



CORUS ENTERTAINMENT ANNOUNCES FISCAL 2019 SECOND QUARTER RESULTS

- Consolidated revenues increased 4% for the quarter and 3% year-to-date, driven by an 11% increase in Television advertising revenues for the quarter and 7% year-to-date
- Consolidated segment profit⁽¹⁾ was flat for the quarter and up 5% for the year-to-date
- Consolidated segment profit margin⁽¹⁾ of 29% for the quarter and 36% for the year-to-date
- Net income attributable to shareholders of \$6.3⁽²⁾ million (\$0.03 per share basic) for the quarter and \$66.8⁽²⁾ million (\$0.31 per share basic) for the year-to-date
- Free cash flow⁽¹⁾ of \$83.9 million for the quarter and \$126.3 million for the year-to-date

TORONTO, April 5, 2019 – Corus Entertainment Inc. (TSX: CJR.B) announced its second quarter financial results today.

“Corus delivered another strong quarter, with double-digit Television advertising revenue growth exceeding our expectations,” said Doug Murphy, President and Chief Executive Officer. “The benefits of our ongoing progress in advanced advertising and data initiatives, our client centric approach and robust advertising demand are reflected in these positive results, partially offset by softness in our Radio segment and timing-related variability in our content business. Notably, the strength of our free cash flow in the quarter is accelerating our progress towards our leverage targets and supporting the advancement of our strategic priorities as we continue to build for the future.”

Financial Highlights

	Three months ended		Six months ended	
	February 28,		February 28,	
(in thousands of Canadian dollars except per share amounts)	2019	2018	2019	2018
Revenues				
Television	353,466	336,222	779,656	751,686
Radio	30,649	33,243	71,930	75,167
	384,115	369,465	851,586	826,853
Segment profit⁽¹⁾				
Television	113,709	103,646	298,262	272,248
Radio	4,955	6,883	17,967	20,404
Corporate	(5,516)	2,230	(11,443)	(2,006)
	113,148	112,759	304,786	290,646
Net income attributable to shareholders ⁽²⁾	6,344	40,042	66,759	117,715
Adjusted net income attributable to shareholders ⁽¹⁾⁽²⁾⁽³⁾	15,733	41,880	85,844	120,765
Basic earnings per share ⁽²⁾	\$0.03	\$0.19	\$0.31	\$0.57
Adjusted basic earnings per share ⁽¹⁾⁽²⁾⁽³⁾	\$0.07	\$0.20	\$0.40	\$0.58
Diluted earnings per share ⁽²⁾	\$0.03	\$0.19	\$0.31	\$0.57
Free cash flow⁽¹⁾	83,909	82,073	126,315	165,288

⁽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, explanations and reconciliations see discussion under the Key Performance Indicators section of the Second Quarter 2019 Report to Shareholders.

⁽²⁾ Net income attributable to shareholders as well as basic and diluted earnings per share for the three and six months ended February 28, 2019 was impacted by a change in accounting estimate related to the useful life of the Company's television brand assets. Commencing September 1, 2018, the useful life of television brand assets was changed from indefinite life to lives ranging from three to 20 years. For the three and six months ended February 28, 2019, this has resulted in an additional \$34.9 million and \$69.8 million, respectively, in amortization expense in the depreciation and amortization line within the Consolidated Statement of Income and Comprehensive Income, and reduced net income attributable to shareholders, net of income taxes, by \$25.7 million (\$0.12 per share basic) and \$51.3 million (\$0.24 per share basic), respectively. Further discussion of this can be found in the Impact of New Accounting Policies and Changes in Estimates section of the Second Quarter 2019 Report to Shareholders.

