

Corus Entertainment Announces Fiscal 2016 Third Quarter Results

- Closed the acquisition of Shaw Media Inc. on April 1, 2016
- Consolidated revenues up 78% for the quarter and 27% for the year-to-date
- Consolidated segment profit⁽¹⁾ up 90% for the quarter and 38% (31% adjusted⁽¹⁾⁽²⁾) for the year-to-date
- Net loss attributable to shareholders of \$15.8 million (\$0.10 loss per share basic) for the quarter and net income attributable to shareholders of \$127.8 million (\$1.16 earnings per share basic) for the year-to-date
- Adjusted basic earnings per share⁽¹⁾⁽²⁾ of \$0.34 per share for the quarter and \$1.05 per share for the year-to-date

(July 13, 2016 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B) announced its third quarter financial results today.

“This quarter marks an exciting milestone in our transformation, as we report the combined results of the new Corus for the first time,” said Doug Murphy, President and Chief Executive Officer. “We are pleased with the tremendous progress made by our talented and committed team as they move quickly to realize the benefits of our new scale and maximize cost synergies. Moving forward, our focus will be on the pursuit of revenue and cost synergies, strong execution on integration and advancing our strategic priorities, which will deliver value to our shareholders over the longer term.”

Financial Highlights

	Three months ended		Nine months ended	
	May 31,		May 31,	
(unaudited - in thousands of Canadian dollars except per share amounts)	2016	2015	2016	2015
Revenues				
Television	321,176	162,767	668,326	499,432
Radio	39,648	40,354	118,521	122,284
	360,824	203,121	786,847	621,716
Segment profit⁽¹⁾				
Television	127,968	64,075	297,408	207,554
Radio	9,665	9,457	27,650	28,504
Corporate	(7,447)	(4,833)	(19,415)	(14,364)
	130,186	68,699	305,643	221,694
Net income (loss) attributable to shareholders	(15,766)	(8,109)	127,786	(42,989)
Adjusted net income attributable to shareholders⁽¹⁾⁽²⁾	52,950	31,550	116,378	111,955
Basic earnings (loss) per share	\$ (0.10)	\$ (0.09)	\$ 1.16	\$ (0.50)
Adjusted basic earnings per share⁽¹⁾⁽²⁾	\$ 0.34	\$ 0.36	\$ 1.05	\$ 1.30
Diluted earnings (loss) per share	\$ (0.10)	\$ (0.09)	\$ 1.15	\$ (0.50)
Free cash flow⁽¹⁾	67,947	63,419	126,768	156,043

⁽¹⁾ Segment profit, adjusted segment profit, adjusted net income attributable to shareholders, adjusted basic earnings per share, and free cash flow do not have standardized meanings prescribed by IFRS. The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the Fiscal 2016 Report to Shareholders.

⁽²⁾ For the three months ended May 31, 2016, adjusted net income attributable to shareholders excludes business acquisition, integration and restructuring charges of \$29.3 million (\$0.15 per share) and debt refinancing costs of \$61.2 million (\$0.29 per share). For the nine months ended May 31, 2016, adjusted net income attributable to shareholders represents net income attributable to shareholders adjusted to include amortization of disposed Pay TV programming assets of \$15.6 million (\$0.11 per share) and excludes business acquisition, integration and restructuring charges of \$37.6 million (\$0.29 per share), a gain on the disposal of the Pay TV disposal group of \$86.2 million (\$0.70 per share) and debt refinancing costs of \$61.2 million (\$0.41 per share). For the three months ended May 31, 2015, adjusted net income attributable to shareholders excludes intangible asset impairment charges of \$51.8 million (\$0.44 per share) and business acquisition, integration and restructuring charges of \$2.7 million (\$0.02 per share). For the nine months ended May 31, 2015, adjusted net income attributable to shareholders excludes radio broadcast license and goodwill impairment charges of \$130.0 million (\$1.44 per share), intangible asset impairment charges of \$51.8 million (\$0.44 per share), business acquisition, integration and restructuring charges of \$10.7 million (\$0.09 per share), offset by a gain on distribution of investment of \$17.0 million (\$0.17 per share).

