

**CANWEST GLOBAL
COMMUNICATIONS CORP.
AND THE OTHER APPLICANTS
LISTED ON SCHEDULE "A"**

**THIRD REPORT OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR
October 23, 2009**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF CANWEST GLOBAL
COMMUNICATIONS CORP. AND THE OTHER
APPLICANTS LISTED ON SCHEDULE "A"**

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INTRODUCTION

1. By Order of this Court dated October 6, 2009 (the "**Initial Order**"), Canwest Global Communications Corp. ("**Canwest Global**") and certain of its subsidiaries listed in **Schedule "A"** hereto (collectively the "**Applicants**") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"). The Initial Order also granted relief in respect of certain affiliated partnerships of the Applicants listed in **Schedule "B"** hereto (collectively, the "**Partnerships**", and together with the Applicants, the "**CMI Entities**") and appointed FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of the CMI Entities. The proceedings commenced by the CMI Entities under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. Following the granting of the Initial Order, on October 6, 2009 and October 15, 2009, the Monitor obtained Orders under Chapter 15 of the *U.S. Bankruptcy Code* from the United States Bankruptcy Court (Southern District of New York) temporarily enjoining certain suppliers, including television production studios, distributors and other key suppliers, from taking certain actions against the CMI Entities, including disrupting the delivery of broadcast signals as a result of the commencement of the CCAA Proceedings.
3. On October 14, 2009, the CMI Entities obtained an Order (the “**Claims Procedure Order**”) establishing a claims procedure for the identification and quantification of certain claims against the CMI Entities and the directors and officers of the Applicants (the “**Claims Procedure**”).
4. The basis of a plan of arrangement for the CMI Entities under the CCAA is a going concern recapitalization transaction, the terms and conditions of which were agreed upon following intensive and extended negotiations between the CMI Entities and the ad hoc committee (the “**Ad Hoc Committee**”) of the CMI Senior Subordinated Noteholders¹.
5. Further background information regarding the CMI Entities and the CCAA Proceedings is provided in, *inter alia*, the Pre-filing Report and in the affidavit of John E. Maguire sworn October 5, 2009, copies of which, together with other materials filed in the CCAA Proceedings, have been posted on the Monitor’s website

¹ Capitalized terms used but not defined herein have the meanings ascribed to them in FTI’s pre-filing report dated October 5, 2009 (the “**Pre-filing Report**”).

for the CCAA Proceeding at <http://cfcanada.fticonsulting.com/cmi>.

PURPOSE OF THIS REPORT

6. This Third Report is provided in connection with the CMI Entities' motion for the Representation Order (as defined in the affidavit of John E. Maguire sworn October 22, 2009 in support of the CMI Entities' motion (the "**Maguire Affidavit**")) appointing:
 - (a) representatives of certain former employees of the CMI Entities (and related parties) with potential claims in respect of various pension and non-pension benefits (as more particularly described in the Maguire Affidavit) (collectively, the "**Retirees**"); and
 - (b) counsel to represent all Retirees in the CCAA Proceedings for any issues affecting the Retirees (the "**Representative Counsel**").

EMPLOYEE RELATED CLAIMS

7. Pursuant to the Initial Order the CMI Entities are permitted to pay the following wages and benefits incurred before and after the date of the Initial Order, and since the date of the Initial Order the CMI Entities have paid and intend to continue to pay:
 - (a) salaries, commissions, bonuses and outstanding employee expenses;
 - (b) current service and special payments with respect to the active DB Pension Plans; and
 - (c) post-employment and post-retirement benefit payments to former employees

who were represented by a union when they were employed by the CMI Entities.

8. The CMI Entities, however, have discontinued, intend to discontinue making or are currently not funded to make payments in connection with the following employee-related obligations following the commencement of the CCAA Proceedings:
 - (a) post-employment and post-retirement benefits, most notably health, dental and term life insurance benefits payable to approximately 81 former non-unionized employees;
 - (b) top-up pension obligations to approximately 2 former employees pursuant to the Canwest Global Communications Corp. and Related Companies Retirement Compensation Arrangement Plan; and
 - (c) fund the shortfall or any other related claims arising from the termination of the Global Communications Limited Retirement Plan for CH Employees (the “**CH Employees Plan**”) effective August 31, 2009 which as at the date of termination had approximately 120 members.