⁽³⁾ Refer to page 10 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 February 28, 2019 were \$384.1 million, up 4% from \$369.5 million last year and consolidated segment profit was \$113.1 million, relatively consistent with \$112.8 million last year. Net income attributable to shareholders for the quarter ended February 28, 2019 was \$6.3 million (\$0.03 per share basic), compared to \$40.0 million (\$0.19 per share basic) last year. Net income attributable to shareholders for the second quarter of fiscal 2019 includes business acquisition, integration and restructuring costs of \$4.0 million (\$0.01 per share, net of income taxes) and an impairment of an investment in associates of \$8.7 million (\$0.03 per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$15.7 million (\$0.07 per share basic) for the quarter. Net income attributable to shareholders for the prior year quarter includes business acquisition, integration and restructuring costs of \$2.5 million (\$0.01 per share, net of income taxes). Adjusting for the impact of this item results in an adjusted net income attributable to shareholders of \$41.9 million (\$0.20 per share basic) for the prior year quarter.

Consolidated revenues for the six months ended February 28, 2019 were \$851.6 million, up 3% from \$826.9 million last year. Consolidated segment profit was \$304.8 million, up 5% from \$290.6 million last year. Net income attributable to shareholders for the six months ended February 28, 2019 was \$66.8 million (\$0.31 per share basic), compared to net income attributable to shareholders of \$117.7 million (\$0.57 per share basic) last year. Net income attributable to shareholders for the six months ended February 28, 2019 includes business acquisition, integration and restructuring costs of \$17.2 million (\$0.06 per share, net of income taxes) and an impairment of an investment in associates of \$8.7 million (\$0.03 per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$85.8 million (\$0.40 per share basic) for the current fiscal year. Net income attributable to shareholders for the six months ended February 28, 2018 includes business acquisition, integration and restructuring costs of \$4.1 million (\$0.01 per share, net of income taxes). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$120.8 million (\$0.58 per share basic) for the prior fiscal year.

Consolidated net income attributable to shareholders as well as basic and diluted earnings per share for the three and six months ended February 28, 2019 was impacted by a change in accounting estimate related to the useful life of the Company's television brands. Commencing September 1, 2018, the useful life of television brands was changed from indefinite life to lives ranging from three to 20 years. For the three and six months ended February 28, 2019, this has resulted in an additional \$34.9 million and \$69.8 million, respectively, in amortization expense in the depreciation and amortization line within the Consolidated Statement of Income and Comprehensive Income, and reduced net income attributable to shareholders, net of income taxes, by \$25.7 million (\$0.12 per share basic) and \$51.3 million (\$0.24 per share basic), respectively. Further discussion of this can be found in the *Impact of New Accounting Policies and Changes in Estimates* section of the Second Quarter 2019 Report to Shareholders.

Operational Results - Highlights for Q1 2019

Television

- Segment revenues increased 5% in Q2 2019 and 4% for the year-to-date
- Advertising revenues increased 11% in Q2 2019 and 7% for the year-to-date
- Subscriber revenues were down 1% in Q2 2019 and flat for the year-to-date
- Merchandising, distribution and other revenues were down \$2.5 million (13%) in Q2 2019 and \$2.0 million (6%) for the year-to-date
- Segment profit⁽¹⁾ increased 10% in both Q2 2019 and the year-to-date
- Segment profit margin⁽¹⁾ of 32% in Q2 2019 and 38% for the year-to-date, compared to 31% and 36%, respectively, in the prior year

Radio

- Segment revenues decreased 8% in Q2 2019 and 4% for the year-to-date
- Segment profit⁽¹⁾ decreased \$1.9 million (28%) in Q2 2019 and \$2.4 million (12%) for the year-to-date
- Segment profit margin⁽¹⁾ of 16% in Q2 2019 and 25% for the year-to-date, compared to 21% and 27%, respectively, in the prior year

⁽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 the discussion under the *Key Performance Indicators* section of the Second Quarter 2019 Report to Shareholders.

