



Corus Entertainment Announces Fiscal 2017 Fourth Quarter and Year End Results

- Free cash flow⁽¹⁾ of \$292.7 million for the year, up 55% from \$188.2 million last year
- Consolidated revenues decreased 1% for the quarter and increased 43% for the year [down 2% on a pro forma basis for the year⁽¹⁾]
- Consolidated segment profit⁽¹⁾ growth of 2% for the quarter and 41% for the year [up 4% on a pro forma basis for the year⁽¹⁾]
- Consolidated segment profit margin⁽¹⁾ of 28% for the quarter and 34% for the year
- Net income attributable to shareholders of \$28.9 million (\$0.14 per share basic) for the quarter and \$191.7 million (\$0.95 per share basic) for the year
- Adjusted basic earnings per share⁽¹⁾⁽²⁾ of \$0.22 per share for the quarter and \$1.10 per share for the year

TORONTO, October 18, 2017 – Corus Entertainment Inc. (TSX: CJR.B) announced its fourth quarter and year-end financial results today.

"We accomplished a great deal this year, delivering enhanced profitability, sequential improvement in TV advertising revenues, strong free cash flow and continued advancement of our strategic priorities", said Doug Murphy, President and Chief Executive Officer. "With our integration now complete, our entry into a new broadcast year marks a renewed focus on returning Corus to growth. We are well positioned to achieve our long-term goals, supported by our strategic investments in content and advertising technology (Ad Tech), an improved cost structure and solid execution on our financial objectives."

Financial Highlights

	Three months ended		Year ended	
	August 31,		August 31,	
(in thousands of Canadian dollars except per share amounts)	2017	2016	2017	2016
Revenues				
Television	346,008	347,283	1,529,792	1,015,609
Radio	35,204	37,184	149,216	155,705
	381,212	384,467	1,679,008	1,171,314
Segment profit⁽¹⁾				
Television	107,253	106,817	564,367	404,225
Radio	8,302	8,509	39,527	36,159
Corporate	(7,954)	(9,955)	(25,811)	(29,370)
	107,601	105,371	578,083	411,014
Net income attributable to shareholders	28,919	25	191,665	125,931
Adjusted net income attributable to shareholders ⁽¹⁾⁽²⁾	43,944	14,535	220,488	129,033
Basic earnings per share	\$0.14	\$0.00	\$0.95	\$0.96
Adjusted basic earnings per share ⁽¹⁾⁽²⁾	\$0.22	\$0.07	\$1.10	\$0.98
Diluted earnings per share	\$0.14	\$0.00	\$0.95	\$0.96
Free cash flow⁽¹⁾	80,202	61,397	292,660	188,165

⁽¹⁾ Segment profit, segment profit margin, 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 Fourth Quarter 2017 Report to Shareholders. Pro forma results include Shaw Media and exclude Pay TV for the full year ended August 31, 2016.

⁽²⁾ Refer to page 11 of this press release for details of adjustments to arrive at adjusted net income attributable to shareholders and adjusted basic earnings per share.

Consolidated Results from Operations

Consolidated revenues for the three months ended August 31, 2017 were \$381.2 million, a decrease of 1% from \$384.5 million last year and consolidated segment profit was \$107.6 million, up 2% from \$105.4 million last year. Net income attributable to shareholders for the quarter ended August 31, 2017 was \$28.9 million (\$0.14 per share basic and diluted), as compared to \$nil (\$nil per share basic and diluted) last year. Net income attributable to shareholders for the fourth quarter of fiscal 2017 includes business acquisition, integration and restructuring costs of \$13.3 million (\$0.05 per share) and investment impairments of \$5.3 million (\$0.03 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$43.9 million (\$0.22 per share basic) in the quarter. Net income attributable to shareholders for the prior year quarter includes business acquisition, integration and restructuring costs of \$19.6 million (\$0.07 per share). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$14.5 million (\$0.07 per share basic) for the prior year quarter.

