

CANWEST GLOBAL COMMUNICATIONS CORP.
COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2001 AND 2000
(UNAUDITED)



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Compilation Report

**To the Directors of
CanWest Global Communications Corp.**

We have reviewed, as to compilation only, the accompanying combined balance sheet of CanWest Global Communications Corp. as at August 31, 2001 and the unaudited combined statements of earnings, retained earnings and cash flows for the year then ended which have been prepared for inclusion in the Company's annual report. In our opinion, this unaudited combined financial information has been properly compiled to give effect to the proportionate consolidation of the Company's investment in Network TEN Limited, and the assumptions described in note 1 thereto.

Readers are cautioned that this unaudited combined financial information has been prepared by management as supplementary information to, and not as replacement for, the audited consolidated financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants

CANWEST GLOBAL COMMUNICATIONS CORP.
COMBINED BALANCE SHEETS
AS AT AUGUST 31
(UNAUDITED)

	2001	2000
	\$000	\$000
ASSETS		
Current Assets		
Cash and short term investments	29,718	94,981
Accounts receivable	524,135	282,257
Income taxes recoverable	3,045	-
Inventory	30,817	-
Investment in film and television program rights	139,487	83,062
Future income taxes	33,243	20,433
Other	<u>21,378</u>	<u>6,285</u>
	781,823	487,018
Other investments	425,484	426,948
Investment in film and television program rights	355,994	251,114
Property and equipment	742,997	208,510
Other assets	133,203	106,673
Intangibles and goodwill	<u>4,161,087</u>	<u>1,602,083</u>
	<u><u>6,600,588</u></u>	<u><u>3,082,346</u></u>
LIABILITIES		
Current Liabilities		
Bank loans and advances	28,999	16,255
Accounts payable and accrued liabilities	505,439	279,045
Income taxes payable	-	66,181
Film and program accounts payable	45,084	34,109
Deferred revenue	75,970	41,022
Current portion of long term debt	<u>129,794</u>	-
	785,286	436,612
Long term debt	3,935,624	1,196,915
Film and program accounts payable	3,581	22,260
Other accrued liabilities	86,715	92,571
Future income taxes	449,341	452,139
Minority interests	<u>34,046</u>	<u>21,722</u>
	<u>5,294,593</u>	<u>2,222,219</u>
SHAREHOLDERS' EQUITY		
Capital stock	896,312	420,260
Contributed surplus	3,647	3,647
Retained earnings	475,053	523,948
Cumulative foreign currency translation adjustments	<u>(69,017)</u>	<u>(87,728)</u>
	<u>1,305,995</u>	<u>860,127</u>
	<u><u>6,600,588</u></u>	<u><u>3,082,346</u></u>

The notes constitute an integral part of the consolidated financial statements.

**CANWEST GLOBAL COMMUNICATIONS CORP.
 COMBINED STATEMENTS OF EARNINGS
 FOR THE YEARS ENDED AUGUST 31
 (UNAUDITED)**

	2001	2000
	\$000	\$000
Revenue	2,200,753	1,076,724
Operating expenses	<u>1,670,972</u>	<u>784,732</u>
Operating profit before undernoted	529,781	291,992
Corporate and development expenses	14,852	15,879
Non-recurring expenses	<u>4,754</u>	<u>12,566</u>
Operating profit before amortization	510,175	263,547
Amortization of intangibles and goodwill	96,370	30,847
Amortization of capital assets	65,477	20,566
Other amortization	<u>5,692</u>	<u>7,518</u>
	342,636	204,616
Financing expenses	(365,176)	(55,339)
Investment income and gains	43,825	101,213
Dividend income	<u>2,952</u>	<u>2,688</u>
	24,237	253,178
Provision for (recovery of) income taxes	<u>(44,239)</u>	<u>77,051</u>
Earnings before the following	68,476	176,127
Minority interests	(693)	2,174
Interest in earnings (loss) of equity accounted affiliates	(13,950)	637
Realized translation adjustments	<u>(7,200)</u>	<u>(1,300)</u>
Net earnings for the year	<u><u>46,633</u></u>	<u><u>177,638</u></u>
Earnings per share:		
Net earnings		
Basic	\$0.27	\$1.17
Fully diluted	\$0.27	\$1.16

The notes constitute an integral part of the consolidated financial statements.

**CANWEST GLOBAL COMMUNICATIONS CORP.
 COMBINED STATEMENTS OF RETAINED EARNINGS
 FOR THE YEARS ENDED AUGUST 31
 (UNAUDITED)**

	2001 \$000	2000 \$000
Retained earnings - beginning of year as previously reported	529,112	412,833
Adjustment for adoption of new income tax accounting pronouncement	<u>(5,164)</u>	<u>(20,122)</u>
Retained earnings – beginning of year, as restated	523,948	392,711
Net earnings for the year	46,633	177,638
Dividends		
-Cash	(49,003)	(44,933)
-Stock	(46,525)	-
Excess of redemption amount over stated amount of shares redeemed	<u>-</u>	<u>(1,468)</u>
Retained earnings - end of year	<u><u>475,053</u></u>	<u><u>523,948</u></u>

The notes constitute an integral part of the consolidated financial statements.

