February 28, 2015 were \$191.5 million, which is comparable to \$191.4 million last year. Consolidated segment profit was \$59.7 million, up 1% from \$59.3 million last year. Net loss attributable to shareholders for the quarter was \$86.8 million (\$1.01 loss per share basic and diluted), compared to net income attributable to shareholders of \$6.1 million (\$0.07 per share basic and diluted) last year. Net loss attributable to shareholders for the second quarter includes Radio broadcast license and goodwill impairment charges of \$130.0 million (\$1.44 per share), business acquisition, integration and restructuring costs of \$8.0 million (\$0.07 per share), offset by a gain on disposition of investment of \$17.0 million (\$0.17 per share). Removing the impact of these items results in an adjusted net income attributable to shareholders of \$28.5 million (\$0.33 per share) in the quarter. Net income attributable to shareholders for the prior year quarter includes radio broadcast license impairment charges of \$8.0 million (\$0.07 per share), business acquisition, integration and restructuring costs of \$18.7 million (\$0.20 per share) and a decrease in the purchase price obligation of \$2.1 million (\$0.02 per share) related to the acquisition of control of TELETOON. Removing the impact of these items results in an adjusted net income attributable to shareholders of \$26.8 million (\$0.32 per share) in the prior year quarter.

Consolidated revenues for the six months ended February 28, 2015 were \$418.6 million, which is comparable to \$417.4 million last year. Consolidated segment profit was \$153.0 million, up 1% from \$151.6 million last year. Net loss attributable to shareholders for the six months ended February 28, 2015 was \$34.9 million (\$0.41 loss per share basic and diluted) compared to net income attributable to shareholders of \$157.0 million (\$1.85 per share basic and diluted) last year. Net loss attributable to shareholders for the six months ended February 28, 2015 includes Radio broadcast license and goodwill impairment charges of \$130.0 million (\$1.44 per share), business acquisition, integration and restructuring costs of \$8.0 million (\$0.07 per share), offset by a gain on disposition of investment of \$17.0 million (\$0.17 per share). Removing the impact of these items results in an adjusted net income attributable to shareholders of \$80.4 million (\$0.93 per share) for the current year-to-date. Removing the impact of the prior year non-cash gain of \$127.9 million (\$1.51 per share) resulting from the remeasurement to fair value of the Company's 50% interest in TELETOON which was held prior to consolidation on September 1, 2013, radio broadcast license impairment charges of \$8.0 million (\$0.07 per share), business acquisition, integration and restructuring costs of \$40.7 million (\$0.46 per share), an increase in the purchase price obligation of \$5.3 million (\$0.06 per share), and investment impairment related charges of \$3.3 million (\$0.04 per share) results in an adjusted net income attributable to shareholders of \$82.0 million (\$0.97 per share).

Operational Results - Highlights

Television

- Specialty advertising revenues decreased 7% in Q2 2015 and 2% for the year-to-date
- Subscriber revenues increased 2% in Q2 2015 and 5% for the year-to-date
- Merchandising, distribution and other revenues increased 32% in Q2 2015 and 7% for the year-to-date
- Segment profit⁽¹⁾ increased 3% in Q2 2015 and 2% for the year-to-date
- Segment profit margin⁽¹⁾ of 38% in Q2 2015 and 43% for the year-to-date

Radio

- Segment revenues decreased 8% in Q2 2015 and 6% for the year-to-date
- Segment profit⁽¹⁾ decreased 26% in Q2 2015 and 22% for the year-to-date
- Segment profit margin⁽¹⁾ of 17% in Q2 2015 and 23% for the year-to-date
- Non-cash broadcast license and goodwill impairment charges of \$130.0 million in Q2 2015 and for the year-to-date

Corporate

- Financial guidance revised, refer to Outlook section of the *Second Quarter 2015 Report to Shareholders*
- \$18.5 million pre-tax cash proceeds from disposition of GoPro shares held by Steamboat Ventures

⁽¹⁾ Segment profit and segment profit margin do not have standardized meanings prescribed by IFRS. The Company reports on segment profit and segment profit margin because they are key measures used to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the 2015 Report to Shareholders.

