



## Corus Entertainment Announces Fiscal 2016 Fourth Quarter and Year-End Results

- Consolidated revenues up 99% for the quarter and 44% for the year
- Consolidated segment profit<sup>(1)</sup> up 90% for the quarter and 48% (43% adjusted<sup>(1)(2)</sup>) for the year
- Net income attributable to shareholders of \$nil (\$nil per share basic) for the quarter and net income attributable to shareholders of \$125.9 million (\$0.96 earnings per share basic) for the year
- Adjusted basic earnings per share<sup>(2)</sup> of \$0.07 per share for the quarter and \$0.98 per share for the year
- Free cash flow for the year of \$188.2 million

(October 19, 2016 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B) announced its fourth quarter and year-end financial results today.

“This has been a transformational year for Corus as we build a leading integrated media and content company with competitive scale to drive growth over the long term,” said Doug Murphy, President and Chief Executive Officer. “Our talented team is focused on advancing our strategic priorities while securing our cost synergies and executing our integration plan to position Corus well for 2017 and beyond.”

### Financial Highlights

(unaudited - in thousands of Canadian dollars except per share amounts)	Three months ended		Year ended	
	2016	August 31, 2015	2016	August 31, 2015
<b>Revenues</b>				
Television	<b>347,283</b>	154,338	<b>1,015,609</b>	653,770
Radio	<b>37,184</b>	39,261	<b>155,705</b>	161,545
	<b>384,467</b>	193,599	<b>1,171,314</b>	815,315
<b>Segment profit<sup>(1)</sup></b>				
Television	<b>106,817</b>	52,575	<b>404,225</b>	260,129
Radio	<b>8,509</b>	8,503	<b>36,159</b>	37,007
Corporate	<b>(9,955)</b>	(5,585)	<b>(29,370)</b>	(19,949)
	<b>105,371</b>	55,493	<b>411,014</b>	277,187
Net income (loss) attributable to shareholders	<b>25</b>	17,835	<b>125,931</b>	(25,154)
Adjusted net income attributable to shareholders <sup>(1)(2)</sup>	<b>14,535</b>	23,967	<b>129,033</b>	135,922
Basic earnings (loss) per share	<b>\$ 0.00</b>	\$ 0.21	<b>\$ 0.96</b>	\$(0.29)
Adjusted basic earnings per share <sup>(1)(2)</sup>	<b>\$ 0.07</b>	\$ 0.28	<b>\$ 0.98</b>	\$ 1.57
Diluted earnings (loss) per share	<b>\$ 0.00</b>	\$ 0.21	<b>\$ 0.96</b>	\$(0.29)
<b>Free cash flow<sup>(1)</sup></b>	<b>61,397</b>	45,170	<b>188,165</b>	201,213

<sup>(1)</sup> 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.

<sup>(2)</sup> For the three months ended August 31, 2016, adjusted net income attributable to shareholders excludes business acquisition, integration and restructuring charges of \$19.6 million (\$0.07 per share). For the year ended August 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 (\$0.09 per share); and excludes business acquisition, integration and restructuring charges of \$57.2 million (\$0.35 per share); a gain on the disposal of the Pay TV disposal group of \$86.2 million (\$0.58 per share); and debt refinancing costs of \$61.2 million (\$0.34 per share). For the three months ended August 31, 2015, adjusted net income attributable to shareholders excludes business acquisition, integration and restructuring charges of \$8.3 million (\$0.07 per share). For the year ended August 31, 2015, adjusted net income attributable to shareholders excludes radio broadcast license and goodwill impairment charges of intangible asset impairment charges of \$130.0 million (\$1.44 per share), intangible impairment charges of \$51.8 million (\$0.44 per share), business acquisition, integration and restructuring charges of \$19.0 million (\$0.15 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 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 18 of the Company's interim condensed consolidated financial statements for the period ended August 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 year ended August 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 year ended August 31, 2016 is \$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 18 of the Company's interim condensed consolidated financial statements for the period ended August 31, 2016).

