

**Fiscal 2017**

**Second Quarter Earnings  
Conference Call**

Thursday, April 6, 2017 | 8 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.

# One Year Anniversary of the new Corus

- Ratings momentum driven by powerful brands and content
- Continuing to invest to grow Nelvana and Corus Studios programming slate
- Delivering sequential improvement in TV advertising revenue
- Improved cost structure resulting in strong margin expansion

**we are**  
**ONE.**

# Consolidated Financial Results - Q2 Fiscal 2017

- Consolidated revenue was \$368 million, up from \$198 million last year (down 5% on a pro forma basis<sup>1</sup>)
- Consolidated segment profit<sup>2</sup> was \$103 million, up from \$80 million last year (up 6% on a pro forma basis<sup>1</sup>)
- Consolidated segment profit margin<sup>1,2</sup> of 28%
- Net income attributable to shareholders of \$24.9 million (\$0.12 per share basic)
- Adjusted basic earnings per share<sup>2,3</sup> of \$0.13 per share

<sup>1</sup> Pro forma results reflect the inclusion of Shaw Media and the exclusion of Pay TV in the three months ended February 29, 2016.

<sup>2</sup> 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.

<sup>3</sup> For the three months ended February 28, 2017, adjusted net income attributable to shareholders excludes business acquisition, integration and restructuring charges of \$0.9 million (\$0.01 per share).

# Segmented Financial Results - Q2 Fiscal 2017

## TELEVISION (on a pro forma basis<sup>1</sup>)

- Segment revenues decreased 5%
- Segment profit<sup>2</sup> increased 3%
- Segment profit margin<sup>2</sup> was 30%, versus 28% in the prior year
- Advertising revenues decreased 4%
- Subscriber revenues increased 1%
- Merchandising, distribution and other revenues decreased 44%

## RADIO

- Segment revenues decreased 6%
- Segment profit<sup>2</sup> of \$6 million, up 22%
- Segment profit margin<sup>2</sup> of 20%, versus 15% in the prior year

<sup>1</sup> Pro forma results reflect the inclusion of Shaw Media and the exclusion of Pay TV in the three months ended February 29, 2016.

<sup>2</sup> 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.

# 2017 Financial Priorities

- Capture all revenue and cost synergies, delivering \$40-50 million in cost savings in the first 18-24 months after the close of the Shaw Media acquisition
- Deliver solid free cash flow, enabling prudent investments to advance our strategic priorities and reduce leverage to below 3.5x by the end of fiscal 2017 and below 3.0x by the end of fiscal 2018
- Maintain our dividend of \$1.14 per Class B Share

# Q2 Business Highlights

## Global

Global continues its strong performance, with many mid-season premieres returning higher than the Fall'16 average.



# Q2 Business Highlights

## Specialty Television

**4<sup>of</sup> 5<sup>top</sup><sup>1</sup>**

Specialty Channels  
Among Adults



**5<sup>of</sup> 5<sup>top</sup><sup>2</sup>**

Specialty Channels  
Among Women



**5<sup>of</sup> 5<sup>top</sup><sup>3</sup>**

Specialty Channels  
Among Kids



1 Ranking based on Numeris TV Meter – 2016-2017 Q2 (11/28/2016 to 2/26/2017), Specialty Channels ex. Sports, Total Canada, Monday – Sunday, 2 am–2 am, Average Minute Audience, Adults ages 25-54  
2 Ranking based on Numeris TV Meter – 2016-2017 Q2 (11/28/2016 to 2/26/2017), Specialty Channels ex. Sports, Total Canada, Monday – Sunday, 2 am–2 am, Average Minute Audience, Women ages 25-54  
3 Ranking based on Numeris TV Meter – 2016-2017 Q2 (11/28/2016 to 2/26/2017), Kids Specialty Channels Only, Total Canada, Monday – Sunday, 2 am–2 am, Average Minute Audience, Kids ages 2-11

# Q2 Business Highlights

## News & Radio

Share of tune-in is growing in the majority of our markets.



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



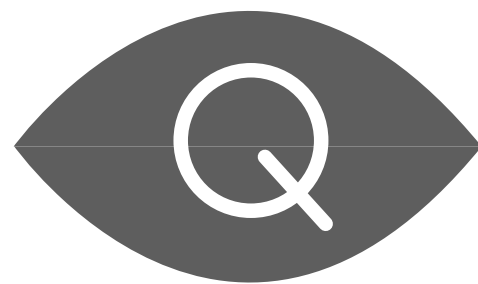
# Q2 Business Highlights

## AdTech

Corus continues to invest in expanding its AdTech offerings



**NEXT GEN ADVERTISING**  
THE POWER OF TV, THE INTELLIGENCE OF DATA



AUDIENCE  
INTELLIGENCE  
PLATFORM



**sharethrough**

# Q2 Business Highlights

## Owned Content



Hotel Transylvania  
The Series



The Zhu Zhus



Backyard Builds



\$ave My Reno



Home to Win  
Season 2



# Fiscal 2017 Outlook

In the second half of the year our focus will continue to be on:

- Expanding our content pipeline
- Gaining competitive audience share
- Delivering sequential advertising revenue improvement
- Building further on combined capabilities of our team

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**Q&A**

