October 2009

Canwest Publications Inc. Retirement Plan

Report on the Actuarial Valuation for Funding Purposes as at December 31, 2008

MERCER

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Summary of Results

Going-concern Financial Position	**31.12.2008**	**31.12.2007**
Market value of assets	$216,980,777	$236,215,401
Actuarial liability	($264,487,776)	($243,433,010)
Funding excess (shortfall)	($47,506,999)	($7,217,609)

Solvency Financial Position	**31.12.2008**	**31.12.2007**
Adjusted solvency assets	$292,216,343	$255,099,509
Adjusted solvency liability	($300,747,482)	($276,167,938)
Solvency excess (deficiency)	($8,531,139)	($21,068,429)
Transfer ratio	70.1%	81.2%

Wind-up Financial Position	**31.12.2008**	**31.12.2007**
Market value of assets (net of termination expenses)	$215,980,777	$235,215,401
Total wind-up liability	($317,884,813)	($290,826,340)
Wind-up excess (deficiency)	($101,904,036)	($55,610,939)

Funding Requirements (annualized)	**31.12.2008**	**31.12.2007**
Total current service cost	$12,672,228	$11,958,526
Estimated member's required contributions	($4,965,263)	($4,923,953)
Estimated employer's current service cost	$7,706,965	$7,034,573
Employer's current service cost as a percentage of members' required contributions	155.2%	142.9%
Minimum special payments	$17,529,108	$11,283,084
Estimated minimum employer contribution for year	$25,236,073	$18,317,657
Estimated maximum employer contribution for year	$100,719,849	$62,645,512

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Introduction

Report on the Actuarial Valuation as at December 31, 2008

To Mr. John Maguire

At the request of Canwest Publishing Inc., (the “Company”), we have conducted an actuarial valuation of the Canwest Publications Inc. Retirement Plan as at December 31, 2008. We are pleased to present the results of the valuation.

The purpose of this valuation is to determine:

- the funded status of the plan as at December 31, 2008 on going-concern and solvency bases, and
- the minimum funding requirements for 2009.

The information contained in this report was prepared for the internal use of the Company and for filing with the Financial Services Commission of Ontario (FSCO) and with the Canada Revenue Agency (CRA), in connection with out actuarial valuation of the plan. This report is not intended or suitable for any other purpose.

This report will be filed with the FSCO and with the CRA.

The next actuarial valuation of the plan will be required as at a date not later than December 31, 2009 or as at the date of an earlier amendment to the plan, in accordance with the minimum requirements of the *Pension Benefits Act of Ontario*.

There is a funding shortfall of $47,506,999 and solvency liabilities exceed solvency assets by $8,531,139 as at December 31, 2008. As such, the minimum monthly contribution to be remitted to the plan for 2009 is as follows:

Monthly Employer Contributions
For current service: 155.2% of members' required contributions
Minimum special payments for unfunded liability: $450,356
Minimum special payments for solvency: $1,010,403

On the basis of the members' estimated required contributions, we have estimated the minimum total employer contribution for 2009 to be $25,236,073 or $2,103,006 per month. We have estimated the total member's contribution for 2009 to be $4,965,263.

The maximum contribution that Canwest Publishing Inc. may make to the plan in 2009 is $100,719,849, which is comprised of the Company current service cost plus the greater of the funding shortfall and the solvency deficiency before the inclusion of the present value of previously established special payments.

The minimum contribution requirements based on this report exceed the minimum contribution requirements recommended in the previous valuation report. Upon filing this report, Canwest Publishing Inc. must contribute the excess, if any, of the minimum contribution recommended in this report over contributions actually made in respect of the period following December 31, 2008.

The plan is not fully funded on a wind-up basis. Even if the sponsor contributes in accordance with the funding requirements described in this valuation report, the assets of the plan may be less than the liabilities of the plan upon wind-up.

Emerging experience, including the growth of wind-up liabilities compared to the plan's assets (including future contributions and investment returns), will also affect the wind-up funded position of the plan. Further, this valuation does not reflect the impacts of any possible financial restructuring that may occur in the future.

This valuation reflects the provisions of the plan as at January 1, 2009. Effective January 10, 2008, the plan was amended to change the name of the plan sponsor from Canwest MediaWorks Publications Inc. to Canwest Publishing Inc. The plan was further amended during 2008 to clarify the definitions of Employee and Employer as well as to clarify provisions for members transferred to and from other divisions of the Employer or to/from affiliated companies. These amendments did not have an impact on the financial position of the plan. A summary of the plan provisions is provided in Appendix D. To the best of our knowledge and belief the plan documents and amendments that we have on file comprise the full and complete plan text.

We have used the same going-concern valuation assumptions and methods as were used for the valuation as at December 31, 2007, except for:

- the assumed mortality rates, both before and after retirement, which have changed from the 1994 Uninsured Pensioner ("UP94") Mortality Table with projection to 2015 using Scale AA to the UP94 Mortality Table with projection Scale AA applied to reflect continuing improvements in mortality; and

- The assumed rates of termination were updated for all ages up to age 55 to reflect the actual termination experience of the plan. Previously, we used termination rates up to age 55 in accordance with the Ontario Medium Table, increased by 50%.

These changes have resulted in a net increase of:

- $719,594 in the going-concern actuarial liability; and

- 16.7% in the in the employer current service cost expressed as a percentage of employee contributions.

A transfer of assets and liabilities from the Canwest Publications Inc. Retirement Plan to the Osprey Media Holdings Inc. Pension Plan as at February 13, 2003 is currently outstanding. A description of this asset transfer and the methodology used to determined its value as at December 31, 2008 is provided in Appendix B. We have included the accumulated value of this transfer as an asset payable from this plan as at December 31, 2008 and no amounts are included in the liabilities for the transferred employees.

The Company's funding policy is to contribute no more than is necessary to comply with the requirements of applicable legislation and accepted actuarial practice in Canada.

The solvency and wind-up assumptions have been updated to reflect market conditions at the valuation date.

The assumptions used for purposes of this valuation are described in Appendix B. All assumptions made for the purposes of the valuation were reasonable at the time the valuation was prepared.

A new Canadian Institute of Actuaries Standard of Practice for determining pension commuted values ("CIA Standard") became effective on April 1, 2009. The new CIA Standard changes the assumptions to be used to value the solvency and wind-up liabilities for benefits assumed to be settled through a lump sum transfer. As permitted by the *Pension Benefits Act of Ontario*, and as directed by the Company, the financial impact of the new CIA standard has been reflected in this actuarial valuation.

On July 7, 2009, the Financial Services Commission of Ontario published a policy that described the limitations, prescribed in Section 19 of the Regulation, in relation to the transfer of the commuted value of a pension, deferred pension or ancillary benefit under Section 42 of the *Pension Benefits Act of Ontario*. Effective June 19, 2009, no transfer of money may be made from the Plan without the prior consent of the Superintendent if the plan's transfer ratio is below 0.90. This restriction will continue to apply until it is withdrawn or amended. This restriction does not apply to death benefits, non-vested entitlements, refunds of excess contributions or monthly pension in pay.

This report has been prepared on the assumption that all of the assets in the pension fund are available to meet all of the claims on the pension plan. We are not in a position to assess the impact that the Ontario Court of Appeal's decision in *Aegon Canada Inc. and Transamerica Life Canada versus ING Canada Inc.* or similar decisions in other jurisdictions might have on the validity of this assumption.

After checking with representatives of Canwest Publishing Inc., to the best of our knowledge there have been no events subsequent to the valuation date, in our opinion, would have a material impact on the results of the valuation.

