



**CANWEST PUBLISHING INC. / PUBLICATIONS CANWEST  
INC., CANWEST BOOKS INC. AND CANWEST (CANADA) INC.**

**FOURTEENTH REPORT OF  
FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR OF THE APPLICANTS**

**November 29, 2010**

**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 PUBLISHING INC./  
PUBLICATIONS CANWEST INC., CANWEST BOOKS  
INC., AND CANWEST (CANADA) INC.**

**FOURTEENTH REPORT OF FTI CONSULTING CANADA INC.,  
in its capacity as Monitor of the Applicants**

**November 29, 2010**

**INTRODUCTION**

1. By Order of this Court dated January 8, 2010 (the “**Initial Order**”), Canwest Publishing Inc. / Publications Canwest Inc. (“**CPI**”), Canwest Books Inc. (“**CBI**”), and Canwest (Canada) Inc. (“**CCI**”, and together with CPI and CBI, 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 Canwest Limited Partnership / Canwest Societe en Commandite (the “**Limited Partnership**”, and together with the Applicants, the “**LP Entities**”) and appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor (the “**Monitor**”) of the LP Entities. The proceedings commenced by the LP Entities under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

## TERMS OF REFERENCE

2. In preparing this report, FTI has relied upon unaudited financial information of the LP Entities, the LP Entities' books and records, certain financial information prepared by, and discussions with, the LP Entities' management. FTI has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information and accordingly expresses no opinion or other form of assurance on the information contained in this report.
3. Capitalised terms not defined in this report shall have the meanings assigned to them in the Pre-filing Report of the Proposed Monitor dated January 7, 2010 (the "**Pre-filing Report**"). Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.

## BACKGROUND

4. Canwest Global Communications Corp. ("**Canwest**") carried on business through a number of subsidiaries. Through its ownership of the LP Entities, Canwest was Canada's largest publisher of English-language paid daily and non-daily newspapers and owned and operated substantial digital media and online businesses. Canwest also directly or indirectly owned, operated and/or held substantial interests in free-to-air television stations, subscription-based specialty television channels, and websites in Canada.
5. Relief in the CCAA Proceedings was obtained on January 8, 2010 by the Canwest entities which carried on, *inter alia*, newspaper and online publishing and digital media businesses. Not included in the CCAA Proceedings is National Post Inc., a wholly-

owned subsidiary of the LP Entities which acquired the business and certain assets that comprised the *National Post* newspaper from The National Post Company / La Publication National Post in October 2009.

6. The Canwest entities that owned and operated Canwest's free-to-air television broadcast business and certain subscription-based specialty television channels in Canada, including Canwest Media Inc. (collectively, the "**CMI Entities**"), applied for and obtained protection under the CCAA in a separate proceeding on October 6, 2009.
7. As described in greater detail in the Seventh Report, following review of the bids received during a sale and investor solicitation process, the bid (the "**AHC APA**") submitted by the *ad hoc* committee of holders of 9.25% senior subordinated notes issued by the Limited Partnership was selected and obtained Court approval on May 17, 2010.
8. As reported in the Tenth Report of the Monitor, on June 14, 2010, affected creditors of the LP Entities voted overwhelmingly in support of the LP Entities' plan of compromise or arrangement, as amended (the "**AHC Plan**") and a majority in number and greater than two-thirds in value of the affected creditors present and voting at the creditors' meeting voted in favour of the AHC Plan.
9. By Order dated June 18, 2010 (the "**AHC Plan Sanction Order**") this Court sanctioned the AHC Plan. The AHC Transaction was successfully closed and all of the operating assets of the LP Entities were transferred to the purchaser, Postmedia Network Inc., on July 13, 2010.

10. Further background information regarding the LP Entities and the CCAA Proceedings is provided in, among other things, the Pre-filing Report and in the affidavit of Thomas Strike sworn January 7, 2010 (the “**Strike Affidavit**”), copies of which (together with other relevant materials, including a copy of the Initial Order) have been posted on the Monitor’s website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/clp>.

### **PURPOSE OF THIS REPORT**

11. The purpose of this Fourteenth Report of the Monitor (the “**Fourteenth Report**”) is to provide a status of the CCAA Proceedings, including the claims procedure for the identification and quantification of certain claims against the LP Entities (the “**Claims Procedure**”).

### **STATUS OF THE CCAA PROCEEDINGS**

12. Since the closing of the AHC Transaction on July 13, 2010, the Monitor has continued to administer the various accounts and reserves as required by the AHC Plan, including the Administrative Reserve Account, the Disputed Claims Reserve, and the Unsecured Creditors’ Pool (all as defined in the AHC Plan).
13. As reported in the Thirteenth Report of the Monitor, on July 20, 2010, the Initial Distribution Date occurred and the Monitor effected distributions of 9,675,271 Shares to Affected Creditors holding Proven Claims over \$1,000 that have not made a valid cash election and \$218,837.06 to Affected Creditors holding Proven Claims equal to or less than \$1,000 that have made or were deemed to have made valid Cash Elections (all as defined in the AHC Plan). Since that time, the Monitor has made further distributions

totaling 84,964 Shares to Affected Creditors holding Proven Claims over \$1,000 that have not made a valid cash election and \$29,214.44 to Affected Creditors holding Proven Claims equal to or less than \$1,000 that have made or were deemed to have made valid Cash Elections.

