

SHAW COMMUNICATIONS INC

Form SUPPL

November 04, 2009

Table of Contents

The information in this Prospectus Supplement is not complete and may be changed. This Prospectus Supplement and the accompanying Prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed Pursuant to
General Instruction II. L. of Form-10
File No. 333-157639

SUBJECT TO COMPLETION, DATED NOVEMBER 4, 2009

**PROSPECTUS SUPPLEMENT
(To Prospectus dated March 11, 2009)**

Cdn\$

**SHAW COMMUNICATIONS INC.
% Senior Notes due 2039**

The senior notes (the **Notes**) of Shaw Communications Inc. (**Shaw** or the **Corporation**) will bear interest at the rate of % per year. Shaw will pay interest on the Notes on May and November of each year, beginning May , 2010. The Notes will mature on , 2039.

Shaw may redeem some or all of the Notes at any time at the greater of (i) 100% of the principal amount and (ii) the Canada Yield Price (as defined herein), plus, in either case, accrued interest thereon to the date of redemption. Shaw may also redeem all of the Notes at any time if certain changes affecting Canadian taxation occur. Shaw will be required to make an offer to repurchase the Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase upon the occurrence of a Change of Control Triggering Event (as defined herein). See Description of the Notes Repurchase upon Change of Control Triggering Event . The Notes do not have the benefit of any sinking fund.

The Notes will be unsecured obligations of Shaw and will rank equally with all other unsecured senior indebtedness of Shaw.

Investing in the Notes involves risks. See Risk Factors beginning on page 24 of the accompanying short form base shelf prospectus (the Prospectus) and Risks and Uncertainties on page 16 of the management s discussion and analysis of the financial condition and operations of Shaw with respect to the three and twelve months ended August 31, 2009.

	Price to the Public⁽¹⁾	Agents Commission	Net Proceeds to the Corporation⁽²⁾
Per Note	%	%	%
Total	Cdn\$	Cdn\$	Cdn\$

Notes:

- (1) Plus accrued interest from November , 2009, if settlement occurs after that date.
- (2) Before deducting expenses of the offering, estimated at Cdn\$, payable by Shaw.

Neither the United States Securities and Exchange Commission (the SEC) nor any state securities regulator has approved or disapproved the Notes, or determined if this Prospectus Supplement or the Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

This offering is made by Shaw, a foreign private issuer, which is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this Prospectus Supplement and the Prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. Shaw prepares its financial statements in accordance with Canadian generally accepted accounting principles, and such financial statements are subject to Canadian auditing and auditor independence standards. Thus, Shaw's financial statements may not be comparable to financial statements of United States companies.

Owning the Notes may have tax consequences in both the United States and Canada. This Prospectus Supplement and the Prospectus may not describe these tax consequences fully. Please read the section titled Certain Income Tax Considerations in this Prospectus Supplement.

Enforcement of civil liabilities under United States federal securities laws may be affected adversely by the fact that Shaw is incorporated in Alberta, Canada, most of its officers and directors and some or all of the Agents and experts named in this Prospectus Supplement and the Prospectus are residents of Canada, and all or a substantial portion of the assets of Shaw and said persons are located in Canada or other jurisdictions outside the United States.

There is no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under this Prospectus Supplement. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. Closing of the offering and delivery of the Notes in book-entry form only through CDS Clearing and Depository Services Inc. (CDS) is expected to occur on or about , 2009, but in any event not later than , 2009.