On July 29, 2004, the Supreme Court of Canada dismissed the appeal in Monsanto Canada Inc. versus Superintendent of Financial Services ("*Monsanto*"), thereby upholding the requirement to distribute surplus on partial plan wind-ups under *The Pension Benefits Act (Ontario)*. The decision has retroactive application. We are unaware of any partial plan wind-up having been declared in respect of the plan where *Monsanto* may apply. In preparing this actuarial valuation, we have assumed that all plan assets are available to cover the plan liabilities presented in this report. The subsequent declaration of a partial wind-up of the plan where *Monsanto* may apply in respect of a past event, or disclosure of an existing past partial wind-up, could cause an additional claim on plan assets, the consequences of which would be addressed in a subsequent report. We note the discretionary nature of the power of the regulatory authorities to declare partial wind-ups and the lack of clarity with respect to the retroactive scope of that power. We are making no representation as to whether the regulatory authorities might declare a partial wind-up in respect of other events in the plan's history.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada. It has also been prepared in accordance with the funding and solvency standards set by the *Pension Benefits Act of Ontario*.

Respectfully submitted,

Cliff Fox	Tyler Smith
Fellow of the Canadian Institute of Actuaries	Fellow of the Canadian Institute of Actuaries
October 30, 2009	October 30, 2009
Date	Date

Canwest Publications Inc. Retirement Plan

Registration number with the Financial Services Commission of Ontario (FSCO) and with the Canada Revenue Agency: 1077049

This valuation report may not be relied upon for any purpose other than those explicitly noted above or by any party other than the Pension Committee, the Management Pension Committee, the Company, FSCO or the CRA. Mercer is not responsible for the consequences of any other use. A valuation report is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a pension plan's future financial condition or its ability to pay benefits in the future.

Over time, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, the amount of plan expenses, and the amount earned on any assets invested to pay the benefits. These amounts and other variables are uncertain and unknowable at the valuation date.

To prepare this report, *actuarial assumptions*, as described in Appendix B, are used to select a single scenario from the range of possibilities. The results of that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. In addition, different assumptions or scenarios may also be within the reasonable range and results based on those assumptions would be different. Actuarial assumptions may also be changed from one valuation to the next because of changes in regulatory requirements, plan experience, changes in expectations about the future and other factors.

Because actual plan experience will differ from the assumptions, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit-related issues should be made only after careful consideration of alternative future financial conditions and scenarios, and not solely on the basis of a valuation report or reports.

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Financial Position of the Plan

Valuation Results – Going-concern Basis

When conducting a valuation on a going-concern basis, we determine the relationship between the respective values of assets and accumulated benefits, assuming the plan will be maintained indefinitely.

Financial Position

The results of the valuation as at December 31, 2008, in comparison with those of the previous valuation as at December 31, 2007, are summarized as follows:

Financial Position – Going-concern Basis

	31.12.2008	31.12.2007
Assets		
Market value of assets	$218,188,140	$237,979,342
In-transit amounts	$3,258,511	$3,563,482
Asset transfer payable to Hollinger	$0	($20,126)
Asset transfer payable to Osprey	($4,465,874)	($5,307,297)
Adjusted market value of assets	$216,980,777	$236,215,401
Actuarial liability		
Present value of accrued benefits for:		
▪ active members	$183,397,052	$183,069,514
▪ suspended & disabled members	$5,325,273	$4,438,507
▪ deferred pensioners	$3,284,482	$2,982,625
▪ pensioners and survivors	$67,632,445	$50,493,290
▪ pending settlements	$3,025,562	$0
▪ outstanding terminations	$1,455,854	$2,052,234
▪ voluntary contributions	$367,108	$396,840
Total liability	$264,487,776	$243,433,010
Funding excess (shortfall)	($47,506,999)	($7,217,609)

Reconciliation of Financial Position

The plan's financial position, a funding shortfall of $47,506,999 as at December 31, 2008, is reconciled with its previous position, a funding shortfall of $7,217,609 as at December 31, 2007, as follows:

Reconciliation of Financial Position

Funding excess (shortfall) as at 31.12.2007	($7,218,000)
Interest on funding excess (shortfall) at 6.9% per year to 31.12.2008	($498,000)
Net experience gains (losses) in 2008*	($51,183,000)
Employer's special payments to eliminate the unfunded liability and solvency deficiency	$11,529,000
Update to Osprey asset & liability adjustment	$1,077,000
Service cost different than expected	($229,000)
Impact of change in mortality assumption	($3,987,000)
Impact of change in termination assumption	$3,267,000
Change in deferred status	($353,000)
Change in status of outstanding terminations	$199,000
Data corrections and adjustments	($65,000)
Net impact of other elements of gains and losses	($46,000)
Funding excess (shortfall) as at 31.12.2008	($47,507,000)

* Net experience gains (losses) are detailed below.

Data Changes and Adjustments

The following describes the main data changes and adjustments identified in the reconciliation of the plan's financial position ($17,000 loss):

- $137,000 gain due to updates to voluntary contribution balances for active plan members and excess contributions owing to deferred plan members;
- $136,000 loss due to a changes in pension amounts;
- $33,000 loss due to a service update for Bill 102 liabilities for active plan members residing in Quebec;
- $46,000 loss due to lump sum payouts to members not captured in prior valuation; and
- $15,000 gain due to minor data corrections for inactive plan members

Plan Experience

The main assumptions are compared with actual experience since the previous valuation as at December 31, 2007:

Plan Experience

	Assumption	Actual 2008	Impact Gain (Loss)
Net investment return	6.9%/year	(13.6%)/year	($51,008,000)
Interest on employee contributions*	4.0%/year	2.8%/year	$486,000
Increases in pensionable earnings	3.4%/year	1.5%/year	$619,000
Increases in YMPE	2.7%/year	3.1%/year	
Retirements:			
▪ number	89 retired	78 retired	($332,000)
▪ average age	61.4 years	61.5 years	
Terminations of employment	80 terminated	132 terminated	($278,000)
Mortality:			
▪ actives	4 deaths	4 deaths	($408,000)
▪ inactives	4 deaths	1 deaths	($262,000)
Net experience gains (losses)			($51,183,000)

* For plan members residing in Quebec, the actual interest rate credited on employee contributions in 2008 was (13.6%).

Valuation Results – Solvency Basis

When conducting a solvency valuation, we determine the relationship between the respective values of the plan's assets and its liabilities on a solvency basis, determined in accordance with the *Pension Benefits Act of Ontario*. The values of the plan's assets and liabilities on a solvency basis are related to the corresponding values calculated as though the plan were wound up and settled on the valuation date. The values of the plan's assets and liabilities on a solvency basis are related to the corresponding values calculated as though the plan were wound up and settled on the valuation date. The circumstances in which the plan wind up is assumed to have taken place is the Plan winds up and no further benefits accrue to members, thereby giving rise to termination benefits for those active and deferred members not yet eligible to retire and retirement benefits for those active and deferred members already eligible to retire.

We have included the value of all benefits that may be contingent upon the circumstances of the postulated plan wind-up. The postulated scenario produces the maximum liability on the valuation date.

Financial Position on a Solvency Basis

As at December 31, 2008, the transfer ratio of the plan, being the ratio of solvency assets to solvency liabilities, is 70.1%. The plan's solvency position as at December 31, 2008, in comparison with that of the previous valuation as at December 31, 2007, is determined as follows:

Solvency Position

	31.12.2008	31.12.2007
Assets		
Market value of assets	$218,188,140	$237,979,342
In-transits	$3,258,511	$3,563,482
Asset transfer payable to Hollinger	$0	($20,126)
Asset transfer payable to Osprey	($4,465,874)	($5,307,297)
Market value of assets net of in-transits (MV)	$216,980,777	$236,215,401
Solvency termination expenses	($550,000)	($500,000)
Solvency assets	$216,430,777	$235,715,401
Market value adjustment	$21,818,814	($2,732,251)
Present value of special payments for next five years	$53,966,752	$22,116,360
Adjusted solvency assets (ASA)	$292,216,343	$255,099,509
Actuarial liability		
Present value of accrued benefits for:		
▪ active members	$213,137,077	$215,874,021
▪ suspended & disabled members	$6,710,888	$5,986,486
▪ deferred pensioners	$4,414,695	$3,992,881
▪ pensioners and survivors	$80,332,477	$62,523,878
▪ pending settlements	$3,025,562	$0
▪ outstanding terminations	$1,455,854	$2,052,234
▪ voluntary contributions	$367,108	$396,840
Solvency liabilities (L)	$309,443,661	$290,826,340
Solvency liability adjustment	($8,696,179)	($14,658,402)
Adjusted solvency liability (ASL)	$300,747,482	$276,167,938
Solvency excess (deficiency) created as at valuation date (ASA – ASL)	($8,531,139)	($21,068,429)
Transfer ratio (MV/L)	70.1%	81.2%

Payment of Benefits

Since the transfer ratio is less than one, the plan administrator should ensure that the monthly special payments are sufficient to meet the requirements of the *Pension Benefits Act of Ontario* to allow for the full payment of benefits. Otherwise, the plan administrator should take the actions prescribed by the *Act*.