Consolidated revenues for the three months ended August 31, 2016 were \$384.5 million, up 99% from \$193.6 million last year. Consolidated segment profit was \$105.4 million, up 90% from \$55.5 million last year. Net income attributable to shareholders for the quarter ended August 31, 2016 was \$nil (\$nil per share basic and diluted), as compared to \$17.8 million (\$0.21 per share basic and diluted) last year. Net income attributable to shareholders for the fourth quarter of fiscal 2016 includes business acquisition, integration and restructuring costs of \$19.6 million (\$0.07 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$14.5 million (\$0.07 per share basic) in the quarter. Net income attributable to shareholders for the prior year quarter includes business acquisition, integration and restructuring costs of \$8.3 million (\$0.07 per share). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$24.0 million (\$0.28 per share) in the prior year quarter.

Consolidated revenues for the year ended August 31, 2016 were \$1,171.3 million, up 44% from \$815.3 million last year. Consolidated segment profit was \$411.0 million, up 48% from \$277.2 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 \$395.4 million, up 43% from last year. Net income attributable to shareholders for the year ended August 31, 2016 was \$125.9 million (\$0.96 per share), compared to a net loss of \$25.2 million (\$0.29 loss per share) last year. Net income attributable to shareholders for the year ended August 31, 2016 includes business acquisition, integration and restructuring costs of \$57.2 million (\$0.35 per share), debt refinancing costs of \$61.2 million (\$0.34 per share), a gain relating to the discontinuation of the Pay TV business, and the disposal of certain assets of \$86.2 million (\$0.58 per share), and excludes amortization of disposed of Pay TV program and film rights of \$15.6 million (\$0.09 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$129.0 million (\$0.98 per share basic) for the current fiscal year. Net loss attributable to shareholders for the year ended August 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 \$19.0 million (\$0.15 per share basic), 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 \$135.9 million (\$1.57 per share) for the prior fiscal year.

## **Operational Results - Highlights**

### **Television**

- Ceased Pay TV operations on February 29, 2016
- Shaw Media operating results included for the five months ended August 31, 2016
- Advertising revenues increased 324% in Q4 2016 and 116% for the year
- Subscriber revenues increased 50% in Q4 2016 and 19% for the year
- Merchandising, distribution and other revenues increased 17% in Q4 2016 and 26% for the year
- Segment profit<sup>(1)</sup> increased 103% in Q4 2016 and 55% for the year
- Adjusted segment profit<sup>(1)(2)</sup> increased 49% for the year
- Adjusted segment profit margin<sup>(1)(2)</sup> was 31% in Q4 2016 and 38% for the year

### **Radio**

- Segment revenues decreased 5% in Q4 2016 and 4% for the year
- Segment profit<sup>(1)</sup> was comparable in Q4 2016 and decreased 2% for the year
- Segment profit margin<sup>(1)</sup> of 23%, both in Q4 2016 and for the year

### **Corporate**

- Free cash flow<sup>(1)</sup> of \$188.2 million for the year

<sup>(1)</sup> Segment profit, adjusted segment profit, segment profit margin, adjusted segment profit margin and free cash flow 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.

<sup>(2)</sup> For the year ended August 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 months and year ended August 31, 2016 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 October 19, 2016 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 local and international callers is 1.416.981.9005 and for North America is 1.800.923.9042. More information can be found on the Corus Entertainment website at [www.corusent.com](http://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, 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](http://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](http://www.corusent.com).

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

(unaudited - in thousands of Canadian dollars)	As at August 31, 2016	As at August 31, 2015
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	71,363	37,422
Accounts receivable	379,861	164,600
Income taxes recoverable	—	12,439
Prepaid expenses and other	18,835	13,855
<b>Total current assets</b>	<b>470,059</b>	<b>228,316</b>
Tax credits receivable	19,860	25,958
Investments and other assets	46,759	42,958
Property, plant and equipment	282,105	139,140
Program and film rights	682,268	315,899
Film investments	45,164	36,549
Intangibles	2,076,237	974,615
Goodwill	2,390,652	827,859
Deferred income tax assets	80,281	40,815
	<b>6,093,385</b>	<b>2,632,109</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	393,367	210,971
Current portion of long-term debt	115,000	150,000
Income taxes payable	1,982	—
Provisions	21,390	8,930
<b>Total current liabilities</b>	<b>531,739</b>	<b>369,901</b>
Long-term debt	2,081,020	651,002
Other long-term liabilities	539,672	138,833
Deferred income tax liabilities	464,607	252,462
<b>Total liabilities</b>	<b>3,617,038</b>	<b>1,412,198</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	2,168,543	994,571
Contributed surplus	10,444	9,471
Retained earnings	142,499	191,182
Accumulated other comprehensive income (loss)	(3,569)	7,353
Total equity attributable to shareholders	2,317,917	1,202,577
Equity attributable to non-controlling interest	158,430	17,334
<b>Total shareholders' equity</b>	<b>2,476,347</b>	<b>1,219,911</b>
	<b>6,093,385</b>	<b>2,632,109</b>