Consolidated revenues for the year ended August 31, 2017 were \$1,679.0 million, up 43% from \$1,171.3 million last year and consolidated segment profit was \$578.1 million, up 41% from \$411.0 million last year. Net income attributable to shareholders for the year ended August 31, 2017 was \$191.7 million (\$0.95 per share), compared to \$125.9 million (\$0.96 per share) last year. Net income attributable to shareholders for the year ended August 31, 2017, includes business acquisition, integration and restructuring costs of \$32.0 million (\$0.12 per share) and investment impairments of \$5.3 million (\$0.03 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$220.5 million (\$1.10 per share basic) for the current fiscal 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 Television business and the disposal of certain assets of \$86.2 million (\$0.58 per share), and excludes amortization of disposed of Pay Television 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) for the prior fiscal year.

Commencing April 1, 2016, 100% of the operating results of Shaw Media Inc. ("Shaw Media"), as well as its assets and liabilities, were fully consolidated as a business combination in accordance with IFRS 3 - *Business Combinations* and, as a result, Shaw Media was accounted for by applying the acquisition method as of that date. Shaw Media was reported as part of the Television segment as of April 1, 2016 (further discussion is provided in note 27 of the Company's audited annual consolidated financial statements for the year ended August 31, 2016, filed on SEDAR).

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 remained 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 was lower by \$15.6 million, 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 a gain associated with this disposal group was recognized (further discussion is provided in note 27 of the Company's audited annual consolidated financial statements for the year ended August 31, 2016, filed on SEDAR at www.sedar.com).

These transactions contributed to the significant year-over-year variances in the consolidated operating results for the year ended August 31, 2017, as the prior year includes the operating results of the Pay TV business up to the end of the second quarter of fiscal 2016 and only includes the operating results of Shaw Media for the last five months of fiscal 2016. In the year ended August 31, 2016, Shaw Media generated revenues and segment profit of \$1,017.8 million and \$293.2 million, respectively, while Pay TV generated revenues and segment profit of \$67.8 million and \$49.3 million, respectively. On a pro forma basis, including Shaw Media and excluding Pay TV for the year ended August 31, 2016, total revenues declined 2%, while segment profit increased 4% from the prior year. Segment profit margin of 34% for the year ended August 31, 2017 was up from 35% in the prior year (as reported) and up from 32% on a pro forma basis.

Operational Results - Highlights

Television

- Segment revenues were flat in Q4 2017 and increased 51% for the year [down 2% on a pro forma basis⁽¹⁾ for the year]
- Advertising revenues increased 1% in Q4 2017 and 82% for the year [down 3% on a pro forma basis⁽¹⁾ for the year]
- Subscriber revenues decreased 1% in Q4 2017 and increased 25% for the year [up 3% on a pro forma basis⁽¹⁾ for the year]
- Merchandising, distribution and other revenues decreased 10% in Q4 2017 and 12% for the year [down 14% on a pro forma basis⁽¹⁾ for the year]
- Segment profit⁽²⁾ was flat in Q4 2017 and increased 40% for the year [up 3% on a pro forma basis⁽¹⁾ for the year]
- Segment profit margin⁽²⁾ of 31% in Q4 2017 and 37% for the year, compared to 31% and 40%, respectively, in the prior year comparable periods [35% for the year on a pro forma basis⁽¹⁾]

Radio

- Segment revenues were down 5% in Q4 2017 and 4% for the year
- Advertising revenues were down 5% in Q4 2017 and 4% for the year
- Segment profit⁽²⁾ decreased 2% in Q4 2017 and increased 9% for the year
- Segment profit margin⁽²⁾ of 24% in Q4 2017 and 26% for the year, compared to 23% in both of the prior year comparable periods

Corporate

- Net debt to segment profit⁽²⁾ leverage reduced to 3.46 times, in line with deleverage target for Fiscal 2017
- Consolidated segment profit margin expansion in Q4 to 28%, up from 27% in the prior year
- Free cash flow⁽²⁾ of \$292.7 million for the year, up from \$188.2 million in the prior year
- Successfully captured annualized cost synergies in excess of target of \$40 to \$50 million

⁽¹⁾ Pro forma results reflect the inclusion of Shaw Media and the exclusion of Pay TV for the full year ended August 31, 2016

⁽²⁾ Segment profit, 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 2017 Report to Shareholders.