Corporate

- Free cash flow⁽¹⁾ of \$83.9 million in Q2 2019 and \$126.3 million for the year-to-date, compared to \$82.1 million and \$165.3 million, respectively, in the prior year
- Net debt to segment profit⁽¹⁾ leverage of 3.05 times at February 28, 2019, down from 3.28 times at August 31, 2018, in part due to debt repayments of \$117.6 million for the year-to-date
- Consolidated segment profit margin⁽¹⁾ of 29% in Q2 2019 and 36% for the year-to-date, compared to 31% and 35%, respectively, in the prior year

⁽¹⁾ 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 the discussion under the *Key Performance Indicators* section of the Second Quarter 2019 Report to Shareholders.

Corus Entertainment Inc. reports its financial results in Canadian dollars.

The unaudited interim condensed consolidated financial statements and accompanying notes for the three and six months ended February 28, 2019 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 April 5, 2019 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 1.647.427.7450 and for North America is 1.888.231.8191. 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 attributable to shareholders, 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 at www.sedar.com.

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 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, 2018 and the second quarter ended February 28, 2019 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 develops and delivers high quality brands and content across platforms for audiences around the world. The company's portfolio of multimedia offerings encompass 37 specialty television services, 39 radio stations, 15 conventional television stations, a suite of digital assets, animation software, technology and media services. Corus is also an established creator of globally distributed content through Nelvana animation studio, Corus Studios, and children's book publishing house Kids Can Press. The company also owns innovative full-service social digital agency so.da, and lifestyle entertainment company Kin Canada. Corus' roster of premium brands includes Global Television, W Network, HGTV Canada, Food Network Canada, HISTORY®, Showcase, National Geographic, Disney Channel Canada, YTV and Nickelodeon Canada, Global News, Globalnews.ca, Q107, Country 105, and CFOX. 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 February 28, 2019	As at August 31, 2018
ASSETS		
Current		
Cash and cash equivalents	67,650	94,801
Accounts receivable	436,966	388,751
Income taxes recoverable	—	3,305
Prepaid expenses and other assets	24,591	20,723
Total current assets	529,207	507,580
Tax credits receivable	25,744	18,047
Investments and other assets	69,593	82,213
Property, plant and equipment	219,216	231,192
Program rights	579,897	538,357
Film investments	54,172	43,424
Intangibles ⁽¹⁾	1,935,236	2,012,086
Goodwill	1,387,652	1,387,652
Deferred income tax assets	69,243	62,403
	4,869,960	4,882,954
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	444,275	405,762
Current portion of long-term debt	79,466	106,375
Provisions	11,462	11,175
Income taxes payable	9,274	—
Total current liabilities	544,477	523,312
Long-term debt	1,789,166	1,877,558
Other long-term liabilities	329,907	295,206
Provisions	10,831	7,801
Deferred income tax liabilities	484,952	502,274
Total liabilities	3,159,333	3,206,151
EQUITY		
Share capital	830,477	2,330,477
Contributed surplus	1,512,366	12,119
Accumulated deficit	(814,531)	(856,668)
Accumulated other comprehensive income	31,326	36,460
Total equity attributable to shareholders	1,559,638	1,522,388
Equity attributable to non-controlling interest	150,989	154,415
Total equity	1,710,627	1,676,803
	4,869,960	4,882,954

⁽¹⁾ Net income attributable to shareholders as well as basic and diluted earnings per share for the three and six months ended February 28, 2019 was impacted by a change in accounting estimate related to the useful life of the Company's television brand assets. Commencing September 1, 2018, the useful life of television brand assets was changed from indefinite life to lives ranging from three to 20 years. For the three and six months ended February 28, 2019, this has resulted in an additional \$34.9 million and \$69.8 million, respectively, in amortization expense in the depreciation and amortization line within the Consolidated Statement of Income and Comprehensive Income, and reduced net income attributable to shareholders, net of income taxes, by \$25.7 million (\$0.12 per share basic) and \$51.3 million (\$0.24 per share basic), respectively. Further discussion of this can be found in the Impact of New Accounting Policies and Changes in Estimates section of the Second Quarter 2019 Report to Shareholders.

