SHAW COMMUNICATIONS INC
Form 6-K
October 23, 2008

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of October, 2008

Shaw Communications Inc.

(Translation of registrant s name into English)

Suite 900, 630 3rd Avenue S.W., Calgary, Alberta T2P 4L4 (403) 750-4500

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F o Form 40-F þ

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes o No þ

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-________

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Shaw Communications Inc., has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 23, 2008

Shaw Communications Inc.

By:

/s/ Steve Wilson

Steve Wilson
Sr. V.P., Chief Financial Officer
Shaw Communications Inc.

NEWS RELEASE

Shaw announces strong fourth quarter and full year results and provides 2009 preliminary guidance

Calgary, Alberta (October 23, 2008) Shaw Communications Inc. today announced results for the fourth quarter and fiscal year ended August 31, 2008. Consolidated service revenue for the three and twelve month periods of $806 million and $3.10 billion, respectively, improved 13% and 12% over the same periods last year. Total service operating income before amortization[1] of $370 million and $1.41 billion was up 13% and 14%, respectively, over the comparable periods. Funds flow from operations[2] increased to $321 million and $1.22 billion for the quarter and year, respectively, compared to $273 million and $1.03 billion in the same periods last year.

During the quarter Basic cable subscribers increased 4,122 to 2,248,120, Digital and Internet customers grew by 23,020 to 906,320 and 24,785 to 1,565,962, respectively, and Digital Phone lines grew by 61,999 to 611,931. DTH customers increased 1,736 to 892,528.

Free cash flow[1] for the quarter was $143 million bringing the twelve month total to $453 million compared to $76 million and $356 million, respectively, for the same periods last year. These improvements in free cash flow were mainly achieved through higher service operating income before amortization and for the annual period after taking into account over $85 million of increased capital investment.

Chief Executive Officer and Vice Chairman Jim Shaw commented Shaw continues to compete and win in a change driven, highly competitive environment. Throughout fiscal 2008 we delivered solid subscriber growth in all products. Digital Phone had record customer gains almost every quarter and we now have over 600,000 Digital Phone lines. We continue to maintain one of the strongest broadband businesses in North America with 70% penetration of basic customers. Digital TV had a record year adding over 140,000 customers which represents an increase of over 55% compared to last year. We compete and win by offering customers a choice and delivering the innovative products and services they want on a value priced basis.

He continued: We delivered strong financial results and improved our financial metrics, including our industry leading operating margin. Annual consolidated revenues were up 12% and consolidated service operating income increased almost 14%. Growth in free cash flow of approximately $100 million to $453 million was achieved in conjunction with continued significant capital investment required to facilitate growth and maintain a leading network capable of providing the next generation of services. We make prudent investments to meet our current and longer term strategic goals while preserving our ability to return cash to our shareholders. Dividends paid to shareholders in fiscal 2008 increased 52% to over $300 million and we repurchased $100 million of shares. Looking back, fiscal 2008 was a year of impressive accomplishments.

Net income of $132 million or $0.31 per share for the quarter ended August 31, 2008 compared to $136 million or $0.31 per share for the same quarter last year. Net income for the annual period was $672 million or $1.56 per share compared to $388 million and $0.90 per share last year. The current and comparable three and twelve month periods included non-operating items which are more fully detailed in Management s Discussions and Analysis (MD&A). These included tax recoveries primarily related to reductions in enacted income tax rates in the current and comparable year of approximately $199 million and $35 million, respectively. Excluding the non-operating items, net income for the current three and twelve month periods would have been $133 million and $460 million compared to $100 million and $346 million, respectively, in the same periods last year.[3]

Service revenue in the Cable division was up 14% for each of the three and twelve month periods to $620 million and $2.38 billion. The improvement was primarily driven by customer growth and rate increases. Service operating income before amortization improved 13% to $302 million for the quarter and was up almost 16% on a year-to-date basis to $1.15 billion.

Service revenue in the Satellite division was $185 million and $729 million for the three and twelve month periods, up 7% and 5%, respectively, over the comparable periods last year. The improvement was primarily due to rate increases and customer growth. Service operating income before amortization for the quarter and year were up 13% and 5%, respectively, to $67 million and $255 million.

