



## **CORUS ENTERTAINMENT ANNOUNCES REVISED CAPITAL ALLOCATION POLICY TO POSITION THE COMPANY FOR FUTURE GROWTH**

### **Dividend declared for Class A and Class B shareholders**

**TORONTO, June 27, 2018 – Corus Entertainment Inc.** (TSX: CJR.B) (“Corus” or the “Company”) announced today that its Board of Directors has approved a revision to the Company’s dividend framework for Corus Class A and Class B Shares following a review of the Company’s Capital Allocation Policy.

“Corus is firmly committed to reducing our leverage to under 3.0 times net debt to segment profit. We also recognize that a market-competitive dividend is important to our shareholders and strategic, targeted investments are essential to driving growth in the years to come,” said Heather Shaw, Executive Chair. “We believe our new Capital Allocation Policy strikes an appropriate balance between these three key priorities as we seek to create increased financial flexibility and provide a firm foundation for the future. While the redeployment of capital is expected to mainly be directed to debt repayment, we will continue to make prudent investments to further our strategic priorities, particularly in the areas of advertising technology and revenue diversification initiatives such as our Own More Content strategy.”

#### **New dividend framework:**

- Effective September 1, 2018, Corus’ annual dividend rate will be adjusted to \$0.24 per Class B Share and \$0.235 per Class A Share, in line with both the Company’s long-term goal of maintaining a dividend yield in excess of 2.5% and current industry peer benchmarks.
- The dividend payment schedule will be changed from monthly to quarterly to be more consistent with industry practices, with a projected quarterly rate of \$0.06 per Class B Share and \$0.05875 per Class A Share. The new payment schedule is expected to commence in December 2018 (in respect of fiscal Q1 2019), subject to approval by the Board of Directors in October 2018.
- As permitted under Corus’ Dividend Reinvestment Plan (the “Plan”), in lieu of issuing new shares, Corus will satisfy its share delivery obligation under the Plan by purchasing Class B Shares on the open market. In addition, Corus will move to a 0% discount for shares delivered under the Plan.

#### **Final dividend declared under the fiscal 2018 dividend framework:**

Corus’ Board of Directors has declared a dividend of \$0.094583 per Class A Share and \$0.095 per Class B Share payable on August 31, 2018 to shareholders of record at the close of business on August 15, 2018.

For the final dividend payment under the Company’s fiscal 2018 dividend framework, Corus’ will satisfy its share delivery obligations under the Plan by issuing shares from treasury at a 2% discount from the average market price to Plan participants of record. The foregoing dividends are designated as “eligible” dividends for the purpose of the *Income Tax Act* (Canada) and any similar provincial legislation.

Corus’ Board of Directors reviews the dividend on a quarterly basis. Shareholders are entitled to receive dividends only when any such dividends are declared by Corus’ Board of Directors and there is no entitlement to any dividend prior thereto.

Registered shareholders who are residents of Canada and who are not currently participating in the Plan may elect to participate in the Plan through the completion of an enrollment form which can be obtained from the Company’s plan administrator, AST Trust Company (Canada), on their website at [www.astfinancial.com/ca-en/](http://www.astfinancial.com/ca-en/) or by calling 1.800.387.0825. The Plan allows eligible holders of Class A Shares and Class B Shares to acquire additional Class B Shares through reinvestment of the cash dividends paid on their respective shareholdings. Non-registered beneficial

shareholders who are residents of Canada and who wish to join the Plan should consult their broker, financial institution or other intermediary through which they hold Class A Shares or Class B Shares.

There were 3,419,392 Class A Voting Shares and 206,356,122 Class B Non-Voting Shares outstanding on May 31, 2018.

Corus Entertainment Inc. reports in Canadian dollars.

### **Caution Concerning Forward-Looking Information**

*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 information"). 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 may be considered forward-looking information. Although Corus believes that the expectations reflected in such forward-looking information are reasonable, such information involves assumptions and risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied with respect to the forward-looking information, including without limitation, factors and assumptions regarding the general market conditions and general outlook for the industry, interest rates, stability of the advertising, distribution, merchandise and subscription markets, operating and capital costs and tariffs, taxes and fees, our ability to source desirable content and our capital and operating results being consistent with our expectations. Actual results may differ materially from those expressed or implied in such information. 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 any forward-looking information may be found under the heading "Risks and Uncertainties" in the Management's Discussion and Analysis for the year ended August 31, 2017 and the third quarter ended May 31, 2018 and under the heading "Risk Factors" in our Annual Information Form. Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to Corus, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document. Unless otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking information 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 44 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 includes 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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