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)

	Three months ended		Six months ended	
	February 28,		February 28,	
(unaudited - in thousands of Canadian dollars except per share amounts)	2019	2018	2019	2018
Revenues	384,115	369,465	851,586	826,853
Direct cost of sales, general and administrative expenses	270,967	256,706	546,800	536,207
Depreciation and amortization ⁽¹⁾	54,801	20,832	109,129	41,590
Interest expense	31,846	31,766	63,185	63,841
Business acquisition, integration and restructuring costs	4,047	2,475	17,228	4,083
Other expense (income), net	6,521	(3,473)	7,758	4,081
Income before income taxes	15,933	61,159	107,486	177,051
Income tax expense	4,213	15,446	28,990	46,331
Net income for the period	11,720	45,713	78,496	130,720
Other comprehensive income (loss), net of income taxes:				
Items that may be reclassified subsequently to income:				
Unrealized foreign currency translation adjustment	(170)	(8)	120	430
Unrealized change in fair value of cash flow hedges	(14,368)	14,128	(14,746)	13,719
	(14,538)	14,120	(14,626)	14,149
Items that will not be reclassified to income:				
Unrealized change in fair value of financial assets	96	—	96	—
Actuarial gain (loss) on post-retirement benefit plans	(3,502)	1,871	(1,176)	(868)
	(3,406)	1,871	(1,080)	(868)
Other comprehensive income (loss), net of income taxes	(17,944)	15,991	(15,706)	13,281
Comprehensive income (loss) for the period	(6,224)	61,704	62,790	144,001
Net income attributable to:				
Shareholders	6,344	40,042	66,759	117,715
Non-controlling interest	5,376	5,671	11,737	13,005
	11,720	45,713	78,496	130,720
Comprehensive income (loss) attributable to:				
Shareholders	(11,600)	56,033	51,053	130,996
Non-controlling interest	5,376	5,671	11,737	13,005
	(6,224)	61,704	62,790	144,001
Earnings per share attributable to shareholders:				
Basic	\$0.03	\$0.19	\$0.31	\$0.57
Diluted	\$0.03	\$0.19	\$0.31	\$0.57

⁽¹⁾ Net income attributable to shareholders as well as basic and diluted earnings per share for the three and six months ended February 28, 2019 was impacted by a change in accounting estimate related to the useful life of the Company's television brand assets. Commencing September 1, 2018, the useful life of television brand assets was changed from indefinite life to lives ranging from three to 20 years. For the three and six months ended February 28, 2019, this has resulted in an additional \$34.9 million and \$69.8 million, respectively, in amortization expense in the depreciation and amortization line within the Consolidated Statement of Income and Comprehensive Income, and reduced net income attributable to shareholders, net of income taxes, by \$25.7 million (\$0.12 per share basic) and \$51.3 million (\$0.24 per share basic), respectively. Further discussion of this can be found in the Impact of New Accounting Policies and Changes in Estimates section of the Second Quarter 2019 Report to Shareholders.

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated deficit	Accumulated other comprehensive income	Total equity attributable to shareholders	Non-controlling interest	Total equity
As at August 31, 2018, as previously presented	2,330,477	12,119	(856,668)	36,460	1,522,388	154,415	1,676,803
IFRS 9 transitional adjustment ⁽¹⁾	—	—	—	9,396	9,396	—	9,396
IFRS 15 transitional adjustment ⁽¹⁾	—	—	1,985	—	1,985	—	1,985
Adjusted balance as at September 1, 2018	2,330,477	12,119	(854,683)	45,856	1,533,769	154,415	1,688,184
Comprehensive income (loss)	—	—	66,759	(15,706)	51,053	11,737	62,790
Dividends declared	—	—	(25,431)	—	(25,431)	(15,163)	(40,594)
Reduction of stated capital	(1,500,000)	1,500,000	—	—	—	—	—
Actuarial loss on post-retirement benefit plans	—	—	(1,176)	1,176	—	—	—
Share-based compensation expense	—	247	—	—	247	—	247
As at February 28, 2019	830,477	1,512,366	(814,531)	31,326	1,559,638	150,989	1,710,627