9. All of the CMI Entities’ former employees affected by the CMI Entities’ discontinuation of the payments referenced above are dealt with by the terms of the Representation Order.

REPRESENTATION ORDER

10. As detailed in the Maguire Affidavit, the appointment of a single counsel to represent the interests of all Retirees, including the CH Retirees, should result in increased efficiencies in the CCAA Proceedings. For those reasons, and the reasons set out in paragraphs 17 to 23 and 27 of the Maguire Affidavit, the Monitor supports the appointment of Cavalluzzo Hayes Shilton McIntyre & Cornish LLP (“**Cavalluzzo LLP**”) as Representative Counsel and the payment of their reasonable legal, actuarial, expert, advisory and other incidental fees and disbursements incurred on a monthly basis by the CMI Entities. The Monitor also agrees with the proposed term of the Representation Order setting out the Representative Counsel’s obligations to seek instructions from the Retirees.
11. Similarly, for the reasons set out in paragraph 24 of the Maguire Affidavit, the Monitor supports the appointment of David Cremasco, Rose Stricker and Lawrence Schnurr (the “**Representatives**”) as representatives of the Retirees in the CCAA Proceedings.
12. The proposed exception of former members of the Communications, Energy and Paper-workers Union of Canada who were employed by the CMI Entities, other than former employees who were participants of the CH Employees Plan, from the application of the proposed Representation Order appears reasonable for the reasons set out in paragraphs 25 and 26 of the Maguire Affidavit.

13. The Monitor has reviewed the notice provisions proposed by the CMI Entities to notify the Retirees of the Representation Order and the proposed procedures for the Retirees to opt-out of the representation by the Representatives and/or the Representative Counsel and believes they are reasonable.
14. The Monitor is advised that the Ad Hoc Committee and the DIP Lender have agreed to the proposed terms of the Representation Order.

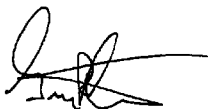
RECOMMENDATION AND CONCLUSION

15. Accordingly, the Monitor respectfully recommends that this Honourable Court grant the Representation Order substantially in the form attached to the CMI Entities' motion record.

All of which is respectfully submitted this 23rd of October, 2009.

FTI Consulting Canada Inc.,
in its capacity as the proposed Monitor of Canwest Global Communications Corp. and the other Applicants listed in Schedule "A" and Partnerships listed in Schedule "B"

Per



Greg Watson
Senior Managing Director

Schedule "A"

The Applicants

1. Canwest Global Communications Corp.
2. Canwest Media Inc.
3. 30109, LLC
4. 4501063 Canada Inc.
5. 4501071 Canada Inc.
6. Canwest Finance Inc./Financiere Canwest Inc.
7. Canwest Global Broadcasting Inc./Radiodiffusion Canwest Global Inc.
8. Canwest International Communications Inc.
9. Canwest International Distribution Limited
10. Canwest International Management Inc.
11. Canwest Irish Holdings (Barbados) Inc.
12. Canwest MediaWorks Turkish Holdings (Netherlands) B.V.
13. Canwest MediaWorks (US) Holdings Corp.
14. Canwest Television GP Inc.
15. CGS Debenture Holding (Netherlands) B.V.
16. CGS International Holdings (Netherlands) B.V.
17. CGS NZ Radio Shareholding (Netherlands) B.V.
18. CGS Shareholding (Netherlands) B.V.
19. Fox Sports World Canada Holdco Inc.
20. Global Centre Inc.
21. MBS Productions Inc.
22. Multisound Publishers Ltd.
23. National Post Holdings Ltd.
24. Western Communications Inc.
25. Yellow Card Productions Inc.

Schedule "B"

Partnerships

1. Canwest Television Limited Partnership
2. Fox Sports World Canada Partnership
3. The National Post Company/La Publication National Post