On July 7, 2009, the Financial Services Commission of Ontario published a policy that described the limitations, prescribed in Section 19 of the Regulation, in relation to the transfer of the commuted value of a pension, deferred pension or ancillary benefit under

Section 42 of the *Pension Benefits Act of Ontario*. Effective June 19, 2009, no transfer of money may be made from the Plan without the prior consent of the Superintendent if the plan's transfer ratio is below 0.90. This restriction will continue to apply until it is withdrawn or amended. This restriction does not apply to death benefits, non-vested entitlements, refunds of excess contributions or monthly pension in pay.

Financial Position on a Wind-up Basis

The plan's hypothetical wind-up position as of December 31, 2008, assuming circumstances producing the maximum wind-up liabilities on the valuation date, is determined as follows:

Wind-up Position

	31.12.2008
Assets	
Market value of assets	$218,188,140
In-transits	$3,258,511
Asset transfer payable to Osprey	($4,465,874)
Termination expense provision	($1,000,000)
Wind-up assets	$215,980,777
Actuarial liability	
Present value of accrued benefits for:	
▪ active members	$221,075,503
▪ suspended & disabled members	$6,906,652
▪ deferred pensioners	$4,721,657
▪ pensioners and survivors	$80,332,477
▪ pending settlements	$3,025,562
▪ outstanding terminations	$1,455,854
▪ voluntary contributions	$367,108
Total wind-up liability	$317,884,813
Wind-up excess (deficiency)	($101,904,036)

Impact of Plan Wind-up

In our opinion, the value of the plan's assets would be less than its actuarial liabilities if the plan were to be wound up on the valuation date.

Specifically, actuarial liabilities would exceed the market value of plan assets by $101,904,036. This calculation includes a provision for termination expenses that might be payable from the pension fund.

Pension Benefit Guarantee Fund (PBGF) Assessment

The PBGF assessment is calculated as follows:

$1 for each Ontario member	952
PLUS	
0.5% of PBGF assessment base up to 10% of PBGF liabilities	$59,340
PLUS	
1.0% of PBGF assessment base up to between 10% and 20% of PBGF liabilities	$118,680
PLUS	
1.5% of PBGF assessment base over 20% of PBGF liabilities	$175,976
PBGF assessment (taking into account the limit per member[1])	$95,200

The PBGF assessment base and liabilities are derived as follows:

PBGF Assessment Base and PBGF Liabilities

PBGF liabilities	$118,679,862	(a)
Total solvency liabilities	$309,443,661	(b)
Ontario asset ratio	38.35%	(c) = (a) ÷ (b)
Market value of assets	$216,980,770	(d)
Ontario portion of the fund	$83,212,128	(e) = (c) x (d)
PBGF assessment base	$35,467,734	(f) = (a) - (e)

[1] The limit is $100 per Ontario member.

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Funding Requirements

Current Service Cost

The estimated value of the benefits that will accrue on behalf of the active and disabled members during 2009, in comparison with the corresponding value determined in the previous valuation as at December 31, 2007, is summarized below:

Employer's Current Service Cost

	2009	2008
Total current service cost	$12,672,228	$11,958,526
Estimated members' required contributions	($4,965,263)	($4,923,953)
Estimated employer's current service cost	$7,706,965	$7,034,573
Employer's current service cost expressed as a percentage of payroll	5.4%	5.0%
Employer's current service cost expressed as a percentage of members' required contributions	155.2%	142.9%

An analysis of the changes in the employer's current service cost follows:

Changes in Employer's Current Service Cost

Employer's current service cost as at 31.12.2007	142.9%
Demographic changes	(4.4%)
Changes in assumptions and methods	16.7%
Employer's current service cost as at 31.12.2008	155.2%

Special Payments

Going-concern Basis

The present value, as at December 31, 2008, of the monthly unfunded liability special payments that were determined in the previous valuation, is as follows:

Present Value of Monthly Special Payments Determined at 31.12.2008

Type of Deficit	Effective Date	Current Special Payment	Last Payment	Present Value of Remaining Payments as at 31.12.2008
Unfunded liability	31.12.2006	$89,748	30.11.2016	$6,605,003

Due to the experience loss arising since the previous valuation, the unfunded liability as at December 31, 2008, $47,506,999, now exceeds the present value of payments that were determined in the previous valuation, $6,605,003. In accordance with the *Pension Benefits Act of Ontario*, the increase in the going-concern unfunded liability needs to be amortized over a period not exceeding 15 years. As such, unfunded liability special payments must be increased by $360,608 per month, until December 31, 2023 to amortize the increase in the going-concern unfunded liability.

Solvency Basis

In accordance with the *Pension Benefits Act of Ontario*, each solvency deficiency must be eliminated by special payments within five years of the respective effective date. The present value of the existing special payments due in the next five years is determined as follows:

Present Value of Five Years of Existing Monthly Special Payments

Type of Deficit	Effective Date	Special Payment	Last Payment	Present Value of Remaining Payments as at 31.12.2008
Unfunded liability	31.12.2005	$89,748	30.11.2016	$4,788,472
Solvency deficiency	31.12.2005	$242,574	31.12.2010	$5,545,139
Solvency deficiency	31.12.2006	$211,879	31.12.2011	$7,099,412
Solvency deficiency	31.12.2007	$396,056	31.12.2012	$17,293,562
Unfunded liability	31.12.2008	$360,608	31.12.2023	$19,240,167
Total		$1,300,865		$53,966,752

Since there is an additional solvency deficiency created at December 31, 2008, special payments of $159,894 per month must be made for the next five years to eliminate the solvency deficiency of $8,531,139.

Total Special Payments

The following minimum monthly special payments must be made to the plan to eliminate any going-concern unfunded liability and any solvency deficiency as at December 31, 2008, within the periods prescribed by the *Pension Benefits Act of Ontario*.

Minimum Monthly Special Payments

Type of Deficit	Effective Date	Special Payment	Last Payment
Unfunded liability	31.12.2006	$89,748	30.11.2016
Solvency deficiency	31.12.2005	$242,574	31.12.2010
Solvency deficiency	31.12.2006	$211,879	31.12.2011
Solvency deficiency	31.12.2007	$396,056	31.12.2012
Unfunded liability	31.12.2008	$360,608	31.12.2023
Solvency deficiency	31.12.2008	$159,894	31.12.2013
Total		$1,460,759	

Employer Contributions

There is a funding shortfall of $47,506,999 and solvency liabilities exceed solvency assets by $8,531,139 as at December 31, 2008. As such, we recommend that Canwest Publishing Inc. make monthly contributions to the plan for 2009, as follows:

Minimum Funding Requirements

The minimum monthly required contributions for 2009 are as follows:

Monthly Employer Contributions
For current service: 155.2% of members' required contributions
Minimum special payments for unfunded liability: $450,356
Minimum additional special payments for solvency: $1,010,403

On the basis of the members' estimated required contributions, we have estimated the minimum total employer contribution for 2009 to be $25,236,073, or $2,103,006 per month. We have estimated the total member's contributions for 2009 to be $4,965,263.

