



**NOTES FOR REMARKS TO**

**The Annual Meeting of Shareholders  
CanWest Global Communications Corp.**

**BY**

**LEONARD ASPER**

**President & Chief Executive Officer**

**King Edward Hotel  
Toronto, January 10, 2008**

**(Check Against Delivery)**

Good afternoon ladies and gentlemen. My name is Leonard Asper, President and Chief Executive Officer of CanWest Global Communications Corp. I join our Chair, Derek Burney in welcoming all of you to this year's Annual Meeting of shareholders.

Earlier this morning, we released our results for the first quarter of fiscal 2008. On the backs of a very strong quarter for our publishing division and at Network Ten in Australia, we posted revenue of \$868 million, \$63 million ahead of the same period last year, or 8%. Consolidated operating expenses totaled \$646 million, \$49 million over the same period last year. This led to an operating profit of \$222 million, a 6% improvement from last year's \$209 million. However, it should be noted that restructuring costs totaling roughly \$11 million came through this quarter. Without those, operating profit would have been \$234 million, or 12% ahead of last year.

The details of our operating results for 2007, including the financial statements, and management's discussion and analysis, are contained in the Annual Report, which was sent in late November. So I refer you to that document for the comprehensive report on the year.

### **Alliance Atlantis Acquisition**

And what a year it has been. Exactly one year ago today we announced our acquisition of the broadcasting assets of Alliance Atlantis. And thankfully, today I can report to you that we have successfully navigated that acquisition through closing and through the rigours of the regulatory reviews with some final non-material conditions that will be satisfied imminently. As a result, we are now

moving to the next stage and beginning the work of integrating the Alliance Atlantis assets with our Canadian broadcasting assets.

Throughout this process, many employees gave up nights, weekends and family time to see this process through to closing. In particular I would like to thank Phyllis Yaffe, Michael McMillan, Jim McDonald, Kathy Dore, Charlotte Bell and their respective teams for the incredible work they have done over this past year. As well, I would like to thank those people at the Corporate office that, as usual, delivered a rock solid performance under strenuous circumstances. As a result of all this hard work, both businesses are strong and will be even stronger working together as a CanWest family.

### **2007 Results**

Turning to the results of the past year, I am pleased to report positive movement on several fronts through 2007. In Canadian broadcasting, one of the goals we set last year was to see a marked improvement in audience share. The metric that adds the most value is share of shows in the top ten. I am happy to report we delivered.

Last year it was fair to say that, while we competed, we were a clear second place in the race for shows in the top ten. Through the recently completed fall season, Global TV's primetime is not merely competitive again, but rather we are in first place in the most sought-after demographics.

Our domestic programming schedule also scored points this past fall. *Global National with Kevin Newman* continues to be the most watched national news program in the country. And I want to personally congratulate Kevin and his team, including Kenton Boston and Steve Wyatt on receiving the 2007 Gemini Award for Canada's best newscast, as well *Global Currents*, our flagship documentary program, which received the Gemini for the best documentary series.

Entertainment Tonight Canada also continues to be the most watched entertainment news magazine in the country.

Building on the phenomenal success of last year's *Deal or No Deal Canada*, this year's breakout hit, *Are you Smarter Than a Fifth Grader*, was the most watched Canadian program to date.

Beyond the program improvements, last year we also continued our multi-year crusade to change the regulatory environment. We made the case to the regulators for subscription fees for conventional stations, compensation for timeshifting, and loosened restrictions on the amount of advertising allowed on our airwaves. I am happy to report that thanks in part to the work of our regulatory team and others, subscription fees are now on the CRTC's agenda, and advertising limits have been changed - we applaud the CRTC for that decision, and for their willingness to undertake a broad and comprehensive review of the whole Canadian television system which will take place in April of this year.