14. The Monitor established the Administrative Reserve Account (as defined in the AHC Plan) in the amount of \$9 million on the Plan Implementation Date. As at the date of this report, the Monitor has paid \$3.3 million in Administrative Reserve Expenses. Additional costs have been incurred, but not yet billed or paid and the Monitor will report on same in future reports. Paid costs to date include management incentive payments, Canwest Business Services and Reach Canada retention payments, consulting fees, post-emergence professional fees, and withholding taxes on distributions.

## **CLAIMS PROCEDURE**

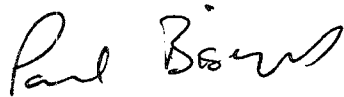
15. On April 12, 2010, the LP Entities obtained an Order (the “**Claims Procedure Order**”) establishing the Claims Procedure. For reasons described in the Monitor’s Seventh Report, the Claims Procedure Order was amended by Order of Justice Pepall dated May 17, 2010 (the “**Amended Claims Procedure Order**”) to call for certain additional claims, including claims against the directors and officers of the Applicants.
16. Under the provisions of the AHC Plan and the Plan Sanction Order, any Disputed Claims (as defined in the AHC Plan) that remain unresolved as at December 31, 2010 will be forever discharged, barred and released without any compensation therefor.

17. The Monitor reported on the status of the Claims Procedure in, among others, its Thirteenth Report. Since then, the Monitor reached a final settlement with respect to 230 additional claims and a settlement in principle (pending finalizing settlement documentation) with respect to 68 additional claims.
18. As at the date of this report, only 16 claims remained outstanding. Five of these claims relate to trade payables. The Monitor, assisted by former employees of the LP Entities, continues to hold discussions with these trade creditors in order to resolve the outstanding claims. The remaining 11 creditors advancing related claims have asserted that their claims are Excluded Claims (as defined in the Amended Claims Procedure Order) and constitute Assumed Liabilities under the AHC APA and have brought motions seek the Court's instructions and direction with respect to the proper characterization of their claims. The motion is currently returnable December 10, 2010.
19. A table summarizing the number and value of claims asserted, accepted and disputed as at November 26, 2010 against the LP Entities is attached hereto as **Appendix "A"**. The table is intended to reflect only the claims as called for and asserted under the terms of the Amended Claims Procedure Order and is not intended to provide a commentary on the distribution rights of any such claims, which rights may be affected by, *inter alia*, the provisions of the CCAA.
20. The Monitor will continue to provide ongoing updates on the status of the Claims Procedure in its reports to the Court and updating the table summarizing the number and value of claims asserted, accepted and disputed against the LP Entities posted on its website for these proceedings.

All of which is respectfully submitted this 29th day of November, 2010.

FTI Consulting Canada Inc.,  
in its capacity as the Monitor of Canwest Publishing Inc. / Publications Canwest Inc., Canwest  
Books Inc., Canwest (Canada) Inc., and Canwest Limited Partnership / Canwest Societe en  
Commandite

Per

A handwritten signature in black ink that reads "Paul Bishop". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Paul Bishop  
Senior Managing Director



## **APPENDIX "A"**

**Appendix A**

**All amounts in CAD '000s <sup>(a)</sup>**

**LP Entities**

	Accepted		Settlement Pending <sup>(c)</sup>			To Be Resolved		
	<u># of claims</u>	<u>Accepted Value (\$)</u>	<u># of claims</u>	<u>Value as per Creditor (\$)</u>	<u>Tentative Settlement Value (\$)</u>	<u># of claims</u>	<u>Value as per Company (\$)</u>	<u>Value as per Creditor (\$)</u>
LP Noteholder Claim	Unknown <sup>(b)</sup>	450,360	0	0	0	0	0	0
LP Subordinated Lenders	11	78,361	0	0	0	0	0	0
Other Claims	961	39,326	68	15,757	14,171	16 <sup>(d)</sup>	56	17,669

**Notes:**

(a) USD claims converted to CAD based on the on an F/X rate of 1.0344 based on the Bank of Canada Canadian/US dollar noon exchange rate in effect at the Filing Date.

(b) Number of the 9.25% Noteholders is currently not disclosed.

(c) Tentative settlement reached pending finalizing settlement documentation.

(d) Number of unresolved claims includes 11 claims totalling approximately \$17.5 million in the aggregate relating to creditors that have asserted that their claims may be Excluded Claims (as defined in the Amended Claims Procedure Order).

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

Court File No. CV-10-8533-00CL

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**ONTARIO  
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**Proceeding commenced at Toronto**

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CANADA INC., IN ITS CAPACITY AS MONITOR  
OF THE APPLICANTS**

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