Estimated Minimum Employer's Contributions Until December 31, 2009

Year Ending	Current Service Cost	Minimum Special Payments	Minimum Employer's Contributions
December 31, 2009	$7,706,965	$17,529,108	$25,236,073

Contributions for current service must be made within 30 days following the month to which they apply. Special payments to eliminate an unfunded liability or solvency deficiency must be made in the month to which they apply.

The minimum contribution requirements based on this report exceed the minimum contribution requirements recommended in the previous valuation report. Upon filing this report, Canwest Publishing Inc. must contribute the excess, if any, of the minimum contribution recommended in this report over contributions actually made in respect of the period following December 31, 2008. This contribution, along with an allowance for interest, is due no later than 60 days following the date this report is filed.

Maximum Eligible Contributions

The maximum eligible employer contribution is equal to the Company current service cost plus the greater of the funding shortfall and the wind-up deficiency. We have estimated the maximum eligible annual contribution for 2009 to be $100,719,849 as at December 31, 2008.

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Actuarial Opinion

With respect to the Actuarial Valuation as at December 31, 2008
of the Canwest Publications Inc. Retirement Plan
FSCO Registration 1077049
Canada Revenue Agency 1077049

Based on the results of this valuation, we herby certify that, as at December 31, 2008:

- The employer's current service cost for 2009 and subsequent years, up to the next actuarial valuation should be calculated as 155.2% of members' required contributions.

- The employer's current service cost 2009 is estimated to be $7,706,965. Member required contributions are estimated to be $4,965,263.

- The plan would be fully funded on a going-concern basis if its assets were augmented by $47,506,999. In order to comply with the provisions of the *Pension Benefits Act of Ontario*, the unfunded liability must be liquidated by monthly special payments at least equal to the amounts indicated, and for the periods set forth, below:

Monthly Unfunded Liability Special Payments

Type of Deficit	Effective Date	Special Payment	Last Payment
Unfunded liability	31.12.2006	$89,748	30.11.2016
Unfunded liability	31.12.2008	$360,608	31.12.2023
Total		$450,356	

- The plan would be fully funded on a solvency basis if its assets were augmented by $8,531,139 after taking into account the special payments already established. In order to comply with the provisions of the *Pension Benefits Act of Ontario*, the solvency deficiency must be liquidated by monthly special payments at least equal to the amounts indicated, and for the periods set forth, below:

Monthly Solvency Special Payments

Type of Deficit	Effective Date	Special Payment	Last Payment
Solvency deficiency	31.12.2005	$242,574	31.12.2010
Solvency deficiency	31.12.2006	$211,879	31.12.2011
Solvency deficiency	31.12.2007	$396,056	31.12.2012
Solvency deficiency	31.12.2008	$159,894	31.12.2013
Total		$1,010,403	

- The solvency liabilities used to determine the solvency status of the plan do not exclude any benefit provided under the plan.

- We have included in the solvency liabilities the value of all benefits that may be contingent upon the circumstances of the postulated plan wind-up. The circumstances in which the plan wind up is assumed to have taken place is the Plan winds up and no further benefits accrue to members, thereby giving rise to termination benefits for those active and deferred members not yet eligible to retire and retirement benefits for those active and deferred members already eligible to retire. The postulated scenario produces the maximum liability on the valuation date.

- The Company's funding policy is to contribute no more than is necessary to comply with the requirements of applicable legislation and accepted actuarial practice in Canada.

- The Pension Benefits Guarantee Fund annual assessment under Section 37 of the Regulations to the *Pension Benefits Act of Ontario* for 2009 is $95,200. The PBGF assessment base is $35,467,734. The PBGF liabilities are $118,679,862.

- The transfer ratio of the plan is 70.1%. The Prior Year Credit Balance as at December 31, 2008 is $0.

- In our opinion,
  – the data on which the valuation is based are sufficient and reliable for the purposes of the valuation,
  – the assumptions are, in aggregate, appropriate for the purposes of determining the funded status of the plan as at December 31, 2008 on going-concern and solvency bases, and determining the minimum funding requirements, and
  – the methods employed in the valuation are appropriate for the purposes of determining the funded status of the plan as at December 31, 2008 on going-concern and solvency bases, and determining the minimum funding requirements.

- This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

- All assumptions made for the purposes of the valuation were reasonable at the time the valuation was prepared.

Cliff Fox
Fellow of the Canadian Institute of Actuaries

Tyler Smith
Fellow of the Canadian Institute of Actuaries

October 30, 2009
Date

October 30, 2009
Date

Appendix A

Plan Assets

Sources of Plan Asset Data

The pension fund is held in trust by RBC Dexia Investor Services. The assets are governed by the investment policy.

We have relied upon:

- fund statements prepared by RBC Dexia Investor Services for the period from December 31, 2007 to December 31, 2008; and
- financial statements, prepared by Logos Financial and audited by PricewaterhouseCoopers LLP as at December 31, 2008.

Reconciliation of Plan Assets

The pension fund transactions for the period from January 1, 2008 to December 31, 2008 are summarized as follows:

Reconciliation of Plan Assets (Market Value)

	2008
January 1	$237,979,342
PLUS	
Members' contributions	$4,886,376
Company's contributions	$18,990,076
Investment income	$14,541,276
Net capital gains (losses)	($46,040,889)
	($7,623,161)
LESS	
Pensions paid	$5,973,092
Lump-sum refunds	4,292,494
Transfer of assets	$20,126
Fees and expenses	$1,882,329
	$12,168,041
December 31	$218,188,140

The December 31, 2008 asset value is further adjusted to reflect in-transit contributions of $4,134,597 and in-transit expenses incurred but not paid of $1,076,086. In addition, the asset value has been adjusted to reflect a pending reciprocal asset transfer of $200,000 from the National Post Pension Plan. The resulting market value is $221,446,651.

The audited financial statements prepared by PricewaterhouseCoopers LLP, disclosed a net asset available for benefits of $221,040,295 as at December 31, 2008. This amount reflects expenses of $1,076,086 that were incurred in 2008 and not reflected in the fund statements prepared by RBC Dexia Investor Services, and in-transit employer contributions of $4,134,597. This amount disclosed by PricewaterhouseCoopers LLP does not reflect the pending asset transfer of $200,000 from the National Post Pension Plan.

In addition, the asset value disclosed by PricewaterhouseCoopers LLP includes in-transit benefit payments of $206,356. For the purpose of the valuation, we have not reflected this amount as a reduction in the asset value as at December 31, 2008, but rather have included these amounts in the plans' liabilities.

A reconciliation of the asset value disclosed by RBC Dexia Investor Services to the asset value disclosed by PricewaterhouseCoopers LLP as of December 31, 2008 follows:

RBC to PricewaterhouseCoopers LLP Reconciliation of Asset Value at December 31, 2008

	31.12.2008
RBC Dexia Investor Services	$218,188,140
PLUS	
Contributions receivable	$4,134,597
Pending reciprocal asset transfer	$200,000
Subtotal	$4,334,597
LESS	
Benefits payable	$206,356
Expenses payable	$1,076,086
Subtotal	$1,282,442
PricewaterhouseCoopers LLP	$221,040,295

We have tested the pensions paid, the lump-sum refunds and the contributions for consistency with the membership data for the plan members who have received benefits or made contributions. The results of these tests were satisfactory.

Investment Policy

The plan administrator adopted a statement of investment policy and objectives. This policy is intended to provide guidelines for the managers as to the level of risk which is commensurate with the plan's investment objectives. A significant component of this investment policy is the asset mix. All pension plans of Canwest with invested assets have the same asset allocation strategy.

The actual asset mix of the pension fund as at December 31, 2008 determined by RBC Dexia Investor Services is provided for information purposes:

Distribution of the Market Value of the Fund by Asset Class

	Actual Asset Mix As at 01.01.2009
Canadian Equities	32.2%
Non-Canadian Equities	23.6%
Fixed Income / Bonds	39.3%
Cash and cash equivalents	4.9%
	100.0%

The actual asset mix of any of the Company's pension plans may differ at any month end from the asset mix of the entire fund of pension assets of the Company due to the timing of contributions.