During the quarter the Canadian Advanced Wireless Spectrum (AWS) auction concluded and Shaw was successful in acquiring 20 megahertz of spectrum across most of its cable footprint for a cost of $190 million. Mr. Shaw stated, We continue to review our wireless strategy and believe our entry in this new market should be measured and prudent in light of the developing competitive wireless market dynamics. As a result, we do not currently anticipate making material investments in wireless during 2009.

Mr. Shaw continued: Looking forward, we expect continued growth in fiscal 2009. Our preliminary view calls for service operating income before amortization in the Cable division to increase approximately 10% and we anticipate modest growth in the Satellite division. We plan to invest in capital expenditures to address business growth and drive continued improvements in competitiveness. We expect to generate free cash flow of at least $500 million and will manage the business to ensure we have flexibility to respond strategically to market conditions and opportunities.

On June 27, 2008 the Board of Directors approved an 11% increase in the equivalent annual dividend rate to $0.80 on Shaw s Class B Non-Voting Participating shares and $0.7975 on Shaw s Class A Participating shares. This new rate was effective commencing with the monthly dividend paid on September 29, 2008.

In closing, Mr. Shaw commented The accomplishments of Shaw s management and staff this past year result from the dedication and commitment of our entire team. Shaw is financially and operationally strong and is never satisfied with the status quo. We will continue to employ creative and innovative strategies to successfully meet the competitive challenges that lie ahead in fiscal 2009.

Shaw Communications Inc. 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 Star Choice). The Company serves 3.4 million customers, including over 1.5 million Internet and 610,000 residential Digital Phone customers, through a reliable and extensive network, which comprises 625,000 kilometres of fibre. Shaw is traded on the Toronto and New York stock exchanges and is included in the S&P/TSX 60 Index (Symbol: TSX SJR.B, NYSE SJR).

The accompanying Management s Discussion and Analysis forms part of this news release and the Caution Concerning Forward Looking Statements applies to all forward-looking statements made in this news release.

For more information, please contact:
Shaw Investor Relations
Investor.relations@sjrb.ca

[1] See definitions and discussion under Key Performance Drivers in MD&A.

[2] Funds flow from operations is before changes in non-cash working capital balances related to operations as presented in the unaudited interim Consolidated Statements of Cash Flows.

[3] See reconciliation of Net Income in Consolidated Overview in MD&A.

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MANAGEMENT S DISCUSSION AND ANALYSIS
AUGUST 31, 2008

October 15, 2008

Certain statements in this report may constitute forward-looking statements. Included herein is a Caution Concerning Forward-Looking Statements section which should be read in conjunction with this report.

The following should also be read in conjunction with Management s Discussion and Analysis included in the Company s August 31, 2007 Annual Report and the Consolidated Financial Statements and the Notes thereto and the unaudited interim Consolidated Financial Statements and the Notes thereto of the current quarter.

CONSOLIDATED RESULTS OF OPERATIONS
FOURTH QUARTER ENDING AUGUST 31, 2008
Selected Financial Highlights

	Three months ended August 31,			Year ended August 31,		
($000 s Cdn except per share amounts)	**2008**	2007	Change %	**2008**	2007	Change %
Operations:						
Service revenue	**805,700**	715,471	12.6	**3,104,859**	2,774,445	11.9
Service operating income before amortization (1)	**369,527**	326,052	13.3	**1,408,236**	1,239,625	13.6
Operating margin (1)	**45.9%**	45.6%		**45.4%**	44.7%	
Funds flow from operations (2)	**321,276**	272,545	17.9	**1,222,895**	1,028,363	18.9
Net income	**132,378**	135,932	(2.6)	**671,562**	388,479	72.9
Per share data:						
Earnings per share basic	**$ 0.31**	$ 0.31		**$ 1.56**	$ 0.90	
diluted	**$ 0.31**	$ 0.31		**$ 1.55**	$ 0.89	
Weighted average participating shares outstanding during period (000 s)	**429,694**	433,864		**431,070**	432,493	

(1) See definition under Key Performance Drivers in Management s Discussion and Analysis.

(2) Funds flow from operations is before changes in non-cash working capital balances related to operations as presented in the unaudited interim

Consolidated Statements of Cash Flows.

Subscriber Highlights

		Growth			
	Total August 31,	Three months ended August 31,		Year ended August 31,	
	2008	**2008**	2007	**2008**	2007
Subscriber statistics:					
Basic cable customers	**2,248,120**	**4,122**	(2,057)	**21,279**	20,521
Digital customers	**906,320**	**23,020**	15,709	**143,180**	90,556
Internet customers (including pending installs)	**1,565,962**	**24,785**	29,857	**114,206**	134,301
DTH customers	**892,528**	**1,736**	1,686	**12,943**	10,377
Digital phone lines (including pending installs)	**611,931**	**61,999**	41,604	**226,574**	172,650

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Shaw Communications Inc.