Consolidated Results from Operations

Commencing April 1, 2016, 100% of the operating results of Shaw Media Inc. ("Shaw Media"), as well as its assets and liabilities, have been fully consolidated as a business combination which occurred in accordance with IFRS 3 – *Business Combinations* and, as a result, Shaw Media has been accounted for by applying the acquisition method as of that date. Shaw Media has been reported as part of the Television segment (further discussion is provided in note 17 of the Company's interim condensed consolidated financial statements for the period ended May 31, 2016).

In addition, for fiscal 2016, certain of Corus' Pay Television business' ("Pay TV") assets and liabilities were reclassified as held for disposal effective November 19, 2015 as a consequence of meeting the definition of assets held for sale under IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. The disposal group, Pay TV, did not qualify for discontinued operations presentation and, as a result, its operating results remain in continuing operations in the consolidated statement of income and comprehensive income for the nine months ended May 31, 2016. However, intangible assets classified as held for disposal ceased being amortized effective November 19, 2015 and as a consequence, amortization of program and film rights in the Television segment for the nine months ended May 31, 2016 is approximately \$15.6 million lower than it would have been had amortization on these assets not ceased. On February 29, 2016, the Pay TV disposition was completed and the related proceeds and gain associated with this disposal group were recognized (further discussion is provided in note 17 of the Company's interim condensed consolidated financial statements for the period ended May 31, 2016).

Consolidated revenues for the three months ended May 31, 2016 were \$360.8 million, up 78% from \$203.1 million last year. Consolidated segment profit was \$130.2 million, up 90% from \$68.7 million last year. Net loss attributable to shareholders for the quarter was \$15.8 million (\$0.10 loss per share basic and diluted), as compared to \$8.1 million (\$0.09 loss per share basic and diluted) last year. Net loss attributable to shareholders for the third quarter of fiscal 2016 includes business acquisition, integration and restructuring costs of \$29.3 million (\$0.15 per share) and debt refinancing costs of \$61.2 million (\$0.29 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$53.0 million (\$0.34 per share basic) in the quarter. Net loss attributable to shareholders for prior year quarter includes intangible asset impairment charges of \$51.8 million (\$0.44 per share) and business acquisition, integration and restructuring costs of \$2.7 million (\$0.02 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$31.6 million (0.36 per share) in the prior year quarter.

Consolidated revenues for the nine months ended May 31, 2016 were \$786.8 million, up 27% from \$621.7 million last year. Consolidated segment profit was \$305.6 million, up 38% from \$221.7 million last year, however, excludes amortization of disposed Pay TV program and film rights of \$15.6 million. Adjusting for this, segment profit would be \$290.0 million, up 31% from last year. Net income attributable to shareholders for the nine months ended May 31, 2016 was \$127.8 million (\$1.16 per share), compared to a net loss of \$43.0 million (\$0.50 loss per share) last year. Net income attributable to shareholders for the nine months ended May 31, 2016 includes business acquisition, integration and restructuring costs of \$37.6 million (\$0.29 per share), debt refinancing costs of \$61.2 million (\$0.41 per share), a gain relating to the discontinuation of the Pay TV business and the disposal of certain assets of \$86.2 million (\$0.70 per share), and excludes amortization of disposed of Pay TV program and film rights of \$15.6 million (\$0.11 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$116.4 million (\$1.05 per share basic) for the current year-to-date. Net loss attributable to shareholders for the nine months ended May 31, 2015 includes Radio broadcast license and goodwill impairment charges of \$130.0 million (\$1.44 per share), intangible asset impairment charges of \$51.8 million (\$0.44 per share) and business acquisition, integration and restructuring costs of \$10.7 million (\$0.09 per share), offset by a gain on disposition of investment of \$17.0 million (\$0.17 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$112.0 million (\$1.30 per share) for the prior year-to-date.

