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## Asper willing to bid on Canwest TV assets

By Stefania Moretti, QMI Agency

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A group of disgruntled Canwest shareholders led by former chief executive Leonard Asper will try to block the sale of Canwest Global Communications Corp.'s broadcast assets, including Global TV, to Shaw Communications Inc.



Tuesday by asking an Ontario judge for another 30-day auction to solicit higher bids.

Asper, whose late father Izzy Asper founded Canwest, told QMI Agency he "certainly would be" involved in making a bid for the company's broadcast stable in the event of a second auction.

Shaw reached a \$2-billion acquisition agreement with debt holders in May for the TV business that includes specialty channels such as the Food Network, National Geographic, HGTV and Slice.

But the ad hoc committee of shareholders opposing the deal say the initial auction process to sell the Winnipeg-based media giant's broadcast arm was flawed and therefore yielded a low sale price.

Initially, the auction was designed to find a co-investor for Wall Street bank Goldman Sachs. In the end, Shaw's original offer to acquire a 20% voting stake in Canwest's TV division became 100% of the equity of the restructured broadcast company once Goldman dropped out.

Potential buyers were not informed that 100% of the company was for sale and as a result hundreds of millions of dollars were left on the table, said Patrick Blott, founder of New York-based Blott Asset Management LLC, and a member of the ad hoc group of shareholders.

"Rarely in the history of corporations do you have Boards that agree to sell a company without having a competitive process," Asper said.

Canwest has told QMI Agency it has every confidence in the procedures it followed.

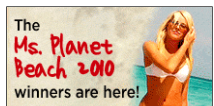
Cash flows are up more than 150% since it filed for bankruptcy more than 14 months ago and the business brings in more than \$200 million of earnings



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before interest, tax and amortization expenses (EBITA), Blott told QMI Agency Monday.

"Either way the company is worth more than \$2 billion," Blott said. Even the most conservative estimates value the company at \$2.3 billion, Asper said.

"It's highly irregular for the board to waive its fiduciary obligations, which this board did, and they're not doing their job so we're asking the court to step in and do it for them," Blott said.

The group will present its arguments to Justice Sarah Pepall, who is overseeing Canwest's court-directed creditor protection, following statements by Canwest and Calgary-based Shaw. They will ask the judge to intervene and to open up the process with another 30-day auction for other interested parties to offer a fair price for the assets, Blott said.

"What we want is an open, fair process. Let the market determine the true value of the company. If no one can beat Shaw's bid, so be it," Blott said.

Canwest would be able to attract a large number of bidders in a short time, Asper said, adding his family has been contacted personally by potential buyers.

"There are number of parties who are the largest investors in media Š both Canadian and foreign-owned who would be willing to take on Canadian partners." In February, Quebecor Media Inc., which owns cable and publishing properties including Videotron and Sun Media, sent a letter to the courts stating it would consider an offer should the court re-order the solicitation process.

If the sale is approved Tuesday, Shaw would have a virtual monopoly on channels and programming catering to adult women in Canada, the most lucrative advertising demographic in the country.

Asper, who stepped down as Canwest CEO earlier this year, said he has no problem seeing the channels go to a cable provider.

"I don't have any concentration issues. I've always believed industry consolidation needs to continue to happen. But it doesn't mean companies have to be sold for two-thirds of their value.

"We're willing to let Shaw or somebody else buy the company, as long as they pay the market price. If they don't, we're simply getting screwed," Asper said.

Creditors, retirees and suppliers to the company are being cut short under the current deal, he said.

"The only people who get paid in full here are the bondholders." On Friday, Pepall approved the purchase of Canwest's newspaper division, which includes the Montreal Gazette and National Post newspapers, to a group of bondholders led by National Post publisher Paul Godfrey for \$1.1 billion.

No dissenters were present.

Canwest put its newspaper and television businesses up for sale earlier this year after being forced to file for bankruptcy protection following an aggressive expansion plan that racked up billions in debt.





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