Additional Highlights

Consolidated service revenue of $805.7 million and $3.10 billion for the quarter and annual periods, respectively, improved 12.6% and 11.9% over the comparable periods last year. Total service operating income before amortization of $369.5 million and $1.41 billion increased by 13.3% and 13.6% respectively over the same periods.

During the quarter Basic cable subscribers increased 4,122 to 2,248,120, Digital and Internet customers grew by 23,020 to 906,320 and 24,785 to 1,565,962, respectively, and Digital Phone lines grew by 61,999 to 611,931. DTH customers increased 1,736 to 892,528.

Internet and Digital penetration of Basic cable subscribers currently stands at 70% and 40%, respectively, up from 65% and 34% at August 31, 2007. Digital Phone penetration of Basic customers who have the service available to them is 31% compared to 22% at August 31, 2007.

Consolidated free cash flow[1] for the quarter was $143.3 million bringing the annual total to $452.6 million compared to $76.1 million and $356.2 million, respectively, for the same periods last year.

Shaw was successful in acquiring 20 megahertz of spectrum across most of its cable operating footprint in the recent AWS auction for a cost of approximately $190.0 million.

During the quarter the Board of Directors approved an 11% increase in the equivalent annual dividend rate to $0.80 on Shaw s Class B Non-Voting Participating shares and $0.7975 on Shaw s Class A Participating shares. This new rate was effective commencing with the monthly dividend paid on September 29, 2008. Total cash dividends paid per Class B Non-Voting Participating Share has increased each fiscal year as follows:

	Total Annual Dividend	Annual % Increase
2003	$0.025	
2004	$0.080	220%
2005	$0.155	94%
2006	$0.238	55%
2007	$0.465	95%
2008	$0.705	52%
2009(1)	$0.800	13%

(1) Expected cash dividend payment for fiscal 2009 is $0.80 based on the assumption that the Company s Board of Directors will continue to approve monthly dividends in future periods consistent with those currently

approved.

Shaw repurchased 3,175,500 of its Class B Non-Voting Shares for cancellation during the quarter for $67.7 million and on an annual basis repurchased 4,898,300 shares for $99.8 million. The Company plans to renew its normal course issuer bid in early November.

1 See definitions and discussion under Key Performance Drivers in Management s Discussion and Analysis.

Shaw Communications Inc.
Consolidated Overview

Consolidated service revenue of $805.7 million and $3.10 billion for the quarter and year, respectively, improved by 12.6% and 11.9% over the same periods last year. The improvement was primarily due to customer growth and rate increases. Consolidated service operating income before amortization for the three and twelve month periods improved 13.3% and 13.6%, respectively, over the comparable periods to $369.5 million and $1.41 billion. The increase was driven by the revenue improvements partially offset by higher employee and other costs related to growth.

Net income was $132.4 million and $671.6 million for the quarter and year, respectively, compared to $135.9 million and $388.5 million for the same periods last year. Non-operating items affected net income in all periods including tax recoveries primarily related to reductions in enacted income tax rates in the current annual period and the comparable quarter and annual period. The current twelve month period also included a net duty recovery related to satellite importations of $22.3 million. Outlined below are further details on these and other operating and non-operating components of net income for each quarter.

($000 s Cdn)	Year ended **August 31, 2008**	**Operating net of interest**	**Non-operating**	Year ended **August 31, 2007**	**Operating net of interest**	**Non-operating**
Operating income	903,103			766,510		
Amortization of financing costs long-term debt	(3,627)					
Interest expense debt	(230,588)			(245,043)		
Operating income after interest	668,888	668,888		521,467	521,467	
Gain on sale of investment				415		415
Debt retirement costs	(5,264)		(5,264)			
Other gains	24,009		24,009	9,105		9,105
Income before income taxes	687,633	668,888	18,745	530,987	521,467	9,520
Income tax expense (recovery)	16,366	209,108	(192,742)	142,871	175,488	(32,617)
Income before the following	671,267	459,780	211,487	388,116	345,979	42,137
Equity income on investee	295		295	363		363
Net income	671,562	459,780	211,782	388,479	345,979	42,500