TD SECURITIES

RBC CAPITAL MARKETS

CIBC World Markets

Scotia Capital

National Bank Financial

The date of this Prospectus Supplement is , 2009

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS</u>	S-3
<u>CURRENCY EXCHANGE RATES</u>	S-3
<u>DOCUMENTS INCORPORATED BY REFERENCE</u>	S-3
<u>FORWARD LOOKING STATEMENTS</u>	S-5
<u>SUMMARY OF THE OFFERING</u>	S-7
<u>SHAW COMMUNICATIONS INC</u>	S-9
<u>USE OF PROCEEDS</u>	S-9
<u>CAPITALIZATION</u>	S-10
<u>DESCRIPTION OF THE NOTES</u>	S-11
<u>EARNINGS COVERAGE</u>	S-18
<u>RATINGS OF THE NOTES</u>	S-18
<u>CERTAIN INCOME TAX CONSIDERATIONS</u>	S-19
<u>PLAN OF DISTRIBUTION</u>	S-22
<u>PRICE RANGE AND TRADING VOLUME OF SHAW SHARES</u>	S-23
<u>LEGAL MATTERS</u>	S-24

Prospectus

ABOUT THE PROSPECTUS	2
WHERE YOU CAN FIND MORE INFORMATION	2
FORWARD LOOKING STATEMENTS	4
BUSINESS OF THE CORPORATION	5
USE OF PROCEEDS	5
EARNINGS COVERAGE	6
DESCRIPTION OF DEBT SECURITIES	6
DESCRIPTION OF EQUITY SECURITIES	18
DESCRIPTION OF WARRANTS	21
DESCRIPTION OF SHARE PURCHASE CONTRACTS	22
DESCRIPTION OF UNITS	23
CERTAIN INCOME TAX CONSIDERATIONS	23
RISK FACTORS	24
LEGAL MATTERS	25
DOCUMENTS FILED AS PART OF THE U.S. REGISTRATION STATEMENT	25
PLAN OF DISTRIBUTION	26
PRICE RANGE AND TRADING VOLUME OF SHAW SHARES	26
EXPERTS	27

Table of Contents

**IMPORTANT NOTICE ABOUT INFORMATION IN
THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Notes being offered. The second part, the Prospectus, gives more general information, some of which may not apply to the Notes being offered.

If the description of the Notes varies between this Prospectus Supplement and the Prospectus, you should rely on the information in this Prospectus Supplement.

You should rely on the information contained in or incorporated by reference in this Prospectus Supplement and the Prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Agents are not, making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted by law.

This Prospectus Supplement and the Prospectus are part of a registration statement (the U.S. Registration Statement) on Form F-10 that we filed with the United States Securities and Exchange Commission (the SEC) relating to our debt securities and certain of our other securities.

In this Prospectus Supplement, all capitalized terms and acronyms used and not otherwise defined herein have the meanings provided in the Prospectus. All financial information included and incorporated by reference in this Prospectus Supplement and the Prospectus is determined using generally accepted accounting principles in Canada (**Canadian GAAP**), which may differ from generally accepted accounting principles in the United States (**U.S. GAAP**). Therefore, the consolidated financial statements of Shaw incorporated by reference in this Prospectus Supplement and the Prospectus and the documents incorporated by reference herein and therein may not be comparable to financial statements prepared in accordance with U.S. GAAP. You should refer to our Audited Reconciliation of Canadian and United States Generally Accepted Accounting Principles and our Reconciliation of Canadian and United States Generally Accepted Accounting Principles (unaudited) , each of which is incorporated by reference into this Prospectus Supplement, for a discussion of the principal differences between our financial results and financial condition as determined under Canadian GAAP and under U.S. GAAP, respectively. See Documents Incorporated by Reference .

CURRENCY EXCHANGE RATES

Unless otherwise specified, all dollar amounts contained herein are expressed in Canadian dollars, and references to dollars , Cdn\$ or \$ are to Canadian dollars and references to US\$ are to United States dollars.

The following table sets forth, for each period indicated, the high and low exchange rates and the average of such exchange rates on the last business day of each month during such period, based on the noon exchange rate as reported by the Bank of Canada (the **noon buying rate**). These rates are set forth as United States dollars per Cdn\$1.00. On November 3, 2009, the inverse of the noon buying rate was Cdn\$1.00 equals US\$0.9342.