On the publishing side, our team has continued to provide above average growth in a tough, competitive climate. The improved profitability last year and in the first quarter of this year was attributable to overall advertising growth and cost controls, as well as significant growth in our online properties, particularly in online classifieds, where our strategy of integrated vertical classifieds is paying off. Combined with our portal, Canada.com, local newspaper websites, websites like dose.ca and electronic publishing businesses like FP Infomart, dozens of growing tributaries are flowing into the Publishing “River”, adding to cash flow, margins and profits.

Overall the picture at publishing looks very promising, as we have turned a newspaper company into a publisher, distributor and aggregator of content. We continue to diversify our product offering with new products such as our own free commuter paper Rush Hour, and the unique online and print directory GOLOCAL where advertisers pay us based on the results we deliver. We are also now providing external pagination and page-ready services to about 150 newspaper clients, and growing, in the U.S..

One remarkable point worth making is that CanWest’s publishing group bucked the trend in North America by reporting an increase in print classified lineage and revenue for the first quarter.

This year we exited Canadian Press and launched CanWest News Service, headquartered in Ottawa. Not only do we now have 14 third party clients, and growing, who are pleased with our news offering, it has helped us find significant

efficiencies at our own metropolitan dailies while freeing up more resources for local news gathering across Canada and foreign bureaus.

Crossing the Pacific, 2007 also offered positive developments from our operations. We undertook an evaluation of our assets in the South Pacific and took a course of action which saw us exit one market and have the opportunity to streamline our corporate structure in the other. During the year we sold our 70% position in New Zealand, realizing a significant return of 15.4% per annum over the 16 year period of our investment there.

In Australia, fifteen years after entering the market we were finally able to convert our stake in Network TEN into a majority equity position. In August our conversion was complete and our \$45 million investment in 1992 is now a 56% equity stake in a company with our equity valued at approximately \$1.2 billion, after having received over \$1 billion in dividends.

The performance at Network TEN through 2007 has also been strong. 2007 marked the first year with revenues over A\$1 billion, and was a record year in terms of audience share. For the seventh straight year, TEN was number one among Australian viewers aged 16-39 and a close second overall among the 18-49 year old demographic. In addition, TEN was number one during daytime across all demos. This ratings performance has translated into financial performance.

The strength of TEN continues to be its disciplined approach to spending and its ability to develop and execute on a domestic programming strategy, combined

with long term programming contracts with CBS Paramount and Fox, plus key sports properties. As a result, the network is in excellent shape.

TEN is also leading the Australian industry by being the first to launch an over-the-air high definition channel nationally – TEN HD. Close to 50% of Australian homes are now able to receive over the air High Definition TV, and estimates are that there will be at least one HDTV in the vast majority of Australia's eight million homes in only five years.

TEN's digital strategy is well under way and producing positive cash flow, based on migration of its popular programming to the online and mobile platforms.

Eye Corp., the out of home advertising subsidiary of TEN, is poised for major revenue and profit growth after a year of significant expansion. Today, Eye Corp is a major out of home player in Australia, New Zealand, Singapore, Indonesia and the United Kingdom, in billboards, shopping malls, transit advertising, airport and campus signage and is now a major player in shopping malls across the United States. While this expansion took its toll on Eye's EBITDA contribution in 2007 I am confident with the investments made recently, we will start to see the results improve dramatically in 2008 and beyond.

In Turkey our first full year of operation of the four stations that we acquired met our growth expectations and we continue to believe that, with the world's 17<sup>th</sup> largest economy, Turkey remains a vast untapped market in a region representing tremendous opportunity for our company.

Staying abroad, our beachhead in the UK radio market continued to grow in 2007 with the addition of two stations, one in Bristol and the other in Aberdeen, Scotland. This coming July, an Original FM signal will also be included on a national digital offering, which will carry our signal to all corners of the UK.

How does this all tie together? Well first, let's take a step back and look at where we were last year.

On the screen is last year's revenue and EBITDA – what you see there is a diversified, international media company where nearly 40% of our EBITDA comes from overseas. What you don't see here of course is the many, many business units that contribute to each of these sections, such as \$70 million of online revenue in publishing.