	Three months ended			Three months ended		

($000 s Cdn)	August 31, 2008	Operating net of interest	Non-operating	August 31, 2007	Operating net of interest	Non-operating
Operating income	241,838			205,479		
Amortization of financing costs long-term debt	(882)					
Interest expense debt	(56,563)			(60,387)		
Operating income after interest	184,393	184,393		145,092	145,092	
Other gains (losses)	(1,742)		(1,742)	580		580
Income before income taxes	182,651	184,393	(1,742)	145,672	145,092	580
Income tax expense (recovery)	50,574	51,149	(575)	9,997	45,299	(35,302)
Income before the following	132,077	133,244	(1,167)	135,675	99,793	35,882
Equity income on investee	301		301	257		257
Net income	132,378	133,244	(866)	135,932	99,793	36,139

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The changes in net income are outlined in the table below.

	Increase (decrease) of August 31, 2008 net income compared to:		
	Three months ended		Year ended
(000 s Cdn)	May 31, 2008	August 31, 2007	August 31, 2007
Increased service operating income before amortization	13,438	43,475	168,611
Increased amortization	(2,842)	(7,998)	(35,645)
Decreased interest expense	235	3,824	14,455
Change in net other costs and revenue [1]	(1,604)	(2,278)	9,157
Decreased (increased) income taxes	(4,962)	(40,577)	126,505
	4,265	(3,554)	283,083

(1) Net other costs and revenue include: gain on sale of investment, debt retirement costs, other gains (losses) and equity income on investee as detailed in the unaudited interim Consolidated Statements of Income and Retained Earnings (Deficit).

Basic earnings per share for the quarter of $0.31 was consistent with the same period last year. The current quarter had improved service operating income before amortization of $43.5 million partially offset by higher amortization of $8.0 million, while the comparable period benefitted from future tax recoveries primarily related to reductions in enacted income tax rates of $35.5 million. On an annual basis, earnings per share of $1.56 were up $0.66 over the prior year. The improvement was mainly due to higher service operating income before amortization of $168.6 million, and reduced interest expense of $14.5 million, partially offset by increased amortization of $35.6 million. The current year also included higher future tax recoveries primarily related to reductions in enacted income tax rates of $163.6 million the benefit of which was partially offset by increased taxes in the current period related to higher service operating income before amortization.

Net income in the current quarter improved $4.3 million over the third quarter of fiscal 2008.

Funds flow from operations was $321.3 million in the fourth quarter compared to $272.5 million in the comparable quarter, and on an annual basis was $1.22 billion compared to $1.03 billion last year. The improvement over the comparative periods was principally due to increased service operating income before amortization and reduced interest expense.

Consolidated free cash flow for the three and twelve month periods of $143.3 million and $452.6 million, respectively, compare to $76.1 million and $356.2 million in the same periods last year. The growth over the comparable three and twelve month periods was mainly due to improved service operating income before amortization of $43.5 million and $168.6 million, respectively, and for the annual period after taking into account $86.6 million in increased capital spending. The Cable division generated $102.5 million of free cash flow for the quarter compared to $54.3 million in the comparable period. The Satellite division achieved free cash flow of $40.8 million for the quarter compared to free cash flow of $21.8 million in the same period last year.

In November 2007 Shaw received approval from the TSX to renew its normal course issuer bid to purchase its Class B Non-Voting Shares for a further one year period. The Company s normal course issuer bid will expire on November 18, 2008 and Shaw is authorized to repurchase up to

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35,600,000 Class B Non-Voting Shares. In the twelve months ended August 31, 2008 the Company repurchased 4,898,300 of its Class B Non-Voting Shares for $99.8 million. From August 31, 2008 to October 15, 2008 the Company repurchased an additional 483,000 shares for $10.5 million.

Key Performance Drivers

The Company s continuous disclosure documents may provide discussion and analysis of non-GAAP financial measures. These financial measures do not have standard definitions prescribed by Canadian GAAP or US GAAP and therefore may not be comparable to similar measures disclosed by other companies. The Company utilizes these measures in making operating decisions and assessing its performance. Certain investors, analysts and others, utilize these measures in assessing the Company s operational and financial performance and as an indicator of its ability to service debt and return cash to shareholders. These non-GAAP financial measures have not been presented as an alternative to net income or any other measure of performance required by Canadian or US GAAP.