Corus Entertainment Inc. reports in Canadian dollars.

The unaudited consolidated financial statements and accompanying notes for the three months and year ended August 31, 2017 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 October 18, 2017 at 8:00 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 1.416.981.9006 and for North America is 1.800.901.3958. 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, 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. The 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 August 31, 2017	As at August 31, 2016
ASSETS		
Current		
Cash and cash equivalents	93,701	71,363
Accounts receivable	408,443	379,861
Income taxes recoverable	1,388	—
Prepaid expenses and other assets	21,870	18,835
Total current assets	525,402	470,059
Tax credits receivable	18,172	19,860
Investments and other assets	64,559	46,759
Property, plant and equipment	260,068	282,105
Program rights	648,346	682,268
Film investments	40,728	45,164
Intangibles	2,045,813	2,076,237
Goodwill	2,387,652	2,390,652
Deferred income tax assets	77,104	80,281
	6,067,844	6,093,385
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	415,661	393,367
Current portion of long-term debt	172,500	115,000
Provisions	15,791	21,390
Income taxes payable	—	1,982
Total current liabilities	603,952	531,739
Long-term debt	1,919,080	2,081,020
Other long-term liabilities	442,349	530,767
Provisions	11,707	8,905
Deferred income tax liabilities	491,235	464,607
Total liabilities	3,468,323	3,617,038
SHAREHOLDERS' EQUITY		
Share capital	2,291,814	2,168,543
Contributed surplus	11,449	10,444
Retained earnings	114,492	142,499
Accumulated other comprehensive income (loss)	22,938	(3,569)
Total equity attributable to shareholders	2,440,693	2,317,917
Equity attributable to non-controlling interest	158,828	158,430
Total shareholders' equity	2,599,521	2,476,347
	6,067,844	6,093,385

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Three months ended		Year ended	
	August 31,		August 31,	
(unaudited - in thousands of Canadian dollars except per share amounts)	2017	2016	2017	2016
Revenues	381,212	384,467	1,679,008	1,171,314
Direct cost of sales, general and administrative expenses	273,611	279,096	1,100,925	760,300
Depreciation and amortization	22,807	33,585	91,750	73,969
Interest expense	38,121	39,788	156,716	110,862
Debt refinancing	—	—	—	61,248
Business acquisition, integration and restructuring costs	13,265	19,559	31,983	57,198
Gain on disposition	—	—	—	(86,151)
Other expense (income), net	(16,474)	1,716	(8,953)	8,752
Income before income taxes	49,882	10,723	306,587	185,136
Income tax expense	14,168	2,218	82,498	41,575
Net income for the period	35,714	8,505	224,089	143,561
Net income attributable to:				
Shareholders	28,919	25	191,665	125,931
Non-controlling interest	6,795	8,480	32,424	17,630
	35,714	8,505	224,089	143,561
Earnings per share attributable to shareholders:				
Basic	\$0.14	\$0.00	\$0.95	\$0.96
Diluted	\$0.14	\$0.00	\$0.95	\$0.96
Net income for the period	35,714	8,505	224,089	143,561
Other comprehensive income (loss), net of income taxes:				
Items that may be reclassified subsequently to income:				
Unrealized foreign currency translation adjustment	(1,047)	12	(643)	(49)
Unrealized change in fair value of available-for-sale investments	(27)	(610)	(298)	(620)
Unrealized change in fair value of cash flow hedges	17,385	(5,045)	27,448	(10,253)
Actuarial gain (loss) on employee post-employment benefits	(2,435)	(5,459)	6,874	(3,489)
	13,876	(11,102)	33,381	(14,411)
Comprehensive income (loss) for the period	49,590	(2,597)	257,470	129,150
Comprehensive income (loss) attributable to:				
Shareholders	42,795	(11,077)	225,046	111,520
Non-controlling interest	6,795	8,480	32,424	17,630
	49,590	(2,597)	257,470	129,150

