



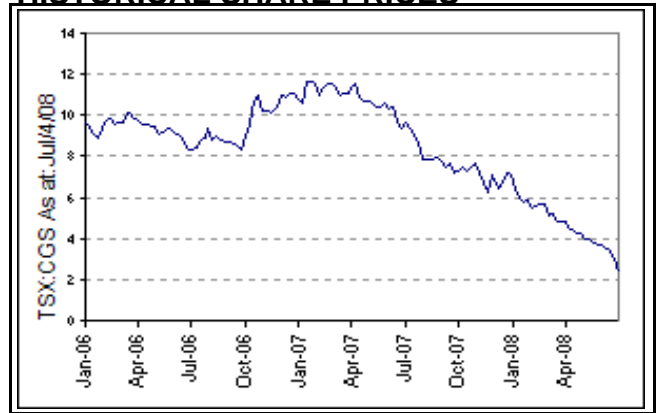
THE COMPANY

CanWest Global Communications is an international media corporation, founded by I.H. Asper over 25 years ago. CanWest's diverse holdings include Global Television, the well-known national broadcasting network and CH, a network located in Montreal, Hamilton and Victoria. International operations include television and radio assets in New Zealand, which were recently spun off as a publicly traded entity known as CanWest MediaWorks. In Australia, CanWest owns a large stake in Network TEN, a publicly traded and top-ranked national television network. CanWest is also Canada's largest newspaper publisher, producing the National Post, a handful of major metro dailies and several smaller daily, weekly and community newspapers.

FINANCIAL DATA

Table with 4 columns: Metric, 2005, 2006, 2007. Rows include Earnings per Share (\$), Price to Earnings (times), Dividend (\$), Dividend Yield (%), Net Asset Value (NAV) (\$), and Price to NAV.

HISTORICAL SHARE PRICES



WHY ABC FUNDS BOUGHT CANWEST

Our investment thesis is based on using a sum of the parts calculation to determine the Company's net asset value. CanWest's core operations, including Canadian television and newspaper publications are valued using a conservative cash flow multiple. We then value the publicly traded Network TEN and CanWest MediaWorks NZ at current market prices and exchange rates. The remaining small, miscellaneous businesses are valued at book value. Finally, we deduct CanWest's significant debt load to arrive at a net asset value. On a per share basis, we believe that CanWest's net asset value is in the \$17 to \$19 range. In fact, the value of Network TEN and CanWest MediaWorks alone is approximately \$14 per CanWest share. We were able to purchase our position in CanWest Global at a price that implied a negative value for the Company's Canadian media assets. Clearly, this was an opportunity that could not be missed.

With the shares trading well below net asset value, several catalysts materialized and triggered a rebound in the stock price. Investors finally began to notice the record results at Network TEN and the positive impact they had on CanWest's financial performance. CanWest refinanced \$940 million of senior secured credit facilities at lower interest rates, saving \$8 million in annual interest payments. The initial public offering of the New Zealand TV and radio operations was well received and the shares appreciated approximately 45% since August. The wholly owned Ulster Television subsidiary, an Irish television network, was sold for \$145 million. Finally, CanWest exchanged the onerous "PIK" (pay in kind) notes that yielded 12 1/8% with 8% senior subordinated notes at only a 1% premium. The theme is quite apparent: surface value in hidden assets, monetize non-core assets and reduce the debt load.

We believe that CanWest Global can maintain this positive momentum into 2005 for several reasons. Canadian television and newspaper publication results are expected to improve on a year over year basis. International assets are expected to continue to generate excellent results. The financial results will also benefit from a declining debt load and lower interest payments. Finally, the possibility of creating an income trust with CanWest's newspaper assets has been discussed in investment circles. This theoretically could add \$2 to \$3 per share of value. We look for the shares to move closer to our calculated net asset value over the course of the year for all of these reasons.

ABC Funds
January 14, 2005

UPDATES

We have always believed that CanWest Global traded at a significant discount to its net asset value. Our calculations were based on conservative cash flow multiples on the Company's core operations, the current market value of the publicly traded subsidiaries Network TEN and CanWest MediaWorks NZ and the book value of the remaining small, miscellaneous businesses. We then deducted CanWest's net debt to arrive at a net asset value around \$17 per share. Over the past few

## UPDATES (cont'd)

months, several catalysts materialized to drive the market price closer to the net asset value. Investors applauded record results from CanWest's international operations, debt refinancing at lower interest rates, asset sales and the exchange of the Company's PIK notes. Leonard Asper's strategy has been quite simple: surface value, monetize non-core assets and reduce the Company's debt load.

