



Corus Entertainment Announces Fiscal 2016 First Quarter Results

- Consolidated revenues up 1% for the quarter
- Consolidated segment profit up 3% for the quarter
- Net income attributable to shareholders of \$41.3 million (\$0.47 per share basic) for the quarter
- Adjusted basic earnings per share of \$0.49 per share for the quarter
- Consolidated segment profit margins of 42% for the quarter

(January 13, 2016 – Toronto, Canada) **Corus Entertainment Inc.** (TSX: CJR.B) announced its first quarter financial results today.

“Our solid results for the first quarter underscores our commitment to deliver growth in fiscal 2016” said Doug Murphy, President and Chief Executive Officer, Corus Entertainment. “The launch of Disney Channel (Canada) and the optimization of our portfolio of Kids brands across platforms drove growth in subscriber, merchandising, production and distribution revenues during the quarter. Our transformational acquisition of Shaw Media, announced this morning, will create a powerful combination of media assets that will give us the scale, brands, content and team to succeed in a rapidly evolving media landscape.”

Financial Highlights

	Three months ended	
	November 30,	
	2015	2014
<i>(unaudited - in thousands of Canadian dollars except per share amounts)</i>		
Revenues		
Television	183,718	181,490
Radio	44,600	45,621
	228,318	227,111
Segment profit ⁽¹⁾		
Television	88,035	83,779
Radio	12,803	12,820
Corporate	(4,960)	(3,323)
	95,878	93,276
Net income attributable to shareholders	41,320	51,906
Adjusted net income attributable to shareholders ^{(1) (2)}	42,484	51,906
Basic earnings per share	\$ 0.47	\$ 0.60
Adjusted basic earnings per share ^{(1) (2)}	\$ 0.49	\$ 0.60
Diluted earnings per share	\$ 0.47	\$ 0.60
Free cash flow⁽¹⁾	34,537	33,382

⁽¹⁾ Adjusted net income attributable to shareholders, adjusted basic earnings per share, segment profit, and free cash flow do not have standardized meanings prescribed by IFRS. The Company reports on segment profit and free cash flow because they are key measures used to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the Fiscal 2016 Report to Shareholders.

⁽²⁾ For the three months ended November 30, 2015, basic earnings per share has been adjusted to exclude business acquisition, integration and restructuring charges of \$2.4 million (\$0.03 per share) and to include amortization of Pay TV assets reclassified as held for disposal of \$1.4 million (\$0.01 per share).

Consolidated Results from Operations

Consolidated revenues for the three months ended November 30, 2015 were \$228.3 million, up 1% from \$227.1 million last year. Consolidated segment profit was \$95.9 million, up 3% from \$93.3 million last year. Net income attributable to shareholders for the quarter was \$41.3 million (\$0.47 per share basic and diluted), as compared to \$51.9 million (\$0.60 per share basic and diluted) last year. Net income attributable to shareholders for the first quarter of fiscal 2016 includes business acquisition, integration and restructuring costs of \$2.4 million (\$0.03 per share), and excludes amortization of Pay Television assets reclassified as assets held for disposal of \$1.4 million (\$0.01 per share). Adjusting for the impact of these items results in an adjusted net income attributable to shareholders of \$42.5 million (\$0.49 per share basic) in the quarter.

For fiscal 2016, certain of Corus' Pay Television business' ("Pay TV") assets and liabilities have been reclassified as assets held for disposal effective November 19, 2015 as a consequence of meeting the definition of assets held for sale under *International Financial Reporting Standard 5 – Non-current Assets Held for Sale and Discontinued Operations*. The Company's business activities are conducted through two operating segments, Television and Radio. The disposal group, Pay TV, is not a separate operating segment, but it is included as part of the Television operating segment. Accordingly, the disposal group, Pay TV, does not qualify for discontinued operations presentation and, as a result, its operating results remain in continuing operations in the consolidated statements of income and comprehensive income. Further discussion is provided in note 18 of the Company's interim consolidated financial statements for the period ended November 30, 2015.