Operational Results - Highlights

Television

- Ceased Pay TV operations February 29, 2016
- Shaw Media Inc. operating results included commencing April 1, 2016

- Advertising revenues increased 236% in Q3 2016 and 71% for the year-to-date
- Subscriber revenues increased 16% in Q3 2016 and 8% for the year-to-date
- Merchandising, distribution and other revenues increased 24% in Q3 2016 and 30% for the year-to-date
- Segment profit⁽¹⁾ increased 100% in Q3 2016 and 43% for the year-to-date
- Adjusted segment profit⁽¹⁾⁽²⁾ increased 36% for the year-to-date
- Adjusted segment profit margin⁽¹⁾⁽²⁾ was 40% in Q3 2016 and 42% for the year-to-date

Radio

- Segment revenues decreased 2% in Q3 2016 and 3% for the year-to-date
- Segment profit⁽¹⁾ increased 2% in Q3 2016 and decreased 3% for the year-to-date
- Segment profit margin⁽¹⁾ of 24% in Q3 2016 and 23% for the year-to-date

⁽¹⁾ Segment profit, adjusted segment profit, segment profit margin and adjusted segment profit margin do not have standardized meanings prescribed by IFRS. The Company reports on these because they are key measures used to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the 2016 Report to Shareholders.

⁽²⁾ For the nine months ended May 31, 2016, segment profit has been adjusted to include amortization of disposed Pay TV program and film rights of \$15.6 million.

Corus Entertainment Inc. reports in Canadian dollars.

The unaudited consolidated financial statements and accompanying notes for the three and nine months ended May 31, 2016 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 July 13, 2016 at 9:00 a.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 1.416.359.3130 and for North America is 1.800.694.7044. More information can be found on the Corus Entertainment website at www.corusent.com in the Investor Relations section.

Use of Non-IFRS Financial Measures

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

Non-IFRS financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS. 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-IFRS financial measures are meant to supplement, and to be viewed in conjunction with, IFRS financial results. A reconciliation of the Company's non-IFRS 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 other should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise required by applicable securities laws, Corus disclaims 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. (TSX: CJR.B) is a leading media and content company that creates and delivers high quality brands and content across platforms for audiences around the world. The company's portfolio of multimedia offerings encompasses 45 specialty television services, 39 radio stations, 15 conventional television stations, a global content business, digital assets, live events, children's book publishing, animation software, technology and media services. Corus' roster of premium brands include Global Television, W Network, OWN: Oprah Winfrey Network Canada, HGTV Canada, Food Network Canada, HISTORY®, Showcase, National Geographic, Q107, CKNW, Fresh Radio, Disney Channel Canada, YTV and Nickelodeon Canada. Visit Corus at www.corusent.com.

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CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in thousands of Canadian dollars)	As at May 31, 2016	As at August 31, 2015
ASSETS		
Current		
Cash and cash equivalents	67,637	37,422
Accounts receivable	444,586	164,600
Income taxes recoverable	—	12,439
Prepaid expenses and other	26,095	13,855
Total current assets	538,318	228,316
Tax credits receivable	24,363	25,958
Investments and other assets	43,086	42,958
Property, plant and equipment	281,194	139,140
Program and film rights	698,582	315,899
Film investments	50,004	36,549
Intangibles	2,058,270	974,615
Goodwill	2,432,044	827,859
Deferred income tax assets	69,140	40,815
	6,195,001	2,632,109
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	453,022	210,971
Current portion of long-term debt	115,000	150,000
Income taxes payable	15,884	—
Provisions	14,598	8,930
Total current liabilities	598,504	369,901
Long-term debt	2,107,484	651,002
Other long-term liabilities	526,192	138,833
Deferred income tax liabilities	447,397	252,462
Total liabilities	3,679,577	1,412,198
SHAREHOLDERS' EQUITY		
Share capital	2,138,166	994,571
Contributed surplus	10,140	9,471
Retained earnings	205,786	191,182
Accumulated other comprehensive income	2,074	7,353
Total equity attributable to shareholders	2,356,166	1,202,577
Equity attributable to non-controlling interest	159,258	17,334
Total shareholders' equity	2,515,424	1,219,911
	6,195,001	2,632,109