We now believe that perhaps the most anticipated strategic initiative is pending. Investors, both retail and institutional, and investment bankers have been fantasizing about the possibility of CanWest's newspaper assets being placed into a stand-alone income trust. On an April 7th conference call Leonard Asper said, "we think there is significant merit to doing some kind of an income trust with our assets" and "we will make decisions on this sooner rather than later". Subsequently, at a May 5th investor's meeting Leonard Asper suggested that a decision would be announced "within 30 to 60 days".

Management is currently dealing with three difficult but not insurmountable issues. They need consent from the high-yield debt holders, most likely in exchange for a fee. They must also resolve the cross currency interest rate swap liability related to US denominated debt. Finally, they must decide on the appropriate payout ratio that is sustainable yet provides some leeway to grow the business. Once these issues are settled, we believe that the income trust issue will proceed. Remember, although we are optimistic regarding the income trust, the announcement may only confirm the go-ahead rather than the definite timing due to current market conditions.

From a CanWest shareholder's perspective, value creation is two-fold. First, quality trustable assets, like CanWest's newspapers segment, could be offered to the public at yields in the 8% to 9% range, implying a higher cash flow multiple than we are using in our net asset value calculation. Therefore, the assets themselves are worth more when valued based on income potential rather than cash flow. Second, by shifting related debt into the newspaper trust and by using the proceeds of the issue to reduce debt at the parent level, CanWest becomes less leveraged. Therefore, the remaining assets should trade at a higher cash flow multiple because of lower financial risk. All in all, we believe that the income trust scenario might add \$2 to \$4 per share of value to CanWest.

ABC Funds  
May 13, 2005

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As was widely expected, CanWest Global finally created an income trust out of its newspaper and interactive media businesses excluding the National Post. Unfortunately, just a week later the Minister of Finance Ralph Goodale announced that he had requested that the Minister of National Revenue postpone providing advance tax rulings on flow-through entities such as income trusts. The fallout across the entire income trust sector was swift and ugly.

Although CanWest's income trust IPO was not affected by the Minister's announcement since they did not seek an advance tax ruling, they were forced to reduce the size of deal and improve the terms of the offering to get it done. At the end of the day, the Fund completed a \$550 million IPO of 55 million units yielding 9.25% with CanWest retaining approximately 74%. Proceeds from the issue along with \$850 million of debt at the income trust level were used to reduce leverage on CanWest's balance sheet.

We have always viewed CanWest as a sum of the parts story and we were puzzled to see the shares decline dramatically after the trust IPO. This transaction was accretive to CanWest's NAV since it was completed at 10.5x EBITDA, a couple multiple points higher than we had used in our financial model. Further, the debt reduction implied lower financial risk and greater flexibility for the Company. Aggressive traders and hedge funds have simply bailed from the stock due to the uncertainty regarding income trust regulations.

Crunching the numbers after the selloff, we believe that CanWest now trades at or slightly below the value of its publicly traded assets Network TEN, CanWest Mediaworks New Zealand and CanWest Mediaworks Income Fund. The rest of the Company, including the core Canadian television assets and the National Post, can now be purchased for free. Traditionally, this has been an excellent entry point for value investors.

ABC Funds  
November 18, 2005

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Shares of CanWest Global have had a rough ride over the past year; however we are not about to throw in the towel on our investment. To put it mildly, the Company's third quarter results demonstrated the challenges the operations have been facing all year. Disappointing ratings and the ensuing tough ad markets have taken their toll. Earnings before interest, taxes, depreciation and amortization (EBITDA) were down across all segments and corporate costs were higher. But we believe that these results represent the trough for what is undoubtedly a cyclical business. Eventually, program spending will lead to

## UPDATES (cont'd)

positive ratings momentum and the ad dollars will follow.

So what positives can we point to in the meantime? On May 19th, CanWest announced the sale of TV3 Ireland for \$198 million. This price was well above an EBITDA based valuation that we used in our model for CanWest. The implication is that buyers are looking through trough EBITDA levels and valuing media assets at more normalized levels. Further, the sale proceeds will be used to reduce debt, which improves CanWest's financial flexibility and should alleviate concerns regarding the rising debt to EBITDA ratio.

Perhaps the recent difficulties will lead to even greater changes down the road. Possible changes to Australian media ownership regulations would improve the public market valuation of CanWest's stake in Network TEN. Currently, we believe that the asset is worth \$1.5 billion CDN but a takeover premium could boost this significantly. The Asper family may not seem to be a seller of such a major asset or even the entire Company but stranger things have happened. With the passing of CHUM's founder Allan Waters, the heirs of the Company made the decision to sell the TV and radio broadcaster. Bell Globemedia made a friendly bid worth \$1.7 billion and offered a premium of over 50% to the Class B shareholders. Who knows if CanWest's controlling family would ever make such a dramatic decision? Only time will tell.