(unaudited - in thousands of Canadian dollars)	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total equity attributable to shareholders	Non-controlling interest	Total equity
As at August 31, 2017	2,291,814	11,449	114,492	22,938	2,440,693	158,828	2,599,521
Comprehensive income	—	—	117,715	13,281	130,996	13,005	144,001
Dividends declared	—	—	(118,294)	—	(118,294)	(16,188)	(134,482)
Issuance of shares under dividend reinvestment plan	18,584	—	—	—	18,584	—	18,584
Issuance of shares under stock option plan	85	—	—	—	85	—	85
Actuarial loss on post-retirement benefit plans	—	—	(868)	868	—	—	—
Share-based compensation expense	—	356	—	—	356	—	356
As at February 28, 2018	2,310,483	11,805	113,045	37,087	2,472,420	155,645	2,628,065

⁽¹⁾ Refer to the Company's Second Quarter 2019 Report to Shareholders for details on New Accounting Pronouncements Adopted in Fiscal 2019 in the Impact of New Accounting Policies and Changes in Estimates section.

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended		Six months ended	
	2019	February 28, 2018	2019	February 28, 2018
OPERATING ACTIVITIES				
Net income for the period	11,720	45,713	78,496	130,720
Adjustments to reconcile net income to cash flow from operations:				
Amortization of program rights	127,558	125,692	257,128	259,075
Amortization of film investments	2,856	3,329	6,385	5,855
Depreciation and amortization	54,801	20,832	109,129	41,590
Deferred income taxes (recovery)	(10,600)	267	(19,947)	98
Impairment of investment in associate	8,720	—	8,720	—
Share-based compensation expense	202	168	247	356
Imputed interest	11,071	11,011	21,665	22,878
Proceeds from termination of interest rate swap	—	—	—	24,644
Payment of program rights	(126,590)	(122,692)	(236,804)	(238,369)
Net spend on film investments	(17,722)	(11,533)	(28,385)	(20,281)
CRTC benefit payments	(50)	(186)	(911)	(897)
Other	(338)	(3,154)	(3,808)	(2,728)
Cash flow from operations	61,628	69,447	191,915	222,941
Net change in non-cash working capital balances related to operations	24,692	17,055	(60,224)	(50,762)
Cash provided by operating activities	86,320	86,502	131,691	172,179
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(3,591)	(3,378)	(6,160)	(4,959)
Proceeds from sale of property	6	—	9	545
Net cash flows for intangibles, investments and other assets	(2,124)	(2,773)	(2,523)	(3,679)
Cash used in investing activities	(5,709)	(6,151)	(8,674)	(8,093)
FINANCING ACTIVITIES				
Decrease in bank loans	(60,539)	(28,165)	(117,548)	(54,727)
Deferred financing costs	—	—	—	(4,088)
Issuance of shares under stock option plan	—	—	—	85
Dividends paid	(12,717)	(50,319)	(12,717)	(99,367)
Dividends paid to non-controlling interest	(9,941)	(4,179)	(17,163)	(16,188)
Other	(431)	(742)	(2,740)	(3,086)
Cash used in financing activities	(83,628)	(83,405)	(150,168)	(177,371)
Net change in cash and cash equivalents during the period	(3,017)	(3,054)	(27,151)	(13,285)
Cash and cash equivalents, beginning of the period	70,667	83,470	94,801	93,701
Cash and cash equivalents, end of the period	67,650	80,416	67,650	80,416

CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION

(unaudited - in thousands of Canadian dollars)