Operational Results - Highlights

Television

- Segment revenues increased 1% in Q1 2016
- Specialty advertising revenues decreased 6% in Q1 2016
- Subscriber revenues increased 2% in Q1 2016
- Merchandising, distribution and other revenues increased 33% in Q1 2016
- Segment profit⁽¹⁾ increased 5% in Q1 2016
- Segment profit margin⁽¹⁾ of 48% in Q1 2016

Radio

- Segment revenues decreased 2% in Q1 2016
- Segment profit⁽¹⁾ in Q1 2016 was consistent with the prior year
- Segment profit margin⁽¹⁾ of 29% in Q1 2016

Corporate

- Net debt to segment profit ratio reduced to 2.6 times
- Continued strong free cash flow of \$34.5 million in Q1 2016 compared to \$33.4 million in Q1 2015

⁽¹⁾ Segment profit, segment profit margin and free cash flow do not have standardized meanings prescribed by IFRS. The Company reports on segment profit, segment profit margin and free cash flow because they are key measures used to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the 2016 Report to Shareholders.

Corus Entertainment Inc. reports in Canadian dollars.

The unaudited consolidated financial statements and accompanying notes for the three months ended November 30, 2015 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 January 13, 2016 at 9:00 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 1.416.641.6202 and for North America is 1.800.925.4693. More information can be found on the Corus Entertainment website at www.corusent.com in the Investor Relations section.

Use of Non-GAAP Financial Measures

This press release includes the non-GAAP 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 ("GAAP") and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. 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-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, GAAP financial results. A reconciliation of the Company's non-GAAP 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. is a Canadian-based integrated media and content company that creates, broadcasts, licenses and delivers content across a variety of platforms for audiences around the world. The company's portfolio of multimedia offerings encompasses specialty television and radio with additional assets in pay television, television broadcasting, children's book publishing, children's animation, animation software, and technology and media services. Corus' television brands include ABC Spark, Cartoon Network (Canada), CMT (Canada), Disney Channel (Canada), Disney Junior, Disney XD, Nickelodeon (Canada), OWN: Oprah Winfrey Network (Canada), Telelatino, TELETOON, Treehouse, W Network, YTV, Historia, La chaîne Disney, Séries+ and TÉLÉTOON. Its 39 radio brands include CKNW AM 980, Rock 101, Country 105, 630 CHED, Fresh Radio, JUMP! 106.9, Q107 and 102.1 the Edge. The company also owns Nelvana, an internationally renowned animation production company, Kids Can Press, Toon Boom and Quay Media Services. A publicly traded company, Corus is listed on the Toronto Stock Exchange (CJR.B). Experience Corus on the web at www.corusent.com.

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CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited - in thousands of Canadian dollars)	As at November 30, 2015	As at August 31, 2015
ASSETS		
Current		
Cash and cash equivalents	42,170	37,422
Accounts receivable	212,747	164,600
Income taxes recoverable	—	12,439
Prepaid expenses and other	13,735	13,855
Assets held for disposal	165,814	—
Total current assets	434,466	228,316
Tax credits receivable	25,459	25,958
Intangibles, investments and other assets	168,082	60,589
Property, plant and equipment	136,344	139,140
Program and film rights	450,588	315,899
Film investments	41,558	36,549
Broadcast licenses	906,590	956,984
Goodwill	775,688	827,859
Deferred tax assets	37,995	40,815
	2,976,770	2,632,109
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	240,768	210,971
Current portion of long-term debt	150,000	150,000
Income taxes payable	834	—
Provisions	9,436	8,930
Liabilities associated with assets held for disposal	63,472	—
Total current liabilities	464,510	369,901
Long-term debt	631,518	651,002
Other long-term liabilities	404,341	138,833
Deferred tax liabilities	238,507	252,462
Total liabilities	1,738,876	1,412,198
SHAREHOLDERS' EQUITY		
Share capital	998,144	994,571
Contributed surplus	9,738	9,471
Retained earnings	207,574	191,182
Accumulated other comprehensive income	7,750	7,353
Total equity attributable to shareholders	1,223,206	1,202,577
Equity attributable to non-controlling interest	14,688	17,334
Total shareholders' equity	1,237,894	1,219,911
	2,976,770	2,632,109

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Three months ended November 30,	
(unaudited - in thousands of Canadian dollars except per share amounts)	2015	2014
Revenues	228,318	227,111
Direct cost of sales, general and administrative expenses	132,440	133,835
Depreciation and amortization	11,002	5,774
Interest expense	18,890	12,681
Business acquisition, integration and restructuring costs	2,361	—
Other expense (income), net	3,925	1,806
Income before income taxes	59,700	73,015
Income tax expense	16,877	19,833
Net income for the period	42,823	53,182
Net income attributable to:		
Shareholders	41,320	51,906
Non-controlling interest	1,503	1,276
	42,823	53,182
Earnings per share attributable to shareholders:		
Basic	\$ 0.47	\$ 0.60
Diluted	\$ 0.47	\$ 0.60
Net income for the period	42,823	53,182
Other comprehensive income (loss), net of tax:		
Items that may be reclassified subsequently to income:		
Unrealized foreign currency translation adjustment	299	1,230
Unrealized change in fair value of available-for-sale investments	(116)	(310)
Unrealized change in fair value of cash flow hedges	214	(38)
	397	882
Comprehensive income for the period	43,220	54,064
Comprehensive income attributable to:		
Shareholders	41,717	52,788
Non-controlling interest	1,503	1,276
	43,220	54,064

