

Fiscal 2017 **First Quarter Earnings** **Conference Call**

Wednesday, January 11, 2017 | 9 a.m. ET



Safe Harbour Disclosure 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.

Q1 Fiscal 2017 Consolidated Results

- Consolidated revenue for Q1 was \$468 million, up from \$228 million in the prior year
- Segment profit was \$192 million, up from \$96 million in the prior year
- Consolidated segment profit margin^{1,2} of 41% for the quarter
- Net income attributable to shareholders of \$71.1 million (\$0.36 per share basic) for the quarter
- Adjusted basic earnings per share³ of \$0.41 per share for the quarter

1 Segment profit, segment profit margin and adjusted basic earnings per share 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 2017 Report to Shareholders.

2 Pro forma results reflect the inclusion of Shaw Media and the exclusion of the Pay TV business in Q1 2016.

3 For the three months ended November 30, 2016, adjusted net income attributable to shareholders excludes business acquisition, integration and restructuring charges of \$13.2 million (\$0.05 per share). For the three months ended November 30, 2015, adjusted net income attributable to shareholders excludes business acquisition, integration and restructuring charges of \$2.4 million (\$0.03 per share) and includes notional amortization of certain Pay TV assets reclassified as held for disposal of \$1.4 million (\$0.01 per share).

Television - Q1 Fiscal 2017

- Global delivered the strongest fall it's seen in over a decade, landing 3 of the top 5 new shows with *Bull*, *MacGyver* and *Kevin Can Wait*



Television - Q1 Fiscal 2017

- Corus now has 7 of the top 10 specialty channels for adults, 7 of the top 10 specialty channels among women, and 8 of the top 10 children's channels

7^{of} top 10

Specialty Channels



7^{of} top 10

Specialty Channels
Among Women



8^{of} top 10

Specialty Channels
Among Kids



Numeris TV Meter - Weeks 1-13 YTD. Specialty Channels ex. Sports, Total Canada, M-Su, 2a-2a, Avg. Minute Audience, Adults ages 25-54, Women ages 25-54, Kids ages 2-11

Television - Q1 Fiscal 2017

- Successfully launched the Cooking Channel on **December 12th**, which is now in freeview in 8 million homes



News and Radio - Q1 Fiscal 2017

- Segment profit increased 4%
- Segment profit margin of 31%
- Solid Fall Ratings in Key Markets driven by:
 - Strong performance/ratings improvements in key Numeris PPM and Diary markets
 - Corus AM News Talk Radio Stations benefit from Global News content
 - Successful relaunch of Power97 in Winnipeg



**Powerful Combination of Radio and
Local Television to Deliver Local Audiences**

Segmented Financial Results

- Q1 Fiscal 2017

Television

- Segment revenues increased 132% (down 5% on a pro forma basis²)
- Advertising revenues increased 269% (down 7% on a pro forma basis²)
- Subscriber revenues increased 45% (up 6% on a pro forma basis²)
- Merchandising, Distribution and other revenues are down 20% (down 33% on a pro forma basis²)
- Television delivered segment profit¹ of \$184 million and segment profit margin¹ of 43% for the quarter

¹ Segment profit and 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 2017 Report to Shareholders.

² Pro forma results reflect the inclusion of Shaw Media and the exclusion of the Pay TV business in Q1 2016.

Segmented Financial Results

- Q1 Fiscal 2017

Radio

- Segment revenues decreased 5% in Q1 2017
- Segment profit¹ increased 4% in Q1 2017
- Segment profit margin¹ of 31% in Q1 2017, compared to 29% in Q1 2016

Corporate

- Net income attributable to shareholders of \$71.1 million (\$0.36 per share basic) for the quarter
- Adjusted net income attributable to shareholders² of \$80.8 million (\$0.41 per share) for the quarter

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2 Pro forma results reflect the inclusion of Shaw Media and the exclusion of the Pay TV business in Q1 2016.

Q2-2017 Outlook

- Capture all revenue and cost synergies, delivering \$40-50 million in cash savings in the first 18-24 months after the close of the acquisition
- Deliver solid free cash flow, enabling prudent investments to advance our strategic priorities and reduce leverage to below 3.0x or greater by the end of fiscal 2018
- Maintain our dividend of \$1.14 per Class B Share

Fiscal 2017

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Q&A