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

(unaudited - in thousands of Canadian dollars except per share amounts)	Three months ended August 31,		Year ended August 31,	
	2016	2015	2016	2015
Revenues	384,467	193,599	1,171,314	815,315
Direct cost of sales, general and administrative expenses	279,096	138,106	760,300	538,128
Depreciation and amortization	33,585	6,138	73,969	24,057
Interest expense	39,788	12,369	110,862	50,936
Broadcast license and goodwill impairment	—	—	—	130,000
Debt refinancing	—	—	61,248	—
Intangible impairment	—	—	—	51,786
Business acquisition, integration and restructuring costs	19,559	8,337	57,198	19,032
Gain on disposition	—	—	(86,151)	—
Other (income) expense, net	1,716	2,574	8,752	(10,117)
Income before income taxes	10,723	26,075	185,136	11,493
Income tax expense	2,218	6,031	41,575	30,993
<b>Net income (loss) for the period</b>	<b>8,505</b>	<b>20,044</b>	<b>143,561</b>	<b>(19,500)</b>
<b>Net income (loss) attributable to:</b>				
Shareholders	25	17,835	125,931	(25,154)
Non-controlling interest	8,480	2,209	17,630	5,654
	<b>8,505</b>	<b>20,044</b>	<b>143,561</b>	<b>(19,500)</b>
<b>Earnings (loss) per share attributable to shareholders:</b>				
Basic	\$ 0.00	\$ 0.21	\$ 0.96	\$ (0.29)
Diluted	\$ 0.00	\$ 0.21	\$ 0.96	\$ (0.29)
<b>Net income (loss) for the period</b>	<b>8,505</b>	<b>20,044</b>	<b>143,561</b>	<b>(19,500)</b>
<b>Other comprehensive income (loss), net of income taxes:</b>				
<b>Items that may be reclassified subsequently to income:</b>				
Unrealized foreign currency translation adjustment	12	1,148	(49)	4,158
Unrealized change in fair value of available-for-sale investments	(610)	(115)	(620)	(306)
Unrealized change in fair value of cash flow hedges	(5,045)	(3)	(10,253)	(266)
Actuarial (loss) gain on employee future benefits	(5,459)	686	(3,489)	686
	<b>(11,102)</b>	<b>1,716</b>	<b>(14,411)</b>	<b>4,272</b>
<b>Comprehensive income (loss) for the period</b>	<b>(2,597)</b>	<b>21,760</b>	<b>129,150</b>	<b>(15,228)</b>
<b>Comprehensive income (loss) attributable to:</b>				
Shareholders	(11,077)	19,551	111,520	(20,882)
Non-controlling interest	8,480	2,209	17,630	5,654
	<b>(2,597)</b>	<b>21,760</b>	<b>129,150</b>	<b>(15,228)</b>

**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	—	—	125,931	(14,411)	111,520	17,630	129,150
Dividends declared	—	—	(171,125)	—	(171,125)	(19,824)	(190,949)
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	—	—	—	—	—	143,290	143,290
Issuance of shares under dividend reinvestment plan	60,669	—	—	—	60,669	—	60,669
Actuarial gain on post-retirement benefit plans	—	—	(3,489)	3,489	—	—	—
Share-based compensation expense	—	973	—	—	973	—	973
<b>At August 31, 2016</b>	<b>2,168,543</b>	<b>10,444</b>	<b>142,499</b>	<b>(3,569)</b>	<b>2,317,917</b>	<b>158,430</b>	<b>2,476,347</b>

(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	—	—	(25,154)	4,272	(20,882)	5,654	(15,228)
Dividends declared	—	—	(97,711)	—	(97,711)	(5,603)	(103,314)
Issuance of shares under stock option plan	6,741	(1,090)	—	—	5,651	—	5,651
Issuance of shares under dividend reinvestment plan	20,500	—	—	—	20,500	—	20,500
Actuarial loss on post-retirement benefit plans	—	—	686	(686)	—	—	—
Share-based compensation expense	—	2,176	—	—	2,176	—	2,176
At August 31, 2015	994,571	9,471	191,182	7,353	1,202,577	17,334	1,219,911

