

Court File No.

**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"

APPLICANTS

APPLICATION RECORD

October 6, 2009

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TAB 1

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APPLICANTS

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING has been commenced by the Applicants. The claim made by the Applicants appears on the following pages.

THIS APPLICATION will come on for a hearing before a Judge on October 6, 2009, or as soon after that time as the application can be heard at the Court House, 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the rules of court, serve it on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

If you wish to oppose this application but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid office.

Date: October 6, 2009

Issued by: _____

Local registrar

Address of court office:
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Toronto, ON M5G 1E6

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Lawyers for CIT Business Credit Canada Inc.

APPLICATION

1. The Applicant, Canwest Global Communications Corp. (“Canwest Global”), and the Applicants listed on Schedule “A” hereto (together with Canwest Global, the “Applicants”), make application for an Initial Order substantially in the form attached as Schedule “C” hereto, *inter alia*:

- (a) abridging the time for service of this Notice of Application and dispensing with service on any person other than those served;
- (b) declaring that the Applicants are parties to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) applies;
- (c) declaring that the Partnerships listed on Schedule “B” hereto shall enjoy the benefits of the protections provided to the Applicants under the Initial Order;
- (d) appointing FTI Consulting Canada Inc. (“FTI Consulting” or the “Monitor”) as officer of this Honourable Court to monitor the assets, businesses and affairs of the Applicants and the Partnerships (collectively, the “CMI Entities”);
- (e) staying all proceedings taken or that might be taken in respect of the CMI Entities, their directors and officers and FTI Consulting;
- (f) sealing the Confidential Supplement (as defined below) pending further Order of the Court;
- (g) relieving Canwest Global of any obligation to call and hold an annual meeting of shareholders pending further Order of the Court; and
- (h) such further and other relief as this Honourable Court may deem just.

2. The grounds for the application are:

- (a) the CMI Entities are insolvent;
- (b) the Applicants are companies to which the CCAA applies;
- (c) the Partnerships carry on operations integral and closely related to the business of the Applicants;
- (d) the claims against the Applicants exceed \$5,000,000;
- (e) Canwest Global is a leading Canadian media company with interests in (i) free-to-air television stations and subscription-based specialty television channels and (ii) newspaper publishing and digital media operations, including the *National Post*;
- (f) the businesses operated by the CMI Entities include (i) Canwest Global's free-to-air television broadcast business (*i.e.*, the *Global Television Network*); (ii) certain subscription-based specialty television channels; and (iii) the *National Post*;
- (g) the CMI Entities employ approximately 1,700 employees, the vast majority of whom work in Canada, with approximately 850 employees working in Ontario;
- (h) in recent months, the CMI Entities have experienced significant and sudden declines in their advertising revenues reflecting the weak economic environment in Canada and the other countries in which Canwest operates;
- (i) the CMI Entities are currently indebted in respect of 8% senior subordinated notes (the "8% Senior Subordinated Notes") in the amount of approximately US\$393.2 million;
- (j) CMI relies on a credit facility (the "CIT Facility") with CIT Business Credit Canada ("CIT") that provides CMI with a revolving \$75 million facility;

- (k) recently, with the consent of CIT and an *ad hoc* committee (the “Ad Hoc Committee”) representing approximately 72% of the holders of the 8% Senior Subordinated Notes, the CMI Entities sold their ownership interest in Ten Network Holdings Limited (the “Ten Shares”). The sale of the Ten Shares was pursued in order to enhance the ability of the CMI Entities to enter into a consensual recapitalization transaction;
- (l) concurrently with the sale of the Ten Shares, the members of the Ad Hoc Committee delivered an offer with respect to a recapitalization transaction (the “Recapitalization Transaction”) to the CMI Entities in the form of a Support Agreement executed by approximately 70% of the 8% Senior Subordinated Noteholders (the “Support Agreement”). The Support Agreement provides that each 8% Unsecured Noteholder that is a signatory thereto (collectively, the “Consenting Noteholders”) will, subject to the satisfaction of certain conditions, vote their 8% Senior Subordinated Notes in favour of a plan of arrangement to be based on the Restructuring Term Sheet attached to the Support Agreement (the, “Plan”) at any meeting of creditors;
- (m) pursuant to a Use of Cash Collateral and Consent Agreement, the Consenting Noteholders also consented to the distribution of the proceeds from the sale of the Ten Shares by Canwest MediaWorks Ireland Holdings, which owned the Ten Shares and which is a guarantor of the 8% Senior Subordinated Notes, as follows: (i) to repay in full all amounts outstanding under the 12% senior secured notes issued by CMI and Canwest Television Limited Partnership, (ii) to provide additional liquidity to CMI pending completion of the Recapitalization Transaction, including repaying all outstanding amounts owing under the CIT Facility, excluding outstanding letters of credit in the amount of approximately \$10.7 million, and (iii) to reduce the aggregate principal amount owing under the 8% Senior Subordinated Notes;