	Year Ended August 31,	
2009	2008	2007

High	0.9673	1.0905	0.9641
Low	0.7692	0.9365	0.8437
Average	0.8518	0.9944	0.8938

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of the offering of the Notes.

Under the short form prospectus system adopted by the securities commissions and other regulatory authorities in each of the provinces of Canada and under the multijurisdictional disclosure system adopted by the United States and Canada, we are permitted to incorporate by reference the information we file with securities commissions in Canada, which means that we can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this Prospectus Supplement and the Prospectus. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Shaw

S-3

Table of Contents

Communications Inc., Suite 900, 630 3rd Avenue S.W., Calgary, Alberta, T2P 4L4 (telephone (403) 750-4500) or by accessing those disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which may be accessed at www.sedar.com or on the website maintained by the SEC which may be accessed at www.sec.gov.

The following documents, which were filed with the securities commission or other similar authority in each of the provinces of Canada and filed with or furnished to the SEC are specifically incorporated by reference in, and form an integral part of this Prospectus Supplement and the Prospectus:

- (a) the annual information form of Shaw dated November 25, 2008;
- (b) the audited consolidated balance sheets of Shaw as at August 31, 2008 and 2007 and the statements of income and retained earnings (deficit), statements of comprehensive income and accumulated other comprehensive income (loss), and statements of cash flows for the years ended August 31, 2008, 2007 and 2006, together with the notes thereto and the auditors' report thereon;
- (c) management's discussion and analysis of the financial condition and operations of Shaw with respect to the year ended August 31, 2008;
- (d) the Audited Reconciliation of Canadian and United States Generally Accepted Accounting Principles relating to the audited consolidated balance sheets of Shaw as at August 31, 2008 and 2007 and the statements of income and retained earnings (deficit), statements of comprehensive income and accumulated other comprehensive income (loss), and statements of cash flows for the years ended August 31, 2008, 2007 and 2006;
- (e) the unaudited consolidated balance sheet of Shaw as at May 31, 2009 and statements of income and retained earnings (deficit), statements of comprehensive income and accumulated other comprehensive income (loss), and statements of cash flows for the three and nine months ended May 31, 2009 and 2008;
- (f) management's discussion and analysis of the financial condition and operations of Shaw with respect to the three and nine months ended May 31, 2009;
- (g) the Reconciliation of Canadian and United States Generally Accepted Accounting Principles (unaudited) relating to the unaudited consolidated balance sheet of Shaw as at May 31, 2009 and the statements of income and retained earnings (deficit), statements of comprehensive income (loss) and accumulated other comprehensive income (loss), and statements of cash flows for the three and nine months ended May 31, 2009 and 2008;
- (h) the unaudited consolidated balance sheet of Shaw as at August 31, 2009 and statements of income and retained earnings (deficit), statements of comprehensive income and accumulated other comprehensive income (loss), and statements of cash flows for the three and twelve months ended August 31, 2009 and 2008;
- (i) management's discussion and analysis of the financial condition and operations of Shaw with respect to the three and twelve months ended August 31, 2009;
- (j) the Reconciliation of Canadian and United States Generally Accepted Accounting Principles (unaudited) relating to the unaudited consolidated balance sheet for Shaw as at August 31, 2009 and the statements of income and retained earnings (deficit), statements of comprehensive income (loss) and accumulated other

comprehensive income (loss), and statements of cash flows for the three and twelve months ended August 31, 2009 and 2008; and

- (k) the management proxy information circular dated November 25, 2008 relating to the annual general meeting of shareholders of the Corporation held on January 15, 2009.