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

(unaudited - in thousands of Canadian dollars)	Three months ended August 31,		Year ended August 31,	
	2016	2015	2016	2015
<b>OPERATING ACTIVITIES</b>				
Net income (loss) for the period	8,505	20,044	143,561	(19,500)
Adjustments to reconcile net income (loss) to cash provided by operating activities:				
Amortization of program and film rights	114,514	51,676	313,300	213,457
Amortization of film investments	8,800	9,441	22,690	27,851
Depreciation and amortization	33,585	6,138	73,969	24,057
Broadcast license and goodwill impairment	—	—	—	130,000
Deferred income taxes	(42)	751	(22,399)	(2,970)
Intangible asset impairment (recovery)	(822)	—	(822)	51,786
Share-based compensation expense	304	334	973	2,176
Imputed interest	12,523	3,567	45,429	14,620
Debt refinancing costs	—	—	61,248	—
Gain on disposition of investment	(677)	—	(1,210)	(16,964)
Gain on assets held for disposal	—	—	(86,151)	—
CRTC Benefit Payments	(17,213)	(2,515)	(25,740)	(5,905)
Other	2,100	1,795	6,776	5,360
Net change in non-cash working capital				
balances related to operations	38,417	29,980	43,074	18,183
Payment of program and film rights	(129,067)	(67,539)	(344,855)	(202,728)
Net additions to film investments	2,086	(252)	(29,616)	(34,965)
<b>Cash provided by operating activities</b>	<b>73,013</b>	<b>53,420</b>	<b>200,227</b>	<b>204,458</b>
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(11,594)	(3,976)	(22,550)	(16,671)
Net proceeds from disposition	—	—	209,474	—
Business combinations, net of acquired cash	11,871	—	(1,827,452)	—
Proceeds from disposition of investment	—	—	1,684	18,490
Net cash flows for intangibles, investments and other assets	(8,352)	(4,274)	(19,583)	(24,829)
<b>Cash used in investing activities</b>	<b>(8,075)</b>	<b>(8,250)</b>	<b>(1,658,427)</b>	<b>(23,010)</b>
<b>FINANCING ACTIVITIES</b>				
Increase (decrease) in bank loans	(28,086)	(29,807)	1,959,209	(74,670)
Redemption of notes	—	—	(550,000)	—
Debt refinancing costs	—	—	(55,671)	—
Financing fees	—	—	(23,595)	(750)
Share subscription, net of issuance costs	—	—	276,529	—
Issuance of shares under stock option plan	—	—	—	5,651
Dividends paid	(25,133)	(20,227)	(89,702)	(76,228)
Dividends paid to non-controlling interest	(6,822)	(1,050)	(19,824)	(5,603)
Other	(1,171)	(512)	(4,805)	(4,011)
<b>Cash provided by (used in) financing activities</b>	<b>(61,212)</b>	<b>(51,596)</b>	<b>1,492,141</b>	<b>(155,611)</b>
Net change in cash and cash equivalents				
during the period	3,726	(6,426)	33,941	25,837
Cash and cash equivalents, beginning of the period	67,637	43,848	37,422	11,585
<b>Cash and cash equivalents, end of the period</b>	<b>71,363</b>	<b>37,422</b>	<b>71,363</b>	<b>37,422</b>



**CORUS ENTERTAINMENT INC.**  
**BUSINESS SEGMENT INFORMATION**

(unaudited - in thousands of Canadian dollars)

**Three months ended August 31, 2016**

	Television	Radio	Corporate	Consolidated
Revenues	347,283	37,184	—	384,467
Direct cost of sales, general and administrative expenses	240,466	28,675	9,955	279,096
<b>Segment profit (loss)<sup>(1)</sup></b>	<b>106,817</b>	<b>8,509</b>	<b>(9,955)</b>	<b>105,371</b>
Depreciation and amortization				33,585
Interest expense				39,788
Business acquisition, integration and restructuring costs				19,559
Other expense, net				1,716
<b>Income before income taxes</b>				<b>10,723</b>