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Three months ended		Nine months ended	
	May 31,		May 31,	
(unaudited - in thousands of Canadian dollars except per share amounts)	2016	2015	2016	2015
Revenues	360,824	203,121	786,847	621,716
Direct cost of sales, general and administrative expenses	230,638	134,422	481,204	400,022
Depreciation and amortization	18,776	6,056	40,384	17,919
Interest expense	33,697	13,140	71,074	38,567
Broadcast license and goodwill impairment	—	—	—	130,000
Intangible asset impairment	—	51,786	—	51,786
Debt refinancing costs	61,248	—	61,248	—
Business acquisition, integration and restructuring costs	29,264	2,693	37,639	10,695
Gain on disposition	—	—	(86,151)	—
Other expense (income), net	(2,018)	1,405	7,036	(12,691)
Income (loss) before income taxes	(10,781)	(6,381)	174,413	(14,582)
Income tax expense	120	486	39,357	24,962
Net income (loss) for the period	(10,901)	(6,867)	135,056	(39,544)
Net income (loss) attributable to:				
Shareholders	(15,766)	(8,109)	127,786	(42,989)
Non-controlling interest	4,865	1,242	7,270	3,445
	(10,901)	(6,867)	135,056	(39,544)
Earnings (loss) per share attributable to shareholders:				
Basic	\$ (0.10)	\$ (0.09)	\$ 1.16	\$ (0.50)
Diluted	\$ (0.10)	\$ (0.09)	\$ 1.15	\$ (0.50)
Net income (loss) for the period	(10,901)	(6,867)	135,056	(39,544)
Other comprehensive income (loss), net of tax:				
Items that may be reclassified subsequently to income:				
Unrealized foreign currency translation adjustment	(527)	(657)	(61)	3,010
Unrealized change in fair value of available-for-sale investments	114	(51)	(10)	(191)
Unrealized change in fair value of cash flow hedges	(5,527)	191	(5,208)	(263)
Actuarial gain on post employment benefit plans	1,970	—	1,970	—
	(3,970)	(517)	(3,309)	2,556
Comprehensive income (loss) for the period	(14,871)	(7,384)	131,747	(36,988)
Comprehensive income (loss) attributable to:				
Shareholders	(19,736)	(8,626)	124,477	(40,433)
Non-controlling interest	4,865	1,242	7,270	3,445
	(14,871)	(7,384)	131,747	(36,988)

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 equity attributable to shareholders	Non-controlling interest	Total equity
At August 31, 2015	994,571	9,471	191,182	7,353	1,202,577	17,334	1,219,911
Comprehensive income (loss)	—	—	127,786	(3,309)	124,477	7,270	131,747
Dividends declared	—	—	(115,152)	—	(115,152)	(13,002)	(128,154)
Issuance of shares under public equity offering	279,762	—	—	—	279,762	—	279,762
Issuance of shares to related party	833,541	—	—	—	833,541	—	833,541
Existing non-controlling ownership interest from acquisition	—	—	—	—	—	147,656	147,656
Issuance of shares under dividend reinvestment plan	30,292	—	—	—	30,292	—	30,292
Actuarial gain on post retirement benefit plans	—	—	1,970	(1,970)	—	—	—
Share-based compensation expense	—	669	—	—	669	—	669
At May 31, 2016	2,138,166	10,140	205,786	2,074	2,356,166	159,258	2,515,424
At August 31, 2014	967,330	8,385	313,361	3,767	1,292,843	17,283	1,310,126
Comprehensive income (loss)	—	—	(42,989)	2,556	(40,433)	3,445	(36,988)
Dividends declared	—	—	(72,871)	—	(72,871)	(4,553)	(77,424)
Issuance of shares under stock option plan	6,741	(1,090)	—	—	5,651	—	5,651
Issuance of shares under dividend reinvestment plan	15,948	—	—	—	15,948	—	15,948
Share-based compensation expense	—	1,842	—	—	1,842	—	1,842
At May 31, 2015	990,019	9,137	197,501	6,323	1,202,980	16,175	1,219,155