Corus Entertainment Inc. reports in Canadian dollars.

The unaudited consolidated financial statements and accompanying notes for the three and six months ended February 28, 2015 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 9, 2015 at 2:30 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 local and international callers is 416.981.9039 and for North America is 1.800.734.8582. 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.

Use of Non-GAAP Financial Measures

This press release includes the non-GAAP financial measures of adjusted net income, adjusted basic earnings per share and free cash flow that are not in accordance with, nor an alternate to, generally accepted accounting principles ("GAAP") and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. They are limited in value because they exclude charges that have a material effect on the Company's reported results and, therefore, should not be relied upon as the sole financial measures to evaluate the Company's financial results. The non-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, GAAP financial results. A reconciliation of the Company's non-GAAP measures is included in the Company's most recent Report to Shareholders which is available on Corus' website at www.corusent.com as well as on SEDAR.

Caution Concerning Forward-Looking Statements

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 relate 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.

About Corus Entertainment Inc.

Corus Entertainment Inc. is a Canadian-based media and entertainment company that creates, broadcasts and licenses content across a variety of platforms for audiences around the world. The Company's portfolio of multimedia offerings encompasses specialty television and radio with additional assets in pay television, television broadcasting, children's book publishing, children's animation and animation software. Corus' brands include YTV, TELETOON, ABC Spark, W Network, OWN: Oprah Winfrey Network (Canada), HBO Canada, Historia and Séries+, as well as Nelvana, Kids Can Press, Toon Boom and 39 radio stations including CKNW AM 980, Rock 101, Country 105, 630 CHED, Fresh Radio, JUMP! 106.9, Q107 and 102.1 the Edge. A publicly traded company, Corus is listed on the Toronto Stock Exchange (CJR.B). Experience Corus on the web at www.corusent.com.

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CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in thousands of Canadian dollars)	As at February 28, 2015	As at August 31, 2014
ASSETS		
Current		
Cash and cash equivalents	38,213	11,585
Accounts receivable	192,810	183,009
Income taxes recoverable	1,094	9,768
Prepaid expenses and other	12,103	13,032
Total current assets	244,220	217,394
Tax credits receivable	32,071	29,044
Intangibles, investments and other assets	60,278	47,630
Property, plant and equipment	141,314	143,618
Program and film rights	332,333	330,437
Film investments	62,416	63,455
Broadcast licenses	956,984	979,984
Goodwill	827,859	934,859
Deferred tax assets	39,005	38,161
	2,696,480	2,784,582
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	187,519	170,411
Provisions	8,358	5,314
Total current liabilities	195,877	175,725
Long-term debt	864,715	874,251
Other long-term liabilities	138,093	171,793
Deferred tax liabilities	252,290	252,687
Total liabilities	1,450,975	1,474,456
SHAREHOLDERS' EQUITY		
Share capital	984,458	967,330
Contributed surplus	8,906	8,385
Retained earnings	230,368	313,361
Accumulated other comprehensive income	6,840	3,767
Total equity attributable to shareholders	1,230,572	1,292,843
Equity attributable to non-controlling interest	14,933	17,283
Total shareholders' equity	1,245,505	1,310,126
	2,696,480	2,784,582