ABC Funds

July 21, 2006

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Leading up to October, shares of CanWest Global languished for almost a full twelve months. Investors, and the Company, were sideswiped by the Minister of Finance and his threat to postpone advance tax rulings on income trusts just one week after CGS announced the creation of CanWest Mediaworks Income Fund. Although the income trust spinoff was completed successfully, frustrated investors focused on disappointing results from Global Television and unloaded stock.

However, our thesis that CanWest trades at a significant discount to its sum of the parts was validated recently. On October 12, the Australian Senate approved changes to relax foreign and cross-ownership restrictions on media assets. Although the changes will not be enacted until 2007, shares of Network TEN rocketed from AUD\$2.70 on September 1 to a 52-week high of AUD\$3.57. Remember that CanWest owns 56.4% of Network TEN, which is worth approximately \$1.5 billion at current levels.

On October 12, CanWest disclosed that it had retained Citigroup to "explore opportunities in the South Pacific after Australia loosened media ownership laws".

We expect that management will look to create value by monetizing some of its media holdings. Despite appreciating over 25% on the back of this news, we continue to believe that CanWest Global trades below its net asset value. Patient, long-time investors should be cheered by these developments.

ABC Funds

October 27, 2006

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On December 7, CanWest Global and Ten Network Holdings Limited provided greater clarity regarding opportunities stemming from a change in Australian media ownership regulations. In a joint press release, the companies announced an agreement to work together when evaluating various options or transactions. CanWest also agreed that in the event of a divestiture of Network Ten, any acquirer would be obligated on "fundamentally equivalent terms to acquire all of Ten Holdings' and Ten Group's issued shares". We believe this signals that the entire business, not just the control block, would be up for sale and that minority shareholders would receive equitable treatment. From a CanWest shareholder's perspective, this transparency bodes well for the successful monetization of the asset.

With all of the excitement surrounding the Australian assets, it seems that investors looked through CanWest's fiscal 2006 results, ended August 31, 2006. The financial results generally met expectations, with the weakness in Canadian television well telegraphed over the course of the year. Consolidated revenues totaled \$2,879 million for the year, down 5% from the \$3,032 million in fiscal 2005. Net earnings of \$179 million or \$1.01 per share included a \$164 million gain on the sale of TV3 Ireland in the fourth quarter. Consolidated EBITDA for fiscal 2006 was \$509 million, a disappointing 28% decline from last year. Canadian television EBITDA declined a dramatic 75% year over year but we believe that we have seen the worst for this division. An extremely low base implies easy quarterly comparisons in fiscal 2007 and advertising revenues are expected to recover on the back of better ratings.

## UPDATES (cont'd)

Although we follow the Company's financial results closely, we still believe that our sum of the parts analysis is the most appropriate method to value the stock. We look for corporate news, such as the monetization of the South Pacific assets, to drive the CanWest story in 2007.

ABC Funds  
December 15, 2006

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Since early April, shares of CanWest Global have weakened, falling from almost \$11.75 to just above \$10.00 before stabilizing. We believe that, in addition to the Company's seasonally soft second quarter results, several corporate developments have muddied the story in the near term.

CanWest, along with Goldman Sachs Capital Partners, has bid for Alliance Atlantis Communications Incorporated. Once the plan of arrangement is completed, CanWest will hold an economic interest of approximately 29% in exchange for a \$200 million equity stake in the specialty television broadcaster. The details of the transaction are complicated; however the final price tag will be determined by the relative EBITDA contribution of CanWest's current television assets and the new specialty channels at December 31, 2010. This structure creates incentive to improve CanWest's existing television EBITDA while protecting the balance sheet by not requiring a large initial cash outlay. Unfortunately, the market always hates uncertainty, especially when the ultimate cost of an acquisition cannot be determined for almost four years. From a longer-term perspective we like the deal because of the potential for programming cost savings and revenue growth through cross promotion.

In the most recently announced transaction, CanWest privatized CanWest MediaWorks Income Fund at \$9.00 per unit after months of speculation. The income trust was spun out at \$10.00 per unit and was hit hard by the October 31 income trust ruling from the Federal government. CanWest took advantage of the depressed share price to repurchase the 26% interest in the trust that it did not already own. Buying the units and refinancing the trust's existing credit facility will be funded with a \$1.3 billion short-term debt facility. Once the deal closes on or about July 10 and the short-term debt is restructured, we think the transaction will be accretive to CanWest's net asset value.