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended		Nine months ended	
	May 31,		May 31,	
(unaudited - in thousands of Canadian dollars)	2016	2015	2016	2015
OPERATING ACTIVITIES				
Net income (loss) for the period	(10,901)	(6,867)	135,056	(39,544)
Adjustments to reconcile net income (loss) to cash provided by operating activities:				
Amortization of program and film rights	100,533	54,078	198,786	161,781
Amortization of film investments	6,346	4,797	13,890	18,410
Depreciation and amortization	18,776	6,056	40,384	17,919
Broadcast license and goodwill impairment	—	—	—	130,000
Imputed interest	11,675	4,076	32,906	11,053
Deferred income taxes	(10,450)	(2,704)	(22,357)	(3,721)
Share-based compensation expense	213	376	669	1,842
Intangible asset impairment	—	51,786	—	51,786
Debt refinancing costs	61,248	—	61,248	—
Gain on disposition of investment	—	—	(533)	(16,964)
Gain on assets held for disposal	—	—	(86,151)	—
Business acquisition, integration and restructuring costs	13,274	—	15,992	—
Other	1,447	1,677	4,676	3,565
Net change in non-cash working capital balances related to operations	2,760	3,058	1,997	(11,797)
Payment of program and film rights	(103,274)	(36,182)	(215,788)	(135,189)
Net additions to film investments	(13,021)	(10,867)	(31,702)	(34,713)
Cash provided by operating activities	78,626	69,284	149,073	154,428
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(4,100)	(4,941)	(10,956)	(12,695)
Net proceeds from disposition	—	—	209,474	—
Business combinations, net of acquired cash	(1,836,847)	—	(1,839,323)	—
Business acquisition costs paid in the period	(10,614)	—	(13,332)	—
Proceeds from disposition of investment	—	—	1,684	18,490
Net cash flows for intangibles, investment and other assets	(4,080)	(2,969)	(11,231)	(20,555)
Other	(4,247)	(668)	(8,527)	(3,390)
Cash used in investing activities	(1,859,888)	(8,578)	(1,672,211)	(18,150)
FINANCING ACTIVITIES				
Increase (decrease) in bank loans	2,176,029	(34,966)	1,987,295	(44,863)
Redemption of Notes	(550,000)	—	(550,000)	—
Debt refinancing costs	(55,671)	—	(55,671)	—
Financing fees	(20,167)	—	(23,595)	(750)
Share subscription, net of issuance costs	276,529	—	276,529	—
Issuance of shares under stock option plan	—	815	—	5,651
Dividends paid	(24,453)	(20,100)	(64,569)	(56,001)
Dividends paid to non-controlling interest	(7,853)	—	(13,002)	(4,553)
Other	(964)	(820)	(3,634)	(3,499)
Cash provided by (used in) financing activities	1,793,450	(55,071)	1,553,353	(104,015)
Net change in cash and cash equivalents during the period	12,188	5,635	30,215	32,263
Cash and cash equivalents, beginning of the period	55,449	38,213	37,422	11,585
Cash and cash equivalents, end of the period	67,637	43,848	67,637	43,848

CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION

(unaudited - in thousands of Canadian dollars)

Three months ended May 31, 2016

	Television	Radio	Corporate	Consolidated
Revenues	321,176	39,648	—	360,824
Direct cost of sales, general and administrative expenses	193,208	29,983	7,447	230,638
Segment profit (loss)⁽¹⁾	127,968	9,665	(7,447)	130,186
Depreciation and amortization				18,776
Interest expense				33,697
Debt refinancing costs				61,248
Business acquisition, integration and restructuring costs				29,264
Other income, net				(2,018)
Loss before income taxes				(10,781)