Three months ended August 31, 2015

	Television	Radio	Corporate	Consolidated
Revenues	154,338	39,261	—	193,599
Direct cost of sales, general and administrative expenses	101,763	30,758	5,585	138,106
<b>Segment profit (loss)<sup>(1)</sup></b>	<b>52,575</b>	<b>8,503</b>	<b>(5,585)</b>	<b>55,493</b>
Depreciation and amortization				6,138
Interest expense				12,369
Business acquisition, integration and restructuring costs				8,337
Other expense, net				2,574
<b>Income before income taxes</b>				<b>26,075</b>

**Year ended August 31, 2016**

	Television	Radio	Corporate	Consolidated
Revenues	1,015,609	155,705	—	1,171,314
Direct cost of sales, general and administrative expenses	611,384	119,546	29,370	760,300
<b>Segment profit (loss)<sup>(1)</sup></b>	<b>404,225</b>	<b>36,159</b>	<b>(29,370)</b>	<b>411,014</b>
Depreciation and amortization				73,969
Interest expense				110,862
Debt refinancing costs				61,248
Business acquisition, integration and restructuring costs				57,198
Gain on disposition				(86,151)
Other expense, net				8,752
<b>Income before income taxes</b>				<b>185,136</b>

Year ended August 31, 2015

	Television	Radio	Corporate	Consolidated
Revenues	653,770	161,545	—	815,315
Direct cost of sales, general and administrative expenses	393,641	124,538	19,949	538,128
<b>Segment profit (loss)<sup>(1)</sup></b>	<b>260,129</b>	<b>37,007</b>	<b>(19,949)</b>	<b>277,187</b>
Depreciation and amortization				24,057
Interest expense				50,936
Broadcast license and goodwill impairment				130,000
Intangible asset impairment				51,786
Business acquisition, integration and restructuring costs				19,032
Other income, net				(10,117)
<b>Income before income taxes</b>				<b>11,493</b>

<sup>(1)</sup> 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		Year ended	
	2016	August 31, 2015	2016	August 31, 2015
Advertising	226,250	82,049	661,818	390,295
Subscriber fees	128,179	85,379	405,728	340,320
Merchandising, distribution and other	30,038	26,171	103,768	84,700
	<b>384,467</b>	193,599	<b>1,171,314</b>	815,315

## Non-IFRS financial measures

	Three months ended		Year ended	
	2016	August 31, 2015	2016	August 31, 2015
<b>Adjusted segment profit</b>				
Reported segment profit	105,371	55,493	411,014	277,187
<b>Adjustments:</b>				
Amortization not taken on Pay TV assets disposed of	—	—	(15,585)	—
<b>Adjusted segment profit</b>	<b>105,371</b>	55,493	<b>395,429</b>	277,187
<b>Adjusted net income attributable to shareholders</b>				
Reported net income (loss) attributable to shareholders	25	17,835	125,931	(25,154)
<i>Adjustments, net of income taxes:</i>				
Gain on disposal of Pay TV assets	—	—	(76,631)	—
Amortization of certain Pay TV assets	—	—	(11,455)	—
Business acquisition, integration and restructuring costs	14,510	6,132	46,171	13,753
Debt refinancing costs	—	—	45,017	—
Gain from disposition of investment	—	—	—	(14,716)
Broadcast license and goodwill impairment charges	—	—	—	123,984
Intangible asset impairment charges	—	—	—	38,055
<b>Adjusted net income attributable to shareholders</b>	<b>14,535</b>	23,967	<b>129,033</b>	135,922
<b>Adjusted basic earnings per share</b>	<b>\$0.07</b>	\$0.28	<b>\$0.98</b>	\$1.57
<b>Free cash flow</b>				
Cash provided by (used in):				
Operating activities	73,013	53,420	200,227	204,458
Investing activities	(8,075)	(8,250)	(1,658,427)	(23,010)
	<b>64,938</b>	45,170	<b>(1,458,200)</b>	181,448
Add back: cash used for business combinations and strategic investments <sup>(1)</sup>	(3,541)	—	1,855,839	19,765
Deduct: net proceeds from disposition	—	—	(209,474)	—
<b>Free cash flow</b>	<b>61,397</b>	45,170	<b>188,165</b>	201,213

<sup>(1)</sup> Strategic investments are comprised of investments in venture funds and associated companies.