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	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	—	—	41,320	397	41,717	1,503	43,220
Dividends declared	—	—	(24,928)	—	(24,928)	(4,149)	(29,077)
Issuance of shares under dividend reinvestment plan	3,573	—	—	—	3,573	—	3,573
Share-based compensation expense	—	267	—	—	267	—	267
At November 30, 2015	998,144	9,738	207,574	7,750	1,223,206	14,688	1,237,894
At August 31, 2014	967,330	8,385	313,361	3,767	1,292,843	17,283	1,310,126
Comprehensive income	—	—	51,906	882	52,788	1,276	54,064
Dividends declared	—	—	(23,464)	—	(23,464)	(4,134)	(27,598)
Issuance of shares under stock option plan	1,711	(292)	—	—	1,419	—	1,419
Issuance of shares under dividend reinvestment plan	5,485	—	—	—	5,485	—	5,485
Share-based compensation expense	—	529	—	—	529	—	529
At November 30, 2014	974,526	8,622	341,803	4,649	1,329,600	14,425	1,344,025

CORUS ENTERTAINMENT INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of Canadian dollars)	Three months ended November 30,	
	2015	2014
OPERATING ACTIVITIES		
Net income for the period	42,823	53,182
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	11,002	5,774
Amortization of program and film rights	54,263	54,337
Amortization of film investments	3,331	6,921
Deferred income taxes	1,938	2,847
Share-based compensation expense	267	529
Imputed interest on long-term liabilities	10,451	3,496
Venture fund distribution gain	(533)	—
Other	198	482
Net change in non-cash working capital balances related to operations	(29,825)	(26,449)
Payment of program and film rights	(45,129)	(50,417)
Net additions to film investments	(9,827)	(13,815)
Cash provided by operating activities	38,959	36,887
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,703)	(2,823)
Consideration for assets held for disposal	21,100	—
Business combination	(2,476)	—
Venture fund distribution	1,684	—
Net cash flows for intangibles, investments and other assets	(2,663)	(15,161)
Other	(2,328)	(511)
Cash provided by (used) in investing activities	12,614	(18,495)
FINANCING ACTIVITIES		
Increase (decrease) in bank loans	(19,999)	19,791
Issuance of shares under stock option plan	—	1,419
Dividends paid	(21,298)	(17,919)
Dividends paid to non-controlling interest	(4,149)	(4,134)
Other	(1,379)	(1,294)
Cash used in financing activities	(46,825)	(2,137)
Net change in cash and cash equivalents during the period	4,748	16,255
Cash and cash equivalents, beginning of the period	37,422	11,585
Cash and cash equivalents, end of the period	42,170	27,840

**CORUS ENTERTAINMENT INC.
BUSINESS SEGMENT INFORMATION**

(unaudited - in thousands of Canadian dollars)

Three months ended November 30, 2015

	Television	Radio	Corporate	Consolidated
Revenues	183,718	44,600	—	228,318
Direct cost of sales, general and administrative expenses	95,683	31,797	4,960	132,440
Segment profit (loss)⁽¹⁾	88,035	12,803	(4,960)	95,878
Depreciation and amortization				11,002
Interest expense				18,890
Business acquisition, integration and restructuring costs				2,361
Other expense, net				3,925
Income before income taxes				59,700

Three months ended November 30, 2014

	Television	Radio	Corporate	Consolidated
Revenues	181,490	45,621	—	227,111
Direct cost of sales, general and administrative expenses	97,711	32,801	3,323	133,835
Segment profit (loss)⁽¹⁾	83,779	12,820	(3,323)	93,276
Depreciation and amortization				5,774
Interest expense				12,681
Other expense, net				1,806
Income before income taxes				73,015

⁽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 2016 Report to Shareholders.

Revenues by type

	Three months ended November 30, 2015	November 30, 2014
Advertising	115,341	120,966
Subscriber fees	86,954	85,414
Merchandising, distribution and other	26,023	20,731
	228,318	227,111