Three months ended February 28, 2019

	Television	Radio	Corporate	Consolidated
Revenues	353,466	30,649	—	384,115
Direct cost of sales, general and administrative expenses	239,757	25,694	5,516	270,967
Segment profit (loss)⁽¹⁾	113,709	4,955	(5,516)	113,148
Depreciation and amortization				54,801
Interest expense				31,846
Business acquisition, integration and restructuring costs				4,047
Other expense, net				6,521
Income before income taxes				15,933

Three months ended February 28, 2018

	Television	Radio	Corporate	Consolidated
Revenues	336,222	33,243	—	369,465
Direct cost of sales, general and administrative expenses (recovery)	232,576	26,360	(2,230)	256,706
Segment profit⁽¹⁾	103,646	6,883	2,230	112,759
Depreciation and amortization				20,832
Interest expense				31,766
Business acquisition, integration and restructuring costs				2,475
Other income, net				(3,473)
Income before income taxes				61,159

Six months ended February 28, 2019

	Television	Radio	Corporate	Consolidated
Revenues	779,656	71,930	—	851,586
Direct cost of sales, general and administrative expenses	481,394	53,963	11,443	546,800
Segment profit (loss)⁽¹⁾	298,262	17,967	(11,443)	304,786
Depreciation and amortization				109,129
Interest expense				63,185
Business acquisition, integration and restructuring costs				17,228
Other expense, net				7,758
Income before income taxes				107,486

⁽¹⁾ Segment profit (loss) does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators section of the Second Quarter 2019 Report to Shareholders.

(unaudited - in thousands of Canadian dollars)

Six months ended February 28, 2018

	Television	Radio	Corporate	Consolidated
Revenues	751,686	75,167	—	826,853
Direct cost of sales, general and administrative expenses	479,438	54,763	2,006	536,207
Segment profit (loss)⁽¹⁾	272,248	20,404	(2,006)	290,646
Depreciation and amortization				41,590
Interest expense				63,841
Business acquisition, integration and restructuring costs				4,083
Other expense, net				4,081
Income before income taxes				177,051

⁽¹⁾ Segment profit (loss) does not have a standardized meaning prescribed by IFRS. For definitions and explanations, see discussion under the Key Performance Indicators section of the Second Quarter 2019 Report to Shareholders.

REVENUES BY TYPE

	Three months ended		Six months ended	
	February 28,		February 28,	
(unaudited - in thousands of Canadian dollars)	2019	2018	2019	2018
Advertising	240,284	221,663	561,619	533,874
Subscriber fees	125,639	127,008	252,323	253,263
Merchandising, distribution and other	18,192	20,794	37,644	39,716
	384,115	369,465	851,586	826,853

NON-IFRS FINANCIAL MEASURES

	Three months ended		Six months ended	
(unaudited - in thousands of Canadian dollars, except per share amounts)	February 28,		February 28,	
	2019	2018	2019	2018
Adjusted Net Income Attributable to Shareholders	2019	2018	2019	2018
Net income attributable to shareholders	6,344	40,042	66,759	117,715
Adjustments, net of income tax:				
Impairment of investment in associate	6,409	—	6,409	—
Business acquisition, integration and restructuring costs	2,980	1,838	12,676	3,050
Adjusted net income attributable to shareholders	15,733	41,880	85,844	120,765
Basic earnings per share	\$0.03	\$0.19	\$0.31	\$0.57
Adjustments, net of income tax:				
Impairment of investment in associate	\$0.03	—	\$0.03	—
Business acquisition, integration and restructuring costs	\$0.01	\$0.01	\$0.06	\$0.01
Adjusted basic earnings per share	\$0.07	\$0.20	\$0.40	\$0.58

Free Cash Flow

Cash provided by (used in):				
Operating activities	86,320	86,502	131,691	172,179
Investing activities	(5,709)	(6,151)	(8,674)	(8,093)
	80,611	80,351	123,017	164,086
Add: cash used in business combinations and strategic investments ⁽¹⁾	3,298	1,722	3,298	1,202
Free cash flow	83,909	82,073	126,315	165,288

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