The following contains a listing of non-GAAP financial measures used by the Company and provides a reconciliation to the nearest GAAP measurement or provides a reference to such reconciliation.

Service operating income before amortization and operating margin

Service operating income before amortization is calculated as service revenue less operating, general and administrative expenses and is presented as a sub-total line item in the Company s unaudited interim Consolidated Statements of Income and Retained Earnings (Deficit). It is intended to indicate the Company s ability to service and/or incur debt, and therefore it is calculated before amortization (a non-cash expense) and interest. Service operating income before amortization is also one of the measures used by the investing community to value the business. Operating margin is calculated by dividing service operating income before amortization by service revenue.

Free cash flow

The Company utilizes this measurement as it measures the Company s ability to repay debt and return cash to shareholders. Free cash flow for cable and satellite is calculated as service operating income before amortization, less interest, cash taxes paid or payable on net income, capital expenditures (on an accrual basis) and equipment costs (net). Consolidated free cash flow is calculated as follows:

	Three months ended August 31,		Year ended August 31,	
($000 s Cdn)	**2008**	2007	**2008**	2007
Cable free cash flow (1)	**102,525**	54,286	**305,338**	237,601
Combined satellite free cash flow (1)	**40,759**	21,783	**147,293**	118,591
Consolidated	**143,284**	76,069	**452,631**	356,192

(1) Reconciliations of free cash flow for both cable and satellite are provided under Cable Financial Highlights and Satellite Financial Highlights .

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CABLE
FINANCIAL HIGHLIGHTS

	Three months ended August 31,			Year ended August 31,		
($000 s Cdn)	**2008**	2007	Change %	**2008**	2007	Change %
Service revenue (third party)	**620,410**	542,171	14.4	**2,375,586**	2,082,652	14.1
Service operating income before amortization [1]	**302,166**	266,584	13.3	**1,153,274**	995,694	15.8
Less:						
Interest expense	**49,657**	51,056	(2.7)	**199,600**	205,062	(2.7)
Cash flow before the following:	**252,509**	215,528	17.2	**953,674**	790,632	20.6
Capital expenditures and equipment costs (net):						
New housing development	**22,786**	23,105	(1.4)	**93,547**	90,016	3.9
Success based	**30,185**	22,763	32.6	**102,735**	82,238	24.9
Upgrades and enhancement	**67,198**	65,041	3.3	**271,242**	254,786	6.5
Replacement	**13,187**	14,510	(9.1)	**57,575**	44,489	29.4
Buildings/other	**16,628**	35,823	(53.6)	**123,237**	81,502	51.2
Total as per Note 2 to the unaudited interim Consolidated Financial Statements	**149,984**	161,242	(7.0)	**648,336**	553,031	17.2
Free cash flow [1]	**102,525**	54,286	88.9	**305,338**	237,601	28.5
Operating margin	**48.7%**	49.2%	(0.5)	**48.5%**	47.8%	0.7

[1] See definitions and discussion under Key Performance Drivers in Management s Discussion and Analysis.

Operating Highlights

During the quarter the Company added 61,999 Digital Phone lines and as at August 31, 2008 had 611,931 lines. Digital Phone line penetration stands at over 30% of Basic customers who have the service available to them. The Digital Phone footprint grew in the quarter with launches in Whistler and Squamish, both in British Columbia; as well as continued expansion on Vancouver Island, British Columbia and in Central Alberta.

Digital customers increased during the quarter by 23,020 to 906,320. Basic cable subscribers grew by 4,122 to 2,248,120.

During the quarter Shaw added 24,785 Internet customers to total 1,565,962 as at August 31, 2008. Internet penetration of Basic now stands at 69.7% up from 65.2% at August 31, 2007.

Shaw announced the acquisition of the Campbell River cable system in British Columbia during the quarter. This acquisition is complementary to and will provide synergies with existing operations. The transaction is valued at approximately $46.0 million and is expected to close during the first half of fiscal 2009.

Cable service revenue for the quarter and annual periods of $620.4 million and $2.38 billion, respectively, improved 14.4% and 14.1% over the same periods last year. Customer growth and rate increases accounted for the increase. Service operating income before amortization of $302.2 million and $1.15 billion, respectively, was up 13.3% and 15.8% over the comparable three and twelve month periods. The increases were driven by revenue related growth and Digital Phone margin improvement, partially offset by higher employee related costs and other expenses related to business growth, including equipment maintenance and support.