As outlined in the investment policy, the constraints on the asset mix are as follows:

Investment Policy

	Investment Policy		
	Minimum	Target	Maximum
Canadian Equities	25%	35%	45%
Global Equities	15%	25%	35%
Fixed Income / Bonds	30%	40%	50%
		100%	

Performance of Fund Assets

The internal rate of return of the assets allocated to this plan, net of expenses, from January 1, 2008 to December 31, 2008 as per our calculations (which assume that the net cash flow occurred in the middle of each year), is shown below:

Year	Gross Rate of Return on Market Value of Assets	Net Rate of Return on Market Value of Assets
2008	(12.9%)	(13.6%)

The return on the market value, net of expenses, since the last valuation at December 31, 2008 was (13.6%). This rate is less than the assumed investment return used for the previous valuation at December 31, 2008 of 6.9% by 20.5%.

The above return is the rate of return that relates the market value of assets at the beginning of the year and the cash flows (using the mid-year assumption for cash flows) with the ending market value. This is not the same rate as the rate of return calculated and reported by RBC Dexia Investor Services Inc.

Appendix B

Actuarial Methods and Assumptions

Outstanding Asset and Liability Transfer

A transfer of assets and liabilities from the plan to the Osprey Media Holdings Inc. pension plan as at February 13, 2003 is outstanding. The transfer report is currently under review. We received information on the membership included in this transfer along with any payments to these members during the 2005, 2006, 2007 and 2008 calendar years. According to the transfer report prepared by Buck Consultants Ltd., the transfer amount was $4,557,500 as of February 13, 2003. This amount was carried forward from February 13, 2003 to December 31, 2008 at the rate of return earned by the market value of the plan's assets over the period, net of expenses, reduced by the value of any lump sum settlements and pensions paid to affected members during the 2005, 2006, 2007 and 2008 calendar years. We have included the accumulated value of this asset transfer as an asset payable as at December 31, 2008.

Actuarial Valuation Methods – Going-concern Basis

Valuation of Assets

For this valuation, we have continued to use the market value of assets in the going-concern valuation.

Valuation of Actuarial Liabilities

Over time, the real cost to the employer of a pension plan is the excess of benefits and expenses over member contributions and investment earnings. The actuarial cost method allocates this cost to annual time periods.

For purposes of the going-concern valuation, we have continued to use the *projected unit credit actuarial cost method*. Under this method, we determine the actuarial present value of benefits accrued in respect of service prior to the valuation date, including ancillary benefits, based on projected final average earnings. This is referred to as the *actuarial liability*.

The *funding excess* or *unfunded liability*, as the case may be, is the difference between the actuarial value of assets and the actuarial liability. A funding shortfall will be amortized over no more than 15 years through special payments as required under the *Pension Benefits Act of Ontario*. A funding excess may, from an actuarial standpoint, be applied immediately to reduce required employer current service contributions unless precluded by the terms of the plan or by legislation.

This actuarial funding method produces a reasonable matching of contributions with accruing benefits. Because benefits are recognized as they accrue, the actuarial funding method aims at keeping the plan fully funded at all times. This promotes benefit security, once any funding shortfall and solvency deficiencies have been funded.

The benefits ultimately paid are dependent upon members' pensionable earnings. Due to discrepancies with the pensionable earnings reported prior to 2007, we have used the reported 2007 earnings and the salary scale to determine earnings in prior years.

In addition, where there were large increases or decreases in the 2008 pensionable earnings from those reported in 2007, we have set 2008 pensionable earnings as the maximum of the 2007 and 2008 reported pensionable earnings.

Current Service Cost

The *current service cost* is the actuarial present value of projected benefits to be paid under the plan with respect to service during the year following the valuation date.

The employer's current service cost is the total current service cost reduced by the members' required contributions.

The employer's current service cost has been expressed as a percentage of the members' required contributions to provide an automatic adjustment in the event of fluctuations in membership and/or pensionable earnings.

Under the projected unit credit actuarial cost method, the current service cost for an individual member will increase each year as the member approaches retirement. However, the current service cost of the entire group, expressed as a percentage of the members' required contributions, can be expected to remain stable as long as the average age and pay distribution of the group remains constant.

Employer's Contribution

Accordingly, the employer's contributions for this purpose are determined as follows:

Employer's Contributions

With a funding excess	With an unfunded liability
Current service cost	Current service cost
MINUS	PLUS
Any funding excess applied to cover the employer's current service cost	Payments to amortize any unfunded liability

Actuarial Assumptions – Going-concern Basis

The actuarial value of benefits is based on economic and demographic assumptions. At each valuation we determine whether, in our opinion, the actuarial assumptions are still appropriate for the purposes of the valuation, and we revise them, if necessary.

In this valuation, we have used the same assumptions as in the previous valuation except as noted. Emerging experience will result in gains or losses that will be revealed and considered in future actuarial valuations. For this valuation, we have used the following assumptions.

Economic Assumptions

Investment Return

The Company's funding policy is to contribute no more than is necessary to comply with the requirements of applicable legislation and accepted actuarial practice. Accordingly, we have assumed that the investment return on the market value of the fund will average 6.9% per year over the long term. We have based this assumption on an expected long-term return on the pension fund less an allowance for investment and administrative expenses and less a margin for adverse deviations, as described below.

We have assumed a gross rate of return of 7.9% consistent with market conditions applicable on the valuation date, based on estimated returns for each major asset class and the target asset mix specified by the plan's investment policy based on an expected long-term return on the pension fund determined for the target asset mix specified in the plan's investment policy. We have allowed for investment and administrative expenses of 0.75% per year, the average rate of such expenses over the last three years. The margin for adverse deviations is 0.25% per year.

Expenses

The assumed Investment Return reflects an implicit provision for expenses inherent in the ongoing operation of the Plan.

Inflation

The benefits ultimately paid depend on the level of inflation. We assumed inflation will be 2.2% per year. This assumption reflects our best estimate of future inflation considering the Bank of Canada's inflation target and market expectations of long-term inflation implied by the yields on nominal and real return bonds, and includes a margin for adverse deviation.

Increases in the YMPE

Since the benefits provided by the plan depend on the final average Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan, it is necessary to make an assumption about increases in the YMPE for this valuation. We have assumed that the YMPE will increase at the assumed rate of inflation of 2.2% per year plus an allowance of 0.5% per year for the effect of real economic growth and productivity gains in the Canadian economy, which is consistent with historical real economic growth. The increase was applied from the 2009 level of the YMPE of $46,300.

Previously the YMPE was assumed to increase at the rate of 2.7% per year from its 2008 level of $44,900

Increases in the Maximum Pension Permitted under the Income Tax Act

The *Income Tax Act* stipulates that the maximum pension that can be provided under a registered pension plan will be increased to specified amounts each year up to 2009, and automatically, starting in 2010, in accordance with general increases in the average wage.

For this valuation, we have assumed that the maximum pension payable under the plan will increase as specified in the *Income Tax Act* for the years prior to 2010, and will increase starting in 2010 at the rate of 2.7%.

Increases in Pensionable Earnings

The benefits ultimately paid will depend on each member's final average earnings. To calculate the pension benefits payable upon retirement, death or termination of employment, we have taken 2008 earnings and assumed that such pensionable earnings will increase in accordance with a salary scale.

This salary scale is based on:

- an assumed inflation rate of 2.2% per year;
- an assumed productivity component of 0.5% per year; and
- merit and promotional increases in accordance with an age graded scale. Sample rates are shown in the following table:

Merit and Promotional Increases

Age	Percentage
25	2.70%
30	2.32%
35	1.92%
40	1.52%
45	1.14%
50	0.80%
55	0.50%
60	0.24%

For members on long term disability and certain categories of suspended members, we have assumed no increase in pensionable earnings.

Interest Credited on Employee-required Contributions

Interest is credited on employee contributions at the 5-year personal fixed-term chartered bank deposit rates. For this valuation, we have assumed that the interest rate to be credited on employee contributions will represent, on average, 4.0% per annum, over the long term. This rate is consistent with the 5-year personal fixed-term chartered bank deposit rates, and includes a margin for adverse deviation.