Any documents (other than news releases) of the type referred to in the preceding paragraph or similar material, including all annual information forms, all information circulars, all financial statements and management's discussion and analysis relating thereto, all material change reports (excluding confidential material change reports, if any), all business acquisition reports, all updated earnings coverage ratio information, as well as all prospectus supplements related to this offering and disclosing additional or updated information filed by us with securities commissions or similar authorities in the relevant provinces of Canada subsequent to the date of this Prospectus Supplement and prior to the termination of any offering under this Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus Supplement. Shaw also incorporates by reference into the U.S. Registration Statement, of which this Prospectus Supplement and the Prospectus form a part, any

Table of Contents

information Shaw files with or furnishes to the SEC pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act (in the case of any Report on Form 6-K if and to the extent expressly provided in such filings), until the termination of this offering.

Any statement contained in this Prospectus Supplement or the Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus Supplement or the Prospectus to the extent that a statement contained in this Prospectus Supplement or the Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus modifies or supersedes such prior statement. Any statement or document so modified or superseded shall not, except to the extent so modified or superseded, be incorporated by reference and constitute a part of this Prospectus Supplement and the Prospectus. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made.

FORWARD LOOKING STATEMENTS

Certain statements included and incorporated by reference herein may constitute forward-looking statements within the meaning of applicable securities laws, including the U.S. *Private Securities Litigation Reform Act of 1995*. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used herein, the words anticipate, believe, expect, plan, intend, estimate, target, guideline, goal and other similar expressions generally identify forward-looking statements, although not all forward-looking statements contain such words. Forward-looking statements include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), financial guidance for future performance, business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of Shaw's business and operations, plans and references to Shaw's future success. These forward-looking statements are based on certain assumptions and analyses made by Shaw in light of Shaw's experience and perception of historical trends, current conditions and expected future developments, as well as other factors Shaw believes are appropriate in the circumstances. These assumptions include but are not limited to general economic and industry growth rates, currency exchange rates, technology deployment, content and equipment costs, and industry structure and stability.

Shaw cannot guarantee future results, levels of activity, performance or achievements. Many factors, including those not within Shaw's control, could cause Shaw's actual results performance or achievements to be materially different from the views expressed or implied by such forward-looking statements, including, but not limited to:

general economic, market or business conditions and industry trends;

opportunities (or lack thereof) that may be presented to and pursued by Shaw;

Shaw's ability to execute its strategic plans;

changes in the competitive environment in the markets in which Shaw operates and from the development of new markets for emerging technologies;

changing conditions in the entertainment, information and communications industries;

changes in laws, regulations and decisions by regulators that affect Shaw or the markets in which it operates in both Canada and the United States;

Shaw's status as a holding company with separate operating subsidiaries;

risks associated with the economic, political and regulatory policies of local governments and laws and policies of Canada and the United States;

other risks and uncertainties described from time to time in Shaw's reports and filings with Canadian and U.S. securities regulatory authorities; and

additional risks described under "Risk Factors" in the Prospectus.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, Shaw's actual results, performance or achievements may vary materially from those described herein. Consequently, all of the forward-looking statements made in this Prospectus Supplement and the Prospectus and the documents incorporated by reference herein or therein are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Shaw will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Shaw.

Table of Contents

You should not place undue reliance on any such forward-looking statements. The Corporation provides certain financial guidance for future performance incorporated by reference herein as the Corporation believes that certain investors, analysts and others utilize such information in order to assess the Corporation's expected operational and financial performance and as an indicator of its ability to service debt and return cash to shareholders. The Corporation's financial guidance may not be appropriate for other purposes.

The forward-looking statements (and such risks, uncertainties and other factors) contained in this Prospectus Supplement and the Prospectus and the documents incorporated by reference herein and therein are made only as of the date of such document and Shaw expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any of the forward-looking statements contained herein to reflect any change in expectations with regard to those statements or any other change in events, conditions or circumstances on which any such statement is based, except as required by law. New factors affecting Shaw emerge from time to time, and it is not possible for Shaw to predict what factors will arise or when. In addition, Shaw cannot assess the impact of each factor on its business or the extent to which any particular factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Table of Contents**SUMMARY OF THE OFFERING**

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the Notes, see Description of the Notes in this Prospectus Supplement and Description of Debt Securities in the Prospectus. References to Shaw or the Corporation in this summary refer only to Shaw Communications Inc. and its successors, and not to any of its subsidiaries.