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,		February 28,	
	2015	2014	2015	2014
Revenues	191,484	191,413	418,595	417,418
Direct cost of sales, general and administrative expenses	131,765	132,131	265,600	265,860
Depreciation and amortization	6,089	5,533	11,863	11,268
Interest expense	12,746	12,604	25,427	21,874
Broadcast license and goodwill impairment	130,000	8,000	130,000	8,000
Business acquisition, integration and restructuring costs	8,002	18,734	8,002	40,656
Gain on acquisition	—	—	—	(127,884)
Other expense (income), net	(15,902)	(1,006)	(14,096)	8,705
Income (loss) before income taxes	(81,216)	15,417	(8,201)	188,939
Income tax expense	4,643	8,353	24,476	29,533
Net income (loss) for the period	(85,859)	7,064	(32,677)	159,406
Net income (loss) attributable to:				
Shareholders	(86,786)	6,116	(34,880)	157,007
Non-controlling interest	927	948	2,203	2,399
	(85,859)	7,064	(32,677)	159,406
Earnings (losses) per share attributable to shareholders:				
Basic	\$ (1.01)	\$ 0.07	\$ (0.41)	\$ 1.85
Diluted	\$ (1.01)	\$ 0.07	\$ (0.41)	\$ 1.85
Net income (loss) for the period	(85,859)	7,064	(32,677)	159,406
Other comprehensive income (loss), net of tax:				
Items that may be reclassified subsequently to income:				
Unrealized foreign currency translation adjustment	2,437	1,891	3,667	2,266
Unrealized change in fair value of available-for-sale investments	170	(12)	(140)	62
Unrealized change in fair value of cash flow hedges	(416)	(146)	(454)	(146)
	2,191	1,733	3,073	2,182
Comprehensive income (loss) for the period	(83,668)	8,797	(29,604)	161,588
Comprehensive income (loss) attributable to:				
Shareholders	(84,595)	7,849	(31,807)	159,189
Non-controlling interest	927	948	2,203	2,399
	(83,668)	8,797	(29,604)	161,588

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, 2014	967,330	8,385	313,361	3,767	1,292,843	17,283	1,310,126
Comprehensive income (loss)	—	—	(34,880)	3,073	(31,807)	2,203	(29,604)
Dividends declared	—	—	(48,113)	—	(48,113)	(4,553)	(52,666)
Issuance of shares under stock option plan	5,781	(945)	—	—	4,836	—	4,836
Issuance of shares under dividend reinvestment plan	11,347	—	—	—	11,347	—	11,347
Share-based compensation expense	—	1,466	—	—	1,466	—	1,466
At February 28, 2015	984,458	8,906	230,368	6,840	1,230,572	14,933	1,245,505
At August 31, 2013	937,183	7,221	256,517	1,653	1,202,574	18,259	1,220,833
Comprehensive income	—	—	157,007	2,182	159,189	2,399	161,588
Dividends declared	—	—	(44,763)	—	(44,763)	(6,001)	(50,764)
Issuance of shares under stock option plan	1,063	(170)	—	—	893	—	893
Issuance of shares under dividend reinvestment plan	11,745	—	—	—	11,745	—	11,745
Share-based compensation expense	—	961	—	—	961	—	961
At February 28, 2014	949,991	8,012	368,761	3,835	1,330,599	14,657	1,345,256

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended February 28,		Six months ended February 28,	
	2015	2014	2015	2014
OPERATING ACTIVITIES				
Net income (loss) for the period	(85,859)	7,064	(32,677)	159,406
Adjustments to reconcile net income (loss) to cash provided by operating activities:				
Depreciation and amortization	6,089	5,533	11,863	11,268
Broadcast license and goodwill impairment	130,000	8,000	130,000	8,000
Amortization of program and film rights	53,366	51,613	107,703	102,144
Amortization of film investments	6,692	5,143	13,613	9,055
Deferred income taxes	(3,864)	2,566	(1,017)	5,021
Increase (decrease) in purchase price obligation	—	(2,056)	—	5,288
Share-based compensation expense	937	504	1,466	961
Imputed interest	3,481	4,109	6,977	7,145
Tangible benefit obligation	—	11,892	—	31,915
Gain on disposition of investment	(16,964)	—	(16,964)	—
Gain on acquisition	—	—	—	(127,884)
Other	1,406	160	1,888	1,415
Net change in non-cash working capital balances related to operations	11,594	11,570	(14,855)	(7,189)
Payment of program and film rights	(46,064)	(32,587)	(96,481)	(60,678)
Net additions to film investments	(10,031)	(4,150)	(23,846)	(18,116)
Decrease in restricted cash	—	6,407	—	—
Cash provided by operating activities	50,783	75,768	87,670	127,751
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(4,931)	(2,344)	(7,754)	(4,280)
Business combinations	—	(491,441)	—	(491,441)
Proceeds from disposition of investment	18,490	—	18,490	—
Net cash flows for intangibles, investments and other assets	(2,425)	(3,167)	(17,586)	(5,074)
Other	(4,737)	(55)	(5,248)	(122)
Cash provided by (used in) investing activities	6,397	(497,007)	(12,098)	(500,917)
FINANCING ACTIVITIES				
Increase (decrease) in bank loans	(29,688)	373,065	(9,897)	373,065
Financing fees	(750)	(587)	(750)	(587)
Issuance of shares under stock option plan	3,417	757	4,836	893
Dividends paid	(17,982)	(16,238)	(35,901)	(31,936)
Dividends paid to non-controlling interest	(419)	(1,933)	(4,553)	(6,001)
Other	(1,385)	(584)	(2,679)	(1,249)
Cash provided by (used in) financing activities	(46,807)	354,480	(48,944)	334,185
Net change in cash and cash equivalents during the period	10,373	(66,759)	26,628	(38,981)
Cash and cash equivalents, beginning of the period	27,840	109,044	11,585	81,266
Cash and cash equivalents, end of the period	38,213	42,285	38,213	42,285

CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION

(unaudited - in thousands of Canadian dollars)

Three months ended February 28, 2015

	Television	Radio	Corporate	Consolidated
Revenues	155,175	36,309	—	191,484
Direct cost of sales, general and administrative expenses	95,475	30,082	6,208	131,765
Segment profit (loss)⁽¹⁾	59,700	6,227	(6,208)	59,719
Depreciation and amortization				6,089
Interest expense				12,746
Broadcast license and goodwill impairment				130,000
Business acquisition, integration and restructuring costs				8,002
Other expense (income), net				(15,902)
Loss before income taxes				(81,216)

Three months ended February 28, 2014

	Television	Radio	Corporate	Consolidated
Revenues	152,101	39,312	—	191,413
Direct cost of sales, general and administrative expenses	94,067	30,842	7,222	132,131
Segment profit (loss)⁽¹⁾	58,034	8,470	(7,222)	59,282
Depreciation and amortization				5,533
Interest expense				12,604
Broadcast license and goodwill impairment				8,000
Business acquisition, integration and restructuring costs				18,734
Other expense (income), net				(1,006)
Income before income taxes				15,417

Six months ended February 28, 2015

	Television	Radio	Corporate	Consolidated
Revenues	336,665	81,930	—	418,595
Direct cost of sales, general and administrative expenses	193,186	62,883	9,531	265,600
Segment profit (loss)⁽¹⁾	143,479	19,047	(9,531)	152,995
Depreciation and amortization				11,863
Interest expense				25,427
Broadcast license and goodwill impairment				130,000
Business acquisition, integration and restructuring costs				8,002
Other expense (income), net				(14,096)
Loss before income taxes				(8,201)

Six months ended February 28, 2014

	Television	Radio	Corporate	Consolidated
Revenues	330,050	87,368	—	417,418
Direct cost of sales, general and administrative expenses	189,492	63,061	13,307	265,860
Segment profit (loss)⁽¹⁾	140,558	24,307	(13,307)	151,558
Depreciation and amortization				11,268
Interest expense				21,874
Broadcast license and goodwill impairment				8,000
Gain on acquisition				(127,884)
Business acquisition, integration and restructuring costs				40,656
Other expense (income), net				8,705
Income before income taxes				188,939

⁽¹⁾ Segment profit does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators section of the 2015 Report to Shareholders.

Revenues by type

	Three months ended		Six months ended	
	February 28, 2015	February 28, 2014	February 28, 2015	February 28, 2014
Advertising	81,309	87,870	202,275	211,242
Subscriber fees	85,245	83,562	170,659	162,677
Merchandising, distribution and other	24,930	19,981	45,661	43,499
	191,484	191,413	418,595	417,418