**CANWEST GLOBAL COMMUNICATIONS CORP.
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31
(UNAUDITED)**

	2001 \$000 (unaudited)	2000 \$000 (unaudited)
CASH GENERATED (UTILIZED) BY:		
OPERATING ACTIVITIES		
Net earnings for the year	46,633	177,638
Items not affecting cash		
Amortization	178,554	62,211
Paid in kind interest	75,947	-
Future income taxes	(86,167)	(27,684)
Interest in earnings of equity accounted		
Affiliates	13,950	(637)
Minority interests	693	(2,174)
Write-off of deferred financing fees	17,900	-
Write-down of program inventory	-	12,566
Net gain on sale/write down of investments	(44,116)	(101,787)
Realized translation adjustments	7,200	1,300
	<u>210,594</u>	<u>121,433</u>
Changes in non-cash operating accounts	<u>(106,008)</u>	<u>(3,877)</u>
	<u>104,586</u>	<u>117,556</u>
INVESTING ACTIVITIES		
Acquisitions	(2,096,977)	(627,500)
Other investments	-	(122,590)
Proceeds from sale of other investments	114,036	224,782
Proceeds from divestitures	32,454	-
Investment in film and programming rights	(109,808)	(102,613)
Purchase of broadcast facilities and licences	(1,733)	(6,389)
Purchase of property and equipment	(60,311)	(12,622)
	<u>(2,122,339)</u>	<u>(646,932)</u>
FINANCING ACTIVITIES		
Dividends paid	(49,003)	(44,933)
Issuance of long term debt	1,984,737	638,074
Issuance of share capital	4,012	2,709
Net change in bank loans and advances	12,744	(17,493)
	<u>1,952,490</u>	<u>578,357</u>
NET CHANGE IN CASH	<u>(65,263)</u>	<u>48,981</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>94,981</u>	<u>46,000</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>29,718</u></u>	<u><u>94,981</u></u>
Cash flow per share		
Basic	\$1.23	\$0.80
Fully diluted	\$1.22	\$0.79

The notes constitute an integral part of the consolidated financial statements.

**CANWEST GLOBAL COMMUNICATIONS CORP.
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2001 AND 2000
(UNAUDITED)**

1. Basis of Presentation

This combined financial information is presented for purposes of additional analysis of the consolidated financial statements of CanWest Global Communications Corp. rather than to present the financial position, results of operations and cash flows of the Company and is not intended to be a presentation in conformity with Canadian generally accepted accounting principles. The Company presents this combined financial information to provide a more complete portrayal of the scope of the company's operations. This combined financial information includes, on a proportionate consolidation basis, the financial condition, results of operations and cash flows of Network TEN, and includes the Company's pro rata share of each of the assets, liabilities, revenues, expenses and cash flows on a line-by-line basis. In the Company's consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles, the Company's investment in Network TEN is accounted for using the equity method and reported as a single line on the balance sheet and the company's pro rata share of the net earnings of Network TEN is included as a single line in the income statement. In addition, for the year ended August 31, 2000, this combined financial information includes the results of operations of the WIC regulated properties for the period from the acquisition of WIC (April 1, 2000) to the date of regulatory approval of the acquisition (July 6, 2000). In the Company's consolidated financial statements, these results were accounted for using the equity method and reported as a single line on the income statement. This combined financial information should be read in conjunction with the consolidated financial statement of the Company. Readers are cautioned that this combined financial information may not be appropriate for their purposes.

2. Segmented Information

The Company operates primarily within the publishing, broadcasting and entertainment industries in Canada, Australia, New Zealand and Ireland. Segmented information in Canadian dollars is as follows:

	Online and Publishing	Broadcasting				Entertainment		Combined \$000
	Canada \$000	Canada \$000	Australia \$000	New Zealand \$000	Ireland \$000	Canada \$000	Corporate \$000	
Revenue								
2001	919,923	701,027	255,978	115,300	31,056	177,469	-	2,200,753
2000	-	549,872	284,900	102,964	27,409	111,579	-	1,076,724
Operating Profit (Loss) Before Amortization								
2001	207,804	226,458	69,104	5,362	2,748	13,551	(14,852)	510,175
2000	-	183,486	101,922	(4,730)	(8,673)	7,420	(15,878)	263,547
Total Assets								
2001	3,261,423	1,820,356	420,895	274,779	21,950	518,168	283,017	6,600,588
2000	-	1,716,620	286,741	251,008	41,865	382,222	403,890	3,082,346