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Service revenue was up $12.6 million over the third quarter of fiscal 2008 primarily due to rate increases and customer growth. Service operating income before amortization improved $7.8 million over this same period primarily due to the revenue related growth. The prior quarter included higher expenses for CRTC Part II fees as a result of the Federal Court of Appeal decision on this matter while the current quarter included increased employee related costs and other expenses related to business growth.

Total capital investment for the quarter and annual period was $150.0 million and $648.3 million respectively. Quarterly capital investment declined $11.3 million compared to the same period last year. On an annual basis capital investment increased $95.3 million over the comparable period.

Investment in Buildings and Other was down $19.2 million compared to the same quarter last year and on an annual basis increased $41.7 million. The decline in the current quarter resulted primarily from higher spending in the same quarter last year upgrading certain corporate assets. On an annual basis the increase was due to investments in various facilities projects to support growth including a purchase of land and buildings, new facilities construction, and building renovations. The land and buildings purchased in the year are located immediately adjacent to other Company owned facilities in Calgary, Alberta. This will allow for the consolidation of various operating groups located in other areas of the city at one campus style location.

Success-based capital increased $7.4 million and $20.5 million for the quarter and annual period, respectively, over the same periods last year. Digital success-based capital was up in both periods as a result of reduced customer pricing on certain digital equipment and higher sales volume. Digital Phone success-based capital also increased in both periods due to customer growth. Internet success based capital was up in the current twelve month period mainly due to reduced customer pricing on modems.

On an annual basis the Replacement and Upgrades and enhancement categories combined were up $29.5 million over the same period last year. These increased investments continue to expand plant capacity to support customer growth and increasing usage demands.

Digital Phone continues to grow rapidly. The Company had a record quarter adding 61,999 Digital Phone lines and since the initial market launch in February 2005 has added over 610,000 lines. Digital Phone is available to over 90% of Basic customers and over 30% of these have taken the service. Shaw offers a variety of tiered phone services appealing to various customer demographics and is now completing approximately 10,000,000 calls daily on its private managed broadband network.

Digital growth continues to be driven by the customer demand for HD services as well as a lower priced entry level box introduced earlier this year attracting first time digital customers. In September, the Company expanded the HD offerings to include TSN2 for sports fans and added The Frame, a 24-hour commercial-free photographic art service turning the TV into a virtual picture frame with stunning visual imagery from celebrated artists and photographers. Shaw now offers 50 HD channels, including 19 HD pay-per-view services and a growing library of HD VOD content. The Company added over 140,000 digital subscribers during the year and Digital penetration of Basic customers is now 40.3% compared to 34.3% at August 31, 2007. Shaw has over 900,000 Digital customers including 330,000 with HD capabilities.

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Subscriber Statistics

			August 31, 2008			
			Three months ended		Year ended	
	August 31, 2008	August 31, 2007	Growth	Change %	Growth	Change %
CABLE:						
Basic service:						
Actual	**2,248,120**	2,226,841	4,122	0.2	21,279	1.0
Penetration as % of homes passed	**63.5%**	64.6%				
Digital terminals	**1,205,239**	1,016,564	25,793	2.2	188,675	18.6
Digital customers	**906,320**	763,140	23,020	2.6	143,180	18.8
INTERNET:						
Connected and scheduled	**1,565,962**	1,451,756	24,785	1.6	114,206	7.9
Penetration as % of basic	**69.7%**	65.2%				
Standalone Internet not included in basic cable	**214,127**	182,569	3,382	1.6	31,558	17.3
DIGITAL PHONE:						
Number of lines [1]	**611,931**	385,357	61,999	11.3	226,574	58.8

(1) Represents primary and secondary lines on billing plus pending installs.

SATELLITE (DTH and Satellite Services)
FINANCIAL HIGHLIGHTS

	Three months ended August 31,			Year ended August 31,		
($000 s Cdn)	**2008**	2007	Change %	**2008**	2007	Change %
Service revenue (third party)						
DTH (Star Choice)	**162,879**	151,491	7.5	**640,061**	605,176	5.8
Satellite Services	**22,411**	21,809	2.8	**89,212**	86,617	3.0
	185,290	173,300	6.9	**729,273**	691,793	5.4
Service operating income before amortization [1]						
DTH (Star Choice)	**55,538**	48,048	15.6	**206,541**	196,404	5.2