Issuer	Shaw Communications Inc.
Notes Offered	Up to \$ million aggregate principal amount of % Senior Notes due November , 2039 (the Notes).
Interest	% per annum.
Interest Payment Dates	May and November of each year, commencing on May , 2010.
Maturity	November , 2039.
Ranking	The Notes will be senior unsecured obligations of Shaw and will rank equally and ratably with all existing and future senior unsecured indebtedness of Shaw. The Notes will effectively rank behind all existing and future indebtedness and other liabilities, including trade liabilities, of Shaw's subsidiaries. As at August 31, 2009, indebtedness and other liabilities of Shaw's subsidiaries totalled approximately \$565 million, excluding intercompany liabilities, deferred credits and future income taxes.
Additional Amounts	Any payments with respect to the Notes made by Shaw will be made without withholding or deduction for Canadian taxes, unless required by law or the interpretation or administration thereof, in which case Shaw will pay such additional amounts as may be necessary so that the net amount received by holders of the Notes (other than certain excluded holders) after such withholding or deduction will not be less than the amount that would have been received in the absence of such withholding or deduction. See Description of the Debt Securities Payment of Additional Amounts in the Prospectus.
Redemption	The Notes will be redeemable at Shaw's option at any time, in whole or in part, prior to maturity at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes, or (ii) the Canada Yield Price (as defined herein), plus, in either case, accrued interest thereon to the date of redemption. The Corporation may also redeem all of the Notes if certain events occur involving Canadian taxation. See Description of the Notes Optional Redemption and Redemption for Changes in Canadian Tax Law in this Prospectus Supplement.
Change of Control	

The Corporation will be required to make an offer to repurchase the Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase upon the occurrence of a Change of Control Triggering Event. See Description of the Notes Repurchase upon Change of Control Triggering Event .

Sinking Fund

None.

S-7

Table of Contents

Certain Covenants

The Indenture (as defined herein) governing the Notes will restrict the ability of the Corporation and its subsidiaries to incur liens, enter into sale and leaseback transactions and consolidate, merge or transfer all or substantially all of Shaw's assets and the assets of its subsidiaries on a consolidated basis. In addition, the Indenture will limit Shaw's subsidiaries ability to incur additional indebtedness. These covenants are subject to important qualifications and limitations. See Description of Debt Securities Certain Covenants in the Prospectus and Description of the Notes Limitation on Debt and Preferred Stock of Subsidiaries in this Prospectus Supplement.

Use of Proceeds

The net proceeds from the sale of the Notes offered hereby, after payment of expenses of the offering and the Agents' commission, are estimated to be \$ (assuming that the maximum number of Notes offered pursuant to this Prospectus Supplement are sold). The net proceeds of this offering will be used for general corporate purposes, working capital, capital expenditures and wireless investments. See Use of Proceeds. and Capitalization .

Risk Factors

Investing in the Notes involves certain risks. You should carefully consider the information in the Risk Factors section of the Prospectus.

Governing Law

The Notes and the Indenture (as defined herein) will be governed by the laws of the Province of Alberta.

Table of Contents

SHAW COMMUNICATIONS INC.

Shaw (together with its subsidiaries) is a diversified communications company whose core business is providing broadband cable television, High-Speed Internet, Digital Phone, telecommunications services (through Shaw Business Solutions) and satellite direct-to-home services (through Shaw Direct) to 3.4 million customers as of August 31, 2009. Shaw provides customers with high quality entertainment, information and communications services, utilizing a variety of distribution technologies. Shaw's total revenue for the years ended August 31, 2009 and 2008 was \$3.4 billion and \$3.1 billion, respectively. As at August 31, 2009, Shaw had assets of \$8.9 billion. Shaw's executive offices are located at Suite 900, 630 1st Avenue S.W., Calgary, Alberta, Canada, T2P 4L4; telephone number (403) 750-4500.