Interest Rate to Value Actuarial Liabilities for Outstanding Terminations

Interest rates to value the actuarial liabilities for outstanding terminations are based on:

- the assumptions described in Section 3800 – Pension Commuted Values of the Canadian Institute of Actuaries Standards of Practice applicable for December 31, 2008 for members under age 55;
- an estimate of the cost of settlement through purchase of annuities for members aged 55 and over.

Demographic Assumptions

Retirement Age

Retirement rates are typically developed taking into account the past experience of the plan. However, since the experience of the membership of the plan is insufficient to determine appropriate expectations for future experience and a member retiring early does have an impact on the benefits and liabilities of the plan, we have assumed that members will retire the first of the month in the percentages shown in the following table once they reach the indicated ages:

Retirement Rates

Age	Percentage
55 - 61	10%
62	50%
63	25%
64	25%
65	100%

Termination of Employment

We have made an allowance for expected benefits payable on the termination of employment before retirement for reasons other than death.

We have used termination rates that are based on plan experience from 2005 to 2007, inclusive. Sample rates are shown in the following table:

Termination Rates

Age	Percentage
25	15.8%
30	15.8%
35	14.2%
40	6.0%
45	4.8%
50	3.7%
54	2.7%

Previously, we used unadjusted termination rates up to age 55 in accordance with the Ontario Medium Table, increased by 50%.

Mortality

The actuarial value of the pension depends on the life expectancy of the member.

The 1994 Uninsured Pensioner Mortality Table reflects the mortality experience as of 1994 for a large sample of North American pension plans. Applying projection scale AA provides an allowance for improvements in mortality after 1994. This table is commonly used for valuations where the membership of a plan is insufficient to assess plan specific experience and where there is no reason to expect the mortality to differ from that of other pension plans. Both are true for this plan.

While there is strong evidence of continuing improvement in mortality, forecasts of the rate of future improvement are very uncertain. We have used the projection scale AA to reflect future improvements in mortality.

We have assumed mortality rates, before and after retirement, in accordance with the Uninsured Pensioner Mortality Table with projection Scale AA applied to reflect continuing future improvements in survivorship.

Previously, we assumed mortality rates in accordance with the 1994 Uninsured Pensioner Mortality (UP94) Table projected using Scale AA to 2015.

Disability

No allowance has been made for the probability of active members becoming disabled on the basis that the impact of including such an assumption would not have a material impact on the valuation results.

Actuarial Valuation Methods and Assumptions – Solvency and Impact of Plan Wind-up

When actuarial liabilities on a solvency basis exceed actuarial liabilities on a going-concern basis and the plan has a solvency deficiency, as are both true in this valuation, contribution requirements will be largely determined by the solvency funded position. This has several implications:

- Special payments are required to amortize solvency deficiencies over a maximum of 5 years;
- During the amortization period the plan is not expected to be 100% solvent; and
- Any future benefit improvements affecting past service will increase solvency liabilities and further reduce the solvency of the plan.

As permitted by legislation, solvency assets and liabilities have been smoothed over a five year period. There is no provision in the minimum funding requirements to fund the difference between the wind-up deficiency and the solvency shortfall (the smoothed value of assets less smoothed solvency liabilities). Therefore, in the event that the plan is wound up while the sponsor is funding the plan on this basis, the plan is not expected to have sufficient funds to provide these benefits.

In addition, the growth in solvency liabilities resulting from the additional accrual of benefits and development of the plan membership may be different than the growth of plan assets including future contributions and investment returns. This may result in further losses being revealed in future solvency valuations.

The plan's solvency position is based on the market value of assets plus a market value adjustment. The market value adjustment is the difference between the smoothed value of assets, using a 5-year moving average of market values based on an expected net rate of return of 4.82% per year (limited to no more than 110% of the market value of assets), and the market value of assets at the valuation date. The market value adjustment is derived below:

Market Value Adjustment to Assets

Market value of assets at 31.12.2004	$169,175,861				
Net cash flow	$7,968,594				
Assumed investment income	$8,349,246				
Projected / Market value of assets at 31.12.2005	$185,493,701	$195,873,714			
Net cash flow	$11,370,993	$11,370,993			
Assumed investment income	$9,218,068	$9,718,560			
Projected / Market value of assets at 31.12.2006	$206,082,762	$216,963,267	$228,266,367		
Net cash flow	$9,672,261	$9,672,261	$9,672,261		
Assumed investment income	$10,169,855	$10,694,479	$11,239,480		
Projected / Market value of assets at 31.12.2007	$225,924,878	$237,330,007	$249,178,108	$237,979,342	
Net cash flow	$13,610,867	$13,610,867	$13,610,867	$13,610,867	
Assumed investment income	$11,221,534	$11,771,454	$12,342,733	$11,802,762	
Projected / Market value of assets at 31.12.2008	$250,757,279	$262,712,328	$275,131,708	$263,392,971	$218,188,140
Average of projected / market value of assets at December 31, 2008 (limited to no more than 110% of the market value of assets)					$240,006,954
Market value adjustment at December 31, 2008					$21,818,814

To determine the solvency actuarial liability, we have valued those benefits that would have been paid had the plan been wound up on the valuation date, with all members fully vested in their accrued benefits. The circumstances in which the plan wind up is assumed to have taken place is the plan winds up and no further benefits accrue to members, thereby giving rise to termination benefits for those active and deferred members not yet eligible to retire and retirement benefits for those active and deferred members already eligible to retire. We have included the value of all benefits that may be contingent upon the circumstances of the postulated wind-up.

We have considered that members under 55 years of age as of the valuation date would be entitled to a deferred pension payable from age 65 or such earlier age for which plan eligibility requirements have been satisfied at December 31, 2008. Members aged 55 and over are considered to be entitled to an immediate pension, reduced in accordance with the plan rules. We have also considered that Ontario members whose age plus years of service equal at least 55 at December 31, 2008 would be entitled to a pension payable from the age that would produce the greatest value if employment were to have continued for the purpose of determining eligibility for early retirement benefits.

For active and deferred members as at December 31, 2008:

- a proportion of benefits are assumed to be settled through a lump sum transfer;

- a proportion of benefits are assumed to be settled through the purchase of deferred or immediate annuities.

For pensioners and beneficiaries, benefits are assumed to be settled through the purchase of annuities.

Benefits are expected to be settled in accordance with relevant portability requirements. The value of the benefits accrued December 31, 2008 assumed to be settled through lump sum transfer are based on the assumptions described in Section 3800 – Pension Commuted Values of the Canadian Institute of Actuaries Standards of Practice applicable for December 31, 2008.[1]

Benefits accrued on December 31, 2008 expected to be settled through purchase of immediate and deferred annuities are based on an estimate of the cost of settlement through purchase of annuities. We have estimated the cost of settlement through purchase of immediate and deferred annuities in accordance with the Canadian Institute of Actuaries Educational Note: Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates Between December 31, 2008 and December 30, 2009.

Solvency liabilities have been further adjusted as a result of using a 60 month averaging period to determine the appropriate interest rates. Assumptions are as follows:

Actuarial Assumptions

For benefits to be settled through lump sum transfer:	
▪ Interest rates	4.20% (4.95% for solvency liability adjustment) per year for the first 10 years following 01.01.2009, 5.70% (5.68% for solvency liability adjustment) per year thereafter
▪ Mortality rates	1994 Uninsured Pensioner Mortality table (UP94) projected to year 2020 based on Scale AA
For benefits to be settled through immediate annuity purchase:	
▪ Interest rate	4.85% (4.99% for solvency liability adjustment) per year
▪ Mortality rates	1994 Uninsured Pensioner Mortality table (UP94) projected to year 2015 based on Scale AA

[1] A new Canadian Institute of Actuaries Standard of Practice for determining pension commuted values ("CIA Standard") became effective on April 1, 2009. The new CIA Standard changed the assumptions to be used to value the solvency and wind-up liabilities for benefits assumed to be settled through a lump sum transfer. As permitted by the Pension Benefits Standards Act, 1985, and as directed by the Company, the financial impact of the new CIA standard has been reflected in this actuarial valuation.