- (n) the Support Agreement provides that the CMI Entities will make the within application under the CCAA in order to implement the Recapitalization Transaction. The Consenting Noteholders executed the Use of Cash Collateral and Consent Agreement and subsequently the Support Agreement on the basis that a restructuring would be undertaken pursuant to the CCAA;
- (o) without the liquidity provided by the Consenting Noteholders as a result of the Use of Cash Collateral and Consent Agreement, which is intended to allow the CMI Entities to continue to operate and which is only available within a CCAA proceeding, the CMI Entities would be unable to continue as going concerns and are thus insolvent. In addition, the Applicant Canwest Media Inc. ("CMI") did not make and does not have the necessary liquidity to make an interest payment in the amount of US\$30.4 million that was due and payable on September 15, 2009 under the 8% Senior Subordinated Notes. None of the other CMI Entities, who are all guarantors of the 8% Senior Subordinated Notes, can make such payment;
- (p) the CIT Facility converts into a debtor-in-possession financing arrangement for CMI upon a CCAA filing (the "DIP Facility"). The CIT Facility increases from \$75 million to \$100 million upon such conversion;
- (q) the DIP Facility, in conjunction with the liquidity provided pursuant to the Use of Cash Collateral and Consent Agreement executed by the Consenting Noteholders, will provide sufficient additional liquidity, if necessary, to allow the CMI Entities to proceed to develop and implement the Plan;
- (r) Canwest Global is required pursuant to section 133(1)(b) of the *Canada Business Corporations Act* ("CBCA") to call an annual meeting of its shareholders by no later than February 28, 2010, being six months after the end of its preceding financial year which ended on August 31, 2009. Canwest Global generally strives to hold its annual meetings in January. Its last annual meeting was held on January 14, 2009;

- (s) Canwest Global and the other CMI Entities are presently devoting their efforts to stabilizing the business of the CMI Entities with a view to implementing the Plan in accordance with the terms of the Term Sheet and Support Agreement;
- (t) preparing for and holding an annual meeting of shareholders would divert the attention of senior management away from such tasks, would require significant resources and could impede the CMI Entities' ability to achieve their restructuring under the CCAA;
- (u) financial and other information is and will continue to be available to the public through the CMI Entities' court filings which will be easily accessible on the proposed Monitor's website and through other public records. For example, it is anticipated that Canwest Global will continue to issue and file with the securities regulatory authorities annual and quarterly financial statements, in accordance with past practice;
- (v) under the circumstances, it is impractical for Canwest Global to call and hold an annual meeting of shareholders during the CCAA proceeding;
- (w) in order to facilitate and encourage the continued participation of certain of the CMI Entities' senior executives and other key employees who are required to guide the CMI Entities through a successful restructuring and preserve enterprise value, the CMI Entities have developed a "Key Employee Retention Plan" ("CMI Master KERP"). The CMI Master KERP will provide the participants thereunder with payments as an incentive to continue their employment through the full term of the CCAA proceedings;
- (x) full unredacted copies of the CMI Master KERP and related documents will be attached to the Confidential Supplement to the Proposed Monitor's pre-filing report (the "Confidential Supplement");
- (y) the Confidential Supplement contains sensitive financial and personal information relating to certain of the CMI Entities' employees, which is

inappropriate for disclosure and sealing the Confidential Supplement pending further Order of this Court is appropriate in the circumstances;

- (z) the CMI Entities require a stay of proceedings and the other relief sought to allow them to proceed to develop the Plan in accordance with the Recapitalization Transaction which, if approved by its creditors and the court, would allow for a going concern emergence for a substantial number of the businesses operated by the CMI Entities and maintain employment for as many as possible of their approximately 1,700 employees in Canada;
- (aa) the provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court;
- (bb) sections 106 and 133(3) of the CBCA;
- (cc) Rules 2.03, 3.02, 14.05(2) and 16 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended and section 106 of the Ontario *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and
- (dd) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

- (a) the Affidavit of John E. Maguire, sworn October 5, 2009, and the exhibits attached thereto;
- (b) the Pre-Filing Report of FTI Consulting dated October 5, 2009 and the appendices attached thereto; and
- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

October 6, 2009

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Lawyers for CIT Business Credit Canada Inc.

TAB A

Schedule "A"
Applicants

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

TAB B

Schedule "B"

Partnerships

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

TAB C

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
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IN THE MATTER OF THE COMPANIES' CREDITORS
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COMMUNICATIONS CORP. AND THE OTHER APPLICANTS
LISTED ON SCHEDULE "A"

Applicants

INITIAL ORDER

THIS APPLICATION, made by Canwest Global Communications Corp. ("Canwest Global") and the other applicants listed on Schedule "A" hereto (collectively, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Maguire sworn October 5, 2009 and the Exhibits thereto (the "Maguire Affidavit") and the Report of the Proposed Monitor, FTI Consulting Canada Inc. ("FTI Consulting") (the "Monitor's Pre-Filing Report"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the partnerships listed on Schedule "B" hereto (the "Partnerships" and collectively with the Applicants, the "CMI Entities"), the Special Committee of the Board of Directors of Canwest Global (the "Special Committee"), FTI Consulting, the *ad hoc* committee (the "Ad Hoc Committee") of holders of 8% senior subordinated notes issued by Canwest Media Inc. ("CMI"), CIT Business Credit Canada Inc. ("CIT") and the management directors of the

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