Now, as you can see, with our acquisition of Alliance Atlantis, our pie not only grew, but also diversified even further. And, perhaps most importantly, this diversification has come through having more assets in the fastest growing segment of broadcasting – specialty TV, which, as of last year, would have represented 17% of EBITDA if Alliance Atlantis had been a part of the Canwest family.

And finally, you can see we now have a rounded out stable of channels, with a substantial number of offerings across genres.

For a few years now, we have been pursuing the same strategy, which is two-pronged: first, bear down, put our shoulders to the wheel, and improve our existing assets – plain and simply, run them better; and second, migrate the portfolio into higher growth media. The latter is made up of 5 thrusts:

- Exit conventional media where growth is either not possible or insufficient to have a significant impact on overall corporate growth. This resulted in the sales of New Zealand and Ireland;
- Invest in digital media. This includes organic investment related to our existing assets – examples are online classified sites, TV and newspaper websites, aggregators like Canada.com, electronic business information like FP Infomart; migration of content to online media and mobile devices but it also includes new digital media platforms;
- Expand Eye Corp., which is effectively a digital media display company, operating in one of the highest growth segments of the media business;
- Acquire specialty channels. This not only would significantly enhance the fortunes of Global and E!, but it also puts us into one of the higher growth sectors in media.; and,
- Invest in high growth markets – this is where Turkey fits in. We identified 8 high growth countries, of which Turkey was one, that should be considered for investment and while that part of the strategy has been on hold while we have pursued other priorities, we are now well acquainted with the region and ready to expand there when it suits us.

All of this to say, we are now in the enviable position of having our star performers in established media performing much better while also having strong investments in the high growth sectors - the internet, digital signage, specialty TV, and high growth economies.

## **Outlook**

Looking ahead, our priorities for 2008 are simple. We will be bearing down and focusing on our current business, particularly our Canadian operations. We need to ensure that the integration of Alliance Atlantis into CanWest goes as smoothly as possible.

That said, one area of obvious focus for 2008 is the online and mobile world, where we need to continue to invest and grow. We must aggressively seize the digital day, even more than we are doing. And with the Alliance Atlantis assets we are even better prepared to do that. If you like Home & Garden TV, Food Network and Slice, you're going to love them online and on your cell phone. We have had some areas of tremendous success, like our jobs site, working.com. The bad news is we are behind in some areas. The good news is I see us poised now to leap ahead significantly in this area and participate in this exploding sector of the media market.

I would also like to take a moment to comment on an area where Canwest continues to lead corporate Canada. And that is our commitment to our communities. In 2007, Canwest and Canwest people did what we always do, and that is to punch above our weight in terms of our contribution to community initiatives. Our CanWest Raise-A-Reader program grew tremendously, raising \$2.7 million for literacy programs and breaking through the \$10 million mark in just 5 short years. Our CanWest CanSpell program in three years has become a phenomenon among Canadian students, with more than 250,000 competing in 2008. And we continue to be a leading corporate citizen in terms of in-kind and

cash contributions to our core areas of giving which alongside literacy include the performing arts, media education and the United Way. Canwest's leadership in this area makes me proud to be part of and leading this great group of people.

All told, we delivered a strong 2007 and 2008 looks even more promising.

At this time I must thank Lloyd Barber, an esteemed Director, who is retiring. Lloyd has provided Canwest with years of loyal service, sage advice and great friendship. He will be missed.

I would also again like to thank our management and employees across the Company for their outstanding efforts over the past year in often very difficult circumstances.

Finally, I would like to take a moment and thank our Board of Directors, and especially Chair Derek Burney, for your diligence, patience and of course your considerable insight which was instrumental in the successful completion of the Alliance Atlantis acquisition as well as all the other activities around the Canwest world.

I would now like to introduce our Chairman, who will also make a few remarks.