USE OF PROCEEDS

The net proceeds from the sale of the Notes offered hereby, after payment of estimated expenses of the offering and the Agents' commission, are estimated to be \$ (assuming that the maximum number of Notes offered pursuant to this Prospectus Supplement are sold). The net proceeds of this offering will be used for general corporate purposes, working capital, capital expenditures and wireless investments. See Capitalization .

Table of Contents**CAPITALIZATION**

The following table summarizes the consolidated cash and short term investments and the consolidated capitalization of Shaw as at May 31, 2009 and August 31, 2009, both actual and as adjusted to give effect to the issuance of the Notes (assuming that the maximum number of Notes offered pursuant to this Prospectus Supplement are sold), the application of the net proceeds thereof as described under *Use of Proceeds* and for other significant changes in cash and short term investments and in capitalization that have occurred since August 31, 2009 described below as though the issuance of such Notes and such changes had occurred on August 31, 2009. The information presented below has been derived from the unaudited interim consolidated financial statements of the Corporation and should be read in conjunction with the financial statements of the Corporation incorporated by reference herein, as described under *Documents Incorporated by Reference* in this Prospectus Supplement. For the purposes of this table, all U.S. dollar amounts have been translated into Canadian dollars based on the closing rate of exchange as reported by the Bank of Canada on May 29, 2009 of US\$1.00 = \$1.0917 and on August 31, 2009 of US\$1.00 = \$1.0950, as applicable.

Designation	May 31,	August 31, 2009	
	2009	Actual	As Adjusted⁽¹⁾
		(in thousands of dollars)	
Cash and Short Term Investments⁽¹⁾	365,047	453,237	
Long-term debt			
Corporate:			
Bank loans ⁽²⁾			
Senior Notes due November 16, 2012 ⁽²⁾	446,626	446,836	446,836
Senior Notes due November 20, 2013 ⁽²⁾	346,206	346,380	346,380
Senior Notes due June 2, 2014 ⁽²⁾	593,650	593,824	593,824
Senior Notes due May 9, 2016 ⁽²⁾	291,754	291,987	291,987
Senior Notes due March 2, 2017 ⁽²⁾	395,534	395,646	395,646
US\$ Senior Notes (US\$440 million) due April 11, 2010 ⁽¹⁾⁽²⁾⁽³⁾	479,505	481,198	
US\$ Senior Notes (US\$225 million) due April 6, 2011 ⁽¹⁾⁽²⁾	244,782	245,632	
US\$ Senior Notes (US\$300 million) due December 15, 2011 ⁽¹⁾⁽²⁾	326,425	327,512	
Senior Notes due October 1, 2019 ⁽¹⁾⁽²⁾			1,239,838
Senior Notes due November , 2039 offered hereby			
Other subsidiaries:			
Burrard Landing Lot 2 Holdings Partnership ⁽²⁾⁽³⁾	21,600	21,473	21,473
Total long-term debt⁽³⁾	3,146,082	3,150,488	
Shareholders equity			
Class A shares and Class B non-voting shares ⁽¹⁾	2,109,398	2,113,849	2,239,849
Contributed surplus	33,838	38,022	38,022
Retained earnings	351,069	384,747	384,747
Accumulated other comprehensive loss	(43,917)	(38,634)	(38,634)
Total shareholders equity	2,450,388	2,497,984	2,623,984

Total capitalization	5,596,470	5,648,472
-----------------------------	-----------	-----------

Notes:

- (1) Subsequent to August 31, 2009, the following significant changes in capitalization and cash and short term investments have occurred:
 - (a) the Corporation issued \$1.25 billion principal amount of senior notes due October 1, 2019;
 - (b) the Corporation redeemed the US\$440 million principal amount of senior notes due April 11, 2010, the US\$225 million principal amount of senior notes due April 6, 2011 and the US\$300 million principal amount of senior notes due December 15, 2011 and settled a portion of the principal component of two of the associated swaps, all for an aggregate of approximately \$1.40 billion;
 - (c) the Corporation acquired Mountain Cablevision Limited for cash consideration of approximately \$180 million and the issuance of Class B shares as share consideration valued at \$120 million;
 - (d) the Corporation generated approximately \$80 million of cash, primarily from operating activities; and
 - (e) the Corporation issued Class B shares on exercise of stock options for proceeds of \$6 million.
- (2) The general terms and respective priorities of certain of the indebtedness set out in the table above are detailed in note 9 to the Corporation's annual audited consolidated financial statements incorporated by reference herein.
- (3) Includes current portion of long-term debt at August 31, 2009 of \$482 million.

Table of Contents

DESCRIPTION OF THE NOTES

The following description of the Notes offered hereby supplements the description of the general terms of the Debt Securities set forth in the Prospectus under "Description of Debt Securities" and should be read in conjunction with that description. The description of the Notes herein shall prevail to the extent of any inconsistency.

The Notes offered hereby will be issued under an indenture (the "**Trust Indenture**") dated February 26, 2007 as supplemented by a fourth series supplement to be dated the date of closing of this offering (the "**Supplemental Indenture**") between the Corporation and Computershare Trust Company of Canada (the "**Trustee**") providing for, among other things, the creation and issue of the Notes. The Trust Indenture and the Supplemental Indenture are together referred to in this Prospectus Supplement as the "**Indenture**".

For the purposes of the following description only, the term "**Corporation**" refers to Shaw Communications Inc. and not to any of its subsidiaries. Other capitalized terms used herein that are not defined in this Prospectus Supplement or the Prospectus are defined in the Indenture.

General

The Notes will mature on _____, 2039. The Notes will bear interest at the rate per annum set forth on the cover page of this Prospectus Supplement from November _____, 2009, or from the most recent date to which interest has been paid or duly provided for, payable semi-annually in arrears on each May and November (the "**Interest Payment Dates**"), commencing on May _____, 2010, to the persons in whose names the Notes are registered at the close of business on April or October (the "**Regular Record Dates**"), as the case may be, immediately prior to such Interest Payment Dates, regardless of whether any such Regular Record Date is a business day. Interest on the Notes will be computed on the basis of a 365-day year.

The Corporation may from time to time, without the consent of the holders of the Notes, create and issue additional securities under the Indenture in addition to the Notes.

The Notes will be unsecured and unsubordinated obligations of the Corporation and will rank *pari passu* in right of payment with all existing and future unsecured, unsubordinated obligations of the Corporation. The Indenture will not limit the ability of the Corporation to incur additional indebtedness.

Substantially all of Shaw's business activities are operated by its subsidiaries. As a holding company, the Corporation's ability to meet its financial obligations is dependent primarily upon the receipt of interest and principal payments on intercompany advances, management fees, cash dividends and other payments from its subsidiaries, together with proceeds raised by the Corporation through the issuance of equity and the incurrence of debt, and from the proceeds from the sale of assets.

In addition, because the Corporation is a holding company, the Notes are effectively subordinated to all existing and future liabilities, including trade payables and other indebtedness, of the Corporation's subsidiaries, except to the extent the Corporation is a creditor of such subsidiaries. As at August 31, 2009, indebtedness and other liabilities of Shaw's subsidiaries totalled approximately \$565 million, excluding intercompany liabilities, deferred credits and future income taxes.

The Notes will be issued in fully registered form only in denominations of \$1,000 and integral multiples thereof. The Notes will initially be issued as global notes (the "**Global Notes**"). Beneficial interests in the Global Notes representing

the Notes will be shown on, and transfers thereof will be effected only through, records maintained by CDS and its participants. However, in certain limited circumstances described herein, the Notes may be issued in certificated non-book-entry form in exchange for a Global Note. See The Depository, Book-Entry and Settlement .