Three months ended May 31, 2015

	Television	Radio	Corporate	Consolidated
Revenues	162,767	40,354	—	203,121
Direct cost of sales, general and administrative expenses	98,692	30,897	4,833	134,422
Segment profit (loss)⁽¹⁾	64,075	9,457	(4,833)	68,699
Depreciation and amortization				6,056
Interest expense				13,140
Intangible asset impairment				51,786
Business acquisition, integration and restructuring costs				2,693
Other expense, net				1,405
Loss before income taxes				(6,381)

Nine months ended May 31, 2016

	Television	Radio	Corporate	Consolidated
Revenues	668,326	118,521	—	786,847
Direct cost of sales, general and administrative expenses	370,918	90,871	19,415	481,204
Segment profit (loss)⁽¹⁾	297,408	27,650	(19,415)	305,643
Depreciation and amortization				40,384
Interest expense				71,074
Debt refinancing costs				61,248
Business acquisition, integration and restructuring costs				37,639
Gain on disposition				(86,151)
Other expense, net				7,036
Income before income taxes				174,413

Nine months ended May 31, 2015

	Television	Radio	Corporate	Consolidated
Revenues	499,432	122,284	—	621,716
Direct cost of sales, general and administrative expenses	291,878	93,780	14,364	400,022
Segment profit (loss)⁽¹⁾	207,554	28,504	(14,364)	221,694
Depreciation and amortization				17,919
Interest expense				38,567
Broadcast license and goodwill impairment				130,000
Intangible asset impairment				51,786
Business acquisition, integration and restructuring costs				10,695
Other income, net				(12,691)
Loss before income taxes				(14,582)

⁽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		Nine months ended	
	2016	May 31, 2015	2016	May 31, 2015
Advertising	237,388	97,230	430,678	300,636
Subscriber fees	98,023	84,282	274,622	254,941
Merchandising, distribution and other	25,413	21,609	81,547	66,139
	360,824	203,121	786,847	621,716

NON-IFRS FINANCIAL MEASURES

	Three months ended		Nine months ended	
	2016	May 31, 2015	2016	May 31, 2015
Adjusted Segment Profit				
Reported segment profit	130,186	68,699	305,643	221,694
Adjustments:				
Amortization not taken on Pay TV assets disposed of	—	—	(15,585)	—
Adjusted segment profit	130,186	68,699	290,058	221,694

Adjusted Net Income Attributable to Shareholders				
Reported net income (loss) attributable to shareholders	(15,766)	(8,109)	127,786	(42,989)
Adjustments, net of income taxes:				
Gain on disposal of Pay TV assets	—	—	(76,631)	—
Amortization of certain Pay TV assets	—	—	(11,455)	—
Business acquisition, integration and restructuring costs	23,699	1,604	31,661	7,621
Debt refinancing costs	45,017	—	45,017	—
Gain from disposition of investment	—	—	—	(14,716)
Broadcast license and goodwill impairment charges	—	—	—	123,984
Intangible asset impairment charges	—	38,055	—	38,055
Adjusted net income attributable to shareholders	52,950	31,550	116,378	111,955
Adjusted basic earnings per share	\$0.34	\$0.36	\$1.05	\$1.30

Free cash flow				
Cash provided by (used in):				
Operating activities	78,626	69,284	149,073	154,428
Investing activities	(1,859,888)	(8,578)	(1,672,211)	(18,150)
	(1,781,262)	60,706	(1,523,138)	136,278
Add back: cash used for business combinations and strategic investments ⁽¹⁾	1,849,209	2,713	1,859,380	19,765
Deduct: net proceeds from disposition	—	—	(209,474)	—
Free cash flow	67,947	63,419	126,768	156,043

⁽¹⁾ Strategic investments are comprised of investments in venture funds and associated companies.