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, 2016	2,168,543	10,444	142,499	(3,569)	2,317,917	158,430	2,476,347
Comprehensive income	—	—	191,665	33,381	225,046	32,424	257,470
Dividends declared	—	—	(231,046)	—	(231,046)	(35,026)	(266,072)
Issuance of shares under stock option plan	154	—	—	—	154	—	154
Issuance of shares under dividend reinvestment plan	123,117	—	—	—	123,117	—	123,117
Actuarial gain on post-retirement benefit plans	—	—	6,874	(6,874)	—	—	—
Share-based compensation expense	—	1,005	—	—	1,005	—	1,005
Reallocation of equity interest	—	—	4,500	—	4,500	3,000	7,500
At August 31, 2017	2,291,814	11,449	114,492	22,938	2,440,693	158,828	2,599,521

(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
At August 31, 2016	2,168,543	10,444	142,499	(3,569)	2,317,917	158,430	2,476,347

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended		Year ended	
	2017	2016	2017	2016
OPERATING ACTIVITIES				
Net income for the period	35,714	8,505	224,089	143,561
Adjustments to reconcile net income to cash flow from operations:				
Amortization of program rights	119,707	114,514	510,716	313,300
Amortization of film investments	7,181	8,800	23,958	22,690
Depreciation and amortization	22,807	33,585	91,750	73,969
Deferred income taxes	1,311	(197)	17,109	(22,554)
Intangible and other assets impairment (recovery)	5,250	(822)	5,250	(822)
Share-based compensation expense	373	304	1,005	973
Imputed interest	12,324	12,523	51,519	45,429
Debt refinancing costs	—	—	—	61,248
Gain on disposition	—	—	—	(86,151)
Payment of program rights	(134,060)	(129,067)	(509,979)	(344,855)
Net additions to film investments	(7,045)	2,086	(24,579)	(29,616)
CRTC benefit payment	(12,159)	(17,213)	(29,740)	(25,740)
Other	734	1,423	2,969	5,566
Cash flow from operations	52,137	34,441	364,067	156,998
Net change in non-cash working capital balances related to operations	36,977	38,572	(65,934)	43,229
Cash provided by operating activities	89,114	73,013	298,133	200,227
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(13,422)	(11,594)	(26,989)	(22,550)
Net proceeds from disposition	—	—	—	209,474
Business combinations, net of acquired cash	—	11,871	3,000	(1,827,452)
Proceeds from disposition of non-controlling interest	—	—	5,250	—
Proceeds from disposition of investment	4,122	—	4,122	1,684
Net cash flows for intangibles, investments and other assets	(1,550)	(8,352)	(6,291)	(19,583)
Cash used in investing activities	(10,850)	(8,075)	(20,908)	(1,658,427)
FINANCING ACTIVITIES				
Increase (decrease) in bank loans	(25,090)	(28,086)	(110,706)	1,959,209
Redemption of notes	—	—	—	(550,000)
Debt refinancing costs	—	—	—	(55,671)
Financing fees	—	—	—	(23,595)
Share subscription, net of issuance costs	—	—	—	276,529
Issuance of shares under stock option plan	154	—	154	—
Dividends paid	(27,462)	(25,133)	(106,062)	(89,702)
Dividends paid to non-controlling interest	(7,901)	(6,822)	(35,026)	(19,824)
Other	(2,275)	(1,171)	(3,247)	(4,805)
Cash provided by (used in) financing activities	(62,574)	(61,212)	(254,887)	1,492,141
Net change in cash and cash equivalents during the period	15,690	3,726	22,338	33,941
Cash and cash equivalents, beginning of the period	78,011	67,637	71,363	37,422
Cash and cash equivalents, end of the period	93,701	71,363	93,701	71,363

CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION

(unaudited - in thousands of Canadian dollars)

Three months ended August 31, 2017

	Television	Radio	Corporate	Consolidated
Revenues	346,008	35,204	—	381,212
Direct cost of sales, general and administrative expenses	238,755	26,902	7,954	273,611
Segment profit (loss)⁽¹⁾	107,253	8,302	(7,954)	107,601
Depreciation and amortization				22,807
Interest expense				38,121
Business acquisition, integration and restructuring costs				13,265
Other income, net				(16,474)
Income before income taxes				49,882