Now that we have discussed two significant purchases, we want to alleviate any concerns regarding the Company's debt levels. On May 7, CanWest announced the sale of its stake in CanWest MediaWorks New Zealand Limited to HT Media Limited for C\$314 million. On per share basis, the transaction was done at NZ\$2.43 per share, which is roughly where we carried the asset in our model. However, the shares have increased 49% from the closing price of NZ\$1.63 on October 20, 2007, the day when CanWest first announced that they had retained Citigroup to "explore opportunities". We think management freed up some cash and created some decent value for shareholders with this relatively small disposition.

The next piece of the puzzle, and most significant for the health of the balance sheet, will be the sale of CanWest's stake in Network TEN. Rumours regarding the potential bidders and the price range have even been reported in the Australian media. It was estimated that the final price tag could be approximately AU\$2.7 billion, implying CanWest's 56.4% stake could be worth AU\$1.5 billion or C\$1.3 billion. In the absence of official news, shares of Network TEN have declined from a high of AU\$3.65 to the current price of AU\$3.09 as the process drags on. At the end of the day, the most likely scenario entails a bid at a small premium to the current trading price, but hopefully close to the AU\$3.50 price level. We believe that an agreement is close to being reached and just depends on negotiating the final price.

Finally, it has been reported in the Canadian media that CanWest could partner with Cerberus to bid for BCE. In our opinion, we believe that this is an extremely low probability event. As some commentators have noted, this is either total speculation or at best an excuse for CanWest to get an inside look at BCE's books. With so many transactions just completed or about to be completed and with a debt reduction agenda, we question whether CanWest's management would pursue another blockbuster deal at this time.

Examining all these transactions, some of which have yet to close, we can see how the story is coming together. CanWest is looking to retrench back to Canada and focus on its Canadian television and newspaper divisions while at the same time deleveraging its balance sheet. Although the shares have recently weakened, the Company's net asset value has not been eroded and most likely has grown on a per share basis. The trading discount to net asset value has simply expanded as investors have become confused and overwhelmed with all of the moving pieces. Once all of the transactions close and CanWest's structure becomes cleaner, we expect that the shares will approach net asset value.

ABC Funds  
May 25, 2007

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## UPDATES (cont'd)

CanWest's shares have returned to the lows reached in October 2002, the height of the previous recession. However, stress testing our net asset value model yields some interesting and comforting results. It is important to note that in our analysis we have included the current share price of TEN Network Holdings. The shares of TEN have been depressed since mid-June when management lowered 2008 EBITDA guidance based on a "further deterioration in external economic conditions". We have avoided using a forward target or even an estimated takeout value for TEN in our CanWest model in order to be conservative. Based on CanWest's fiscal 2007 financial statements and the current share price of TEN, we believe that investors are getting all of CanWest's television assets for free. In other words, if we assume CanWest's television assets earn absolutely \$0, the Company's net asset value is \$3.44. We believe that the shares should trade at a 20% discount to the NAV, which gets us to the current share price of approximately \$2.75.

Thankfully, we believe that CanWest's balance sheet, although leveraged, should be able to withstand the current economic downturn. Two important sources of liquidity exist. First, CanWest could monetize its stake in TEN by selling its 523 million shares, either in the open market, through a non-treasury offering or directly to a strategic or financial buyer. Second, CanWest could have TEN pay a special dividend using its underleveraged balance sheet. Based on TEN's average net debt forecast for 2008 of AU\$585 million, existing debt facilities of AU\$1.06 billion and EBITDA projections of approximately AU\$225 million, this option is quite feasible. For each additional multiple point of debt to EBITDA added to TEN's balance sheet, CanWest could theoretically receive an AU\$100 to AU\$125 million cash dividend.

Finally, we believe that CanWest's television assets are deeply and unfairly undervalued by the market. Although EBITDA from the television segment declined to \$61 million in fiscal 2007 from a high of \$216 million in 2003, we expect to see the results stabilize in late 2008 or early 2009. Looking at the ratings, CanWest had only two of the top ten shows in each of the key Toronto, Vancouver and Calgary markets last season. This year, CanWest has six of the top ten shows in Toronto, six of the top ten shows in Vancouver and five of the top ten shows in Calgary. Ratings growth always translates into profit growth with a lag, so we are optimistic that the financial results bottomed in the first half of 2008. From a trading perspective, we definitely believe that the shares have been oversold by panicked investors. We could see a bounce in the shares at any time, triggered by any little hint that the financial results have stabilized or even improved.

ABC Funds  
July 4, 2008