Payments on Notes issued as a Global Note will be made to CDS or a successor depository. In the event that the Notes are issued in certificated non-book-entry form, the transfer of such Notes will be registrable and such Notes will be exchangeable for Notes in other denominations of a like aggregate principal amount at the corporate trust office of the Trustee, 600, 530 8th Avenue S.W., Calgary, Alberta, T2P 3S8 (telephone number: (403) 267-6800) or its designated agent. Payment of principal and interest will be effected, in respect of Notes represented by Global Notes, by wire transfer of immediately available funds to the account or accounts specified by CDS or the successor depository or, in respect of a Note issued in certificated non-book entry form, either by wire transfer of immediately available funds to the account

Table of Contents

specified by the holder thereof in accordance with the provisions of the Indenture or by cheque mailed not later than five days prior to the applicable Interest Payment Date to the holder's registered address.

Optional Redemption

The Notes will be redeemable, in whole or in part, at the option of the Corporation at any time and from time to time at a redemption price equal to the greater of:

- (1) 100% of the principal amount of the Notes, or
- (2) the Canada Yield Price (as defined below);

plus, in each case, accrued interest on the outstanding principal amount of each Note called for redemption to the date of redemption. The Notes will not be subject to redemption at the election of the holders of the Notes.

Canada Yield Price means in respect of any redemption of the Notes issued under the Indenture, a price, as determined by the Independent Investment Banker (as defined below), equal to the sum of the present values of the remaining scheduled payments of principal and interest on the Notes (not including any portion of the payments of interest accrued as of the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 365-day year) at the Government of Canada Yield, plus basis points.

Government of Canada Yield means, with respect to any redemption date, the arithmetic average, as determined by the Independent Investment Banker, of the yield to maturity on the third business day preceding the redemption date, compounded semi-annually, which a non-callable Government of Canada Bond would carry if issued in Canadian Dollars in Canada, at 100% of its principal amount on such date with a term to maturity which most closely approximates the remaining term to maturity of the Notes to be redeemed from such day as quoted by the Independent Investment Banker at 5:00 p.m. on such day.

Independent Investment Banker means TD Securities Inc. or its successors, provided, however, that if it shall cease to be a primary Canadian Government securities dealer in Toronto, Ontario, the Corporation shall substitute for it another primary Canadian Government securities dealer in Toronto, Ontario.

Notice of any such redemption will be given at least 15 days but not more than 60 days before the redemption date to each holder of the Notes to be redeemed.

Unless the Corporation defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portion of the Notes called for redemption.

Purchase for Cancellation

Provided an Event of Default is not continuing, the Corporation will have the right to purchase any Notes in the market or by tender or private contract at prices that are negotiated between the Corporation and willing holders of Notes. Notes so purchased by the Corporation will be cancelled and will not be reissued.

Repurchase upon Change of Control Triggering Event

If a Change of Control Triggering Event occurs, unless the Corporation has exercised any optional right it has to redeem all of the Notes as described above, the Corporation will be required to make an offer to repurchase all or, at the option of the Holder, any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Notes pursuant to

the offer described below (the **Change of Control Offer**) on the terms set forth in the Supplemental Indenture. In the Change of Control Offer, the Corporation will be required to offer payment in cash equal to 101% of the aggregate principal amount of Notes together with accrued and unpaid interest on the Notes to the date of purchase.

Within 30 days following any Change of Control Triggering Event, the Corporation will be required to give written notice to Holders describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the **Change of Control Payment Date**). The Corporation must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of the Indenture governing the requirement to make or the method of making a Change of Control Offer conflict with any such applicable securities laws

S-12

Table of Contents

or regulations, the Corporation will be required to comply with such laws and regulations and will not be deemed to have breached such provisions of the Indenture by virtue of compliance with such laws and regulations.

The Corporation will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Notes properly tendered and not withdrawn under its offer.

Change of Control means the occurrence of any one of the following: (a) the direct or indirect sale, transfer o