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
Segment profit (loss)⁽¹⁾	106,817	8,509	(9,955)	105,371
Depreciation and amortization				33,585
Interest expense				39,788
Business acquisition, integration and restructuring costs				19,559
Other expense, net				1,716
Income before income taxes				10,723

Year ended August 31, 2017

	Television	Radio	Corporate	Consolidated
Revenues	1,529,792	149,216	—	1,679,008
Direct cost of sales, general and administrative expenses	965,425	109,689	25,811	1,100,925
Segment profit (loss)⁽¹⁾	564,367	39,527	(25,811)	578,083
Depreciation and amortization				91,750
Interest expense				156,716
Business acquisition, integration and restructuring costs				31,983
Other income, net				(8,953)
Income before income taxes				306,587

⁽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 2017 Report to Shareholders.

(unaudited - in thousands of Canadian dollars)

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
Segment profit (loss)⁽¹⁾	404,225	36,159	(29,370)	411,014
Depreciation and amortization				73,969
Interest expense				110,862
Gain on disposition				(86,151)
Debt refinancing				61,248
Business acquisition, integration and restructuring costs				57,198
Other expense, net				8,752
Income before income taxes				185,136

⁽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 2017 Report to Shareholders.

REVENUES BY TYPE

	Three months ended		Year ended	
	August 31,		August 31,	
(unaudited - in thousands of Canadian dollars)	2017	2016	2017	2016
Advertising	227,028	226,250	1,080,929	661,818
Subscriber fees	127,110	128,179	506,666	405,728
Merchandising, distribution and other	27,074	30,038	91,413	103,768
	381,212	384,467	1,679,008	1,171,314

NON-IFRS FINANCIAL MEASURES

	Three months ended		Year ended	
	August 31,		August 31,	
(unaudited - in thousands of Canadian dollars)	2017	2016	2017	2016
Adjusted segment profit				
Reported segment profit	107,601	105,371	578,083	411,014
Adjustments:				
Amortization not taken on Pay TV assets disposed of	—	—	—	(15,585)
Adjusted segment profit	107,601	105,371	578,083	395,429

(unaudited - in thousands of Canadian dollars)

	Three months ended		Year ended	
	August 31,		August 31,	
	2017	2016	2017	2016
Adjusted Net Income Attributable to Shareholders				
Net income attributable to shareholders	28,919	25	191,665	125,931
Adjustments, net of income tax:				
Gain on disposal of Pay TV assets	—	—	—	(76,631)
Amortization of Pay TV assets	—	—	—	(11,455)
Investment in associates impairment	5,250	—	5,250	—
Business acquisition, integration and restructuring costs	9,775	14,510	23,573	46,171
Debt refinancing costs	—	—	—	45,017
Adjusted net income attributable to shareholders	43,944	14,535	220,488	129,033
Basic earnings per share	\$0.14	\$0.00	\$0.95	\$0.96
Adjustments, net of income tax:				
Gain on disposal of Pay TV assets	—	—	—	(0.58)
Amortization of Pay TV assets	—	—	—	(0.09)
Investment in associates impairment	0.03	—	0.03	—
Business acquisition, integration and restructuring costs	0.05	0.07	0.12	0.35
Debt refinancing costs	—	—	—	0.34
Adjusted basic earnings per share	\$0.22	\$0.07	\$1.10	\$0.98
Free cash flow				
Cash provided by (used in):				
Operating activities	89,114	73,013	298,133	200,227
Investing activities	(10,850)	(8,075)	(20,908)	(1,658,427)
	78,264	64,938	277,225	(1,458,200)
Add back: cash used for (provided from) business combinations and strategic investments ⁽¹⁾⁽²⁾	1,938	(3,541)	15,435	1,646,365
Free cash flow	80,202	61,397	292,660	188,165

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

⁽²⁾ Adjusted to remove the impact of disposing the Pay TV business