For benefits to be settled through deferred annuity purchase:	
▪ Interest rate	4.45% (4.55% for solvency liability adjustment) per year
▪ Mortality rates	1994 Uninsured Pensioner Mortality table (UP94) projected to year 2015 based on Scale AA
Assumed election of settlement for active and deferred members not eligible to retire at 31.12.2008:	
▪ settled through deferred annuity purchase	30%
▪ settled through lump sum transfer	70%
Assumed election of settlement for active and deferred members eligible to retire at 31.12.2008:	
▪ settled through annuity purchase	60%
▪ settled through lump sum transfer	40%
Assumed election of settlement for pensioners and beneficiaries at 31.12.2008:	
▪ settled through immediate annuity purchase	100%
Inflation	1.95% per year
Final average earnings:	Calculated using actual pensionable earnings for 2007 and 2008 and projected back using the average rate of increase in the YMPE from 2004 to 2008
Maximum pension limit	$2,333.33 per year of credited service
Solvency termination expenses	$550,000

In a solvency valuation, the accrued benefits are based on the member's earnings prior to the valuation date; therefore no salary projection is used. Also, the employment of each member is assumed to have terminated on the valuation date; therefore, no assumption is required for future rates of disability and termination of employment.

To determine the solvency position of the plan, the provision for expenses payable from the plan's assets is in respect of actuarial, administration and legal expenses that would be incurred in terminating the plan.

Because the settlement of benefits on wind-up is assumed to occur on the valuation date, the provision for termination expenses does not include custodial, investment management, auditing and consulting expenses that would be incurred between the wind-up date and the settlement date.

In determining the provision for termination expenses payable from the plan's assets, we have assumed that the process of the wind-up will be completed by third-party service providers.

For the purpose of determining the financial position of the plan upon hypothetical wind-up, we have used the same methods and assumptions for solvency except:

- active and deferred members who have not commenced their pension at 12.31.2008 are assumed to elect a method of settlement that produces the maximum liability; and

- wind-up termination expenses are assumed to be $1,000,000.

The provision for wind-up termination expenses also includes transaction fees related to the liquidation of the plan's assets and any reduction in the value of the plan's equity assets resulting from their liquidation.

Appendix C

Membership Data

Analysis of Membership Data

The actuarial valuation is based on membership data as at December 31, 2008, provided by Canwest Publishing Inc.

We have relied on information in respect of outstanding terminations prior to December 31, 2004 provided by Buck Consultants Ltd. and Canwest Publishing Inc.

Due to the lack of information available for certain outstanding terminations, the liability for these members has been determined as follows:

- For members with a deferred pension amount on file, the present value of the pension assumed payable at age 65;
- For members with no pension information available, a roll-forward of their present value of benefits determined in the previous valuation assuming service to their actual termination date.

We have applied tests for internal consistency, as well as for consistency with the data used for the previous valuation. These tests were applied to membership reconciliation, basic information (date of birth, date of hire, date of membership, gender, etc.), pensionable earnings (as described above for 2007 and 2008) as provided by the Company, credited service, contributions accumulated with interest and pensions to retirees and other members entitled to a deferred pension. Contributions, lump sum payments and pensions to retirees were compared with corresponding amounts reported in financial statements.

Plan membership data are summarized below. For comparison, we have also summarized corresponding data from the previous valuation.

Membership Data

	31.12.2008	31.12.2007
Active Members		
Number	2,014	2,069
Total annualized pensionable earnings for the following year	$148,107,910	$145,771,666
Average pensionable earnings for the following year	$73,539	$70,455
Average years of pensionable service	11.7 years	11.8 years
Average age	47.7	47.7
Average accumulated contributions with interest	$33,911	$34,689
Suspended & Disabled Members		
Number	48	39
Total annualized pensionable earnings	$3,029,286	$2,376,942
Average pensionable earnings	$63,271	$60,947
Average years of pensionable service	14.7 years	15.7 years
Average age	52.9	53.3
Pending Settlements		
Number	70	-
Average entitlement	$45,148	-
Outstanding Terminations		
Number	55	60
Average entitlement	$26,470	$34,204
Deferred Pensioners		
Number	80	70
Total annual pension	$662,400	$591,290
Average annual pension	$8,280	$8,447
Average age	46.9	47.3
Pensioners and Survivors		
Number	348	267
Total annual lifetime pension	$5,716,944	$4,377,764
Average annual lifetime pension	$16,428	$16,396
Total annual temporary pension	$874,470	$639,026
Average age	64.7	64.6

The membership movement for all categories of membership since the previous actuarial valuation is as follows:

Reconciliation of Membership

	Active Members	Suspended & Disabled Members	Pending Settlements	Outstanding Terminations	Deferred Pensioners	Pensioners & Survivors	Total
Total at 31.12.2007	**2069**	**39**	**-**	**60**	**70**	**267**	**2505**
Data corrections				(1)	1		-
New entrants	167				1		168
Returned to active employment	2	(2)					-
Suspended & disabled	(17)	17					-
Terminations:							
not vested	(5)						(5)
transfers/refunds	(103)	(4)		(2)	(10)		(119)
deferred pensions	(20)				20		-
Pending settlements			70				70
Deaths	(4)						(4)
Retirements	(75)	(2)		(2)	(2)	81	-
Total at 31.12.2008	**2014**	**48**	**70**	**55**	**80**	**348**	**2615**

The distribution of the active, suspended and disabled members by age and credited service as at December 31, 2008, is summarized as follows:

Distribution of Active, Suspended, and Disabled Members
By Age Group and Credited Service as at 31.12.2008

	Years of Credited Service									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
20 - 24	17									17
	$38,474									$38,474
25 - 29	73	5								78
	$49,572	$58,927								$50,172
30 - 34	88	33	3							124
	$58,162	$58,881	$67,861							$58,588
35 - 39	113	40	21	5						179
	$66,913	$67,834	$70,485	$71,161						$67,657
40 - 44	124	80	45	25	20					294
	$65,670	$74,878	$82,068	$79,908	$67,245					$72,003
45 - 49	101	96	52	58	66	24				397
	$64,802	$70,862	$80,101	$69,421	$68,924	$71,989				$70,066
50 - 54	77	69	59	63	83	66				417
	$65,619	$71,707	$79,173	$74,208	$90,780	$75,974				$76,489
55 - 59	46	55	40	44	50	44	58			337
	$54,758	$76,474	$79,007	$81,505	$78,670	$72,732	$76,997			$74,395
60 - 64	20	33	12	22	35	22	26	17		187
	$48,828	$69,404	$68,965	$73,948	$81,868	$73,935	$80,982	$83,153		$73,435
65 - 69	2	7	3	4	6	3	1	3	2	31
	*	$53,924	$68,551	$77,303	$73,833	$79,496	*	$78,616	*	$68,314
70 +					1					1
					*					*
Total	661	418	235	221	260	160	85	20	2	2062
	$60,905	$70,731	$78,327	$75,010	$79,502	$74,299	$78,271	$82,472	*	$70,720

* *The pensionable earnings for cells with two or fewer members have been suppressed.*

The distribution of the inactive members by age as at December 31, 2008, is summarized as follows:

Distribution of Inactive Members
By Age Group as at 31.12.2008

	Deferred Pensioners		Pensioners and Survivors			
Age	Number	Average Monthly Lifetime Pension	Number	Average Monthly Lifetime Pension	Number	Average Monthly Temporary Pension
Under 30	1	$69				
30 - 34	5	$265				
35 - 39	15	$464				
40 - 44	8	$587				
45 - 49	19	$546				
50 - 54	18	$849				
55 - 59	10	$1,094	40	$968	23	$1,122
60 - 64	4	$1,391	123	$1,316	48	$981
65 - 69			142	$1,534		
70 - 74			38	$1,259		
75+			5	$2,014		
Total	80	$690	348	$1,369	71	$1,027

Appendix D

Summary of Plan Provisions

Introduction

The *Canwest Publications Inc. Retirement Plan* became effective November 16, 2000.

The plan is a defined benefit plan; it provides benefits based on a set formula and is paid for by employer and employee contributions.

This valuation reflects the provisions of the plan as at December 31, 2008. Effective January 10, 2008, the plan was amended to change the name of the plan sponsor from Canwest MediaWorks Publications Inc. to Canwest Publishing Inc. The plan was further amended during 2008 to clarify the definitions of Employee and Employer as well as to clarify provisions for members transferred to and from other divisions of the Employer or to/from affiliated companies. To the best of our knowledge and belief the plan documents and amendments that we have on file comprise the full and complete plan text.

Eligibility for Membership

A permanent full-time employee is eligible to join the plan on the first of the month on or after the completion of three months of continuous service.

Other employees may join the plan on the first day of a calendar year provided that, in the immediately preceding year, the employee has:

- worked at least 700 hours for the Employer; or
- earned at least 35% of the YMPE, or in the case of Manitoba Employees, 25% of the YMPE.

The YMPE, or Year's Maximum Pensionable Earnings, refers to the maximum annual amount of earnings upon which an employee and an employer contribute to the Canada/Québec Pension Plan (C/QPP).

Contributions

Members contribute 2.5% of earnings up to the YMPE for that year, and 5.0% of any earnings in excess of the YMPE for that year.

Earnings include basic salary and wages of a member, including overtime, commissions, and bonuses, at the discretion of the employer.

Vesting Date

Vesting Date

Province of employment:	Vesting upon:
Manitoba or Saskatchewan	Completion of two years continuous employment.
Quebec	Date of plan entry.
Alberta or British Columbia	Earlier of completion of five years of continuous employment and completion of two years as a participant in the plan or upon attainment of Normal Retirement Date.
Other	Earlier of completion of five years of continuous employment and completion of two years as a participant in the plan.

Retirement Dates

Normal Retirement Date

The normal retirement date is the first day of the month coincident with or next following the member's 65^{th} birthday.

Early Retirement Date

A member who has reached their vesting date may choose to retire as early as age 55.

Postponed Retirement

An active member may postpone retirement beyond the normal retirement date, but must retire, and the pension must commence, no later than the end of the year in which the member attains age 69.

Retirement Benefits

Normal Retirement

If a member retires on the normal retirement date, the member will be entitled to the following benefit:

Normal Retirement Benefits

- 1.25% of Final Average Earnings up to the average of the YMPE during the last five calendar years prior to retirement

PLUS

- 1.75% of the excess, if any, of the members' Final Average Earnings over the average of the YMPE during the last five calendar years prior to retirement

MULTIPLIED BY

the member's total years of credited service.

Final Average Earnings are defined as the annual average of a member's pensionable earnings during the 5 full calendar years of the last 10 consecutive calendar years immediately preceding the member's retirement, termination of employment, or death, which produce the highest average. For disabled and transferred members, benefits are based on Final Average Earnings at the date of disability and date of transfer, respectively.

In no event shall the benefits determined in respect of members of Predecessor Plans and Prior Plans of an Acquired Company be less than the benefits these members to which these members would have been entitled had the prior plans continued in effect without change after the acquisition dates. The specific treatment of benefits under these plans can be found in the plan text.

Early Retirement Pension

If a member retires early, the member will be entitled to a pension that is calculated the same way as for a normal retirement. The basic pension payable, however, will be reduced:

- for a member with less than 10 years of continuous employment, on an actuarially equivalent basis, from the member's normal retirement date; and

- for a member with 10 or more years of continuous employment, by 1/3 of 1% for each month by which the member's early retirement date precedes the date the member would have attained age 62.

No reduction shall apply to a member who retires after the attainment of age 62 and the completion of 10 years of continuous employment.

Postponed Retirement Pension

A member may elect to postpone retirement beyond their normal retirement date. In that case, the member may elect:

- to continue making required contributions to the plan and continue to accrue benefits until their actual retirement or death; or

- to cease making required contributions to the plan and receive an immediate pension based on the accrued pension to their normal retirement date; or

- to cease making required contributions to the plan and to receive a payment at a later date which would be actuarially increased to take into account the period between the normal retirement date and the postponed retirement date.

Special provisions for postponed retirement exist for Quebec members.

Maximum Pension

The total annual pension payable from the plan upon the earliest of retirement, death, termination of employment, or termination of the plan cannot exceed the lesser of:

- 2% of the average of the highest average indexed compensation in any three calendar years paid to the member by the Company, multiplied by total credited service; and

- $1,722.22 or such other maximum permitted under the *Income Tax* Act, multiplied by the member's total credited service.

The maximum pension will be reduced ¼ of 1% for each month by which the pension commencement precedes the earliest date on which:

- the member will attain age 60;

- the member's age plus service would have equalled 80; or

- the member would have completed 30 years of service.

Survivor Benefits

Death Before Retirement

If a member dies before the normal retirement date and before any pension payments have begun, the member's spouse, or beneficiary if there is no spouse, will receive a lump sum settlement depending on the member's length of plan membership, as follows:

Death Benefits Before Retirement

If member has:	The plan will pay:
Not reached their vesting date	A refund of the member's contributions with interest.
Reached their vesting date	A deferred lifetime pension based on the member's earnings, contributions and credited service up to the date of death.

Deferred pensions are payable commencing at age 65.

Death After Retirement

The normal form of pension for members without a spouse is a lifetime pension guaranteed for five years. The normal form of pension for members with a spouse is a joint and survivor pension with 60% payable upon the member's death which is actuarially equivalent to a lifetime pension guaranteed for five years.

Members may elect to receive an optional form of pension on an actuarial equivalent basis.

Termination Benefits

If a member's employment terminates for reasons other than death or retirement, the benefits payable from the plan will depend on the member's length of plan membership, as follows:

Benefits in the Event of Termination of Employment

If member has:	The plan will pay:
Not reached their vesting date	A refund of the member's contributions with interest.
Reached their vesting date	A deferred lifetime pension based on the member's earnings, contributions and credited service up to the date of termination.

Deferred pensions are payable commencing at age 65. However, a member may elect to receive an actuarially reduced early retirement pension as early as age 55.

If a member is entitled to a deferred pension, the member may also transfer the commuted value of that pension into another retirement vehicle in accordance with the applicable federal and provincial legislation.

Excess Contributions

Excess contributions are determined as required employee contributions made to the plan, credited with interest, which exceed the 50% of the commuted value of the member's pension for all service. Excess contributions may be refunded in a lump sum or used to provide additional pension, as permitted by legislation.

Voluntary Contributions

In addition to the benefits described herein, at retirement, death, or termination, a benefit is payable which is equal in value to the member's voluntary contributions with interest.

Disability Benefits

If a member becomes disabled, plan membership is deemed to continue to the earlier of the member's normal retirement date, termination of employment or death. The member is not required to make contributions to the plan during the period of disability and earnings, for the purpose of benefit accrual, are deemed to be equal to the rate in effect immediately preceding the commencement of the member's disability.

Appendix E

Employer Certification

With respect to the report on the actuarial valuation of the *Canwest Publications Inc. Retirement Plan*, as at December 31, 2008, I hereby certify that, to the best of my knowledge and belief:

- the Company's funding policy is to contribute no more than is necessary to comply with the requirements of applicable legislation and accepted actuarial practice;
- a copy of the official plan documents and of all amendments made up to December 31, 2008, were provided to the actuary,
- the membership data provided to the actuary included a complete and accurate description of every person who is entitled to benefits under the terms of the plan for service up to December 31, 2008, and
- all events subsequent to December 31, 2008 that may have an impact on the results of the valuation have been communicated to the actuary.

Oct 30/09
Date

Signed

JOHN MAGUIRE
Name

MERCER

MARSH MERCER KROLL
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