

SHAW COMMUNICATIONS INC

Form 6-K

November 04, 2009

**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 November, 2009
Shaw Communications Inc.**

(Translation of registrant's name into English)

Suite 900, 630 9 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 Form 40-F

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):

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):

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 No

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: November 4, 2009
Shaw Communications Inc.

By: /s/ Steve Wilson
Steve Wilson
Senior Vice President and Chief Financial Officer

INCORPORATION BY REFERENCE

This report on Form 6-K and the exhibit hereto is incorporated by reference as an exhibit to the Registration Statement on Form F-10 of Shaw Communications Inc. filed with the Securities and Exchange Commission on March 2, 2009, as amended by the amendment thereto on Form F-10/A filed on March 11, 2009 (File No. 333-157639).

RECONCILIATION OF CANADIAN GAAP TO UNITED STATES GAAP

The Company means Shaw Communications Inc. and its subsidiaries.

The unaudited interim Consolidated Financial Statements of the Company are prepared in Canadian dollars in accordance with Canadian generally accepted accounting principles (GAAP). This reconciliation of Canadian GAAP to US GAAP should be read in conjunction with the Company's unaudited interim Consolidated Financial Statements for the three months and year ended August 31, 2009 and the annual Consolidated Financial Statements for the year ended August 31, 2008. The following adjustments and disclosures would be required in order to present the unaudited interim Consolidated Financial Statements in accordance with US GAAP.

(a) Reconciliation to US GAAP

	Three months ended		Year ended	
	August 31, 2009	August 31, 2008	August 31, 2009	August 31, 2008
	\$	\$	\$	\$
Net income using Canadian GAAP	123,988	132,378	535,239	671,562
Add (deduct) adjustments for:				
Deferred charges and credits (2)	301	(6,857)	6,235	(18,808)
Capitalized interest (8)	150	903	1,337	4,133
Income taxes (9)	(1,684)	1,545	(4,036)	(2,048)
Net income using US GAAP	122,755	127,969	538,775	654,839
Other comprehensive income (loss) using Canadian GAAP	5,283	7,847	19,040	(759)
Change in funded status of non-contributory defined benefit pension plan (7)	11,315	(3,135)	11,315	(3,135)
Other comprehensive income (loss) using US GAAP	16,598	4,712	30,355	(3,894)
Comprehensive income using US GAAP	139,353	132,681	569,130	650,945
Earnings per share using US GAAP				
Basic	0.29	0.30	1.26	1.52
Diluted	0.28	0.30	1.25	1.51

Consolidated Balance Sheet items using US GAAP

	August 31, 2009		August 31, 2008	
	Canadian GAAP	US GAAP	Canadian GAAP	US GAAP
	\$	\$	\$	\$
Property, plant and equipment (8)	2,821,544	2,829,257	2,616,500	2,622,877
Deferred charges (2) (6)	259,738	170,260	274,666	175,818
Broadcast rights (1) (3) (4) (5)	4,816,153	4,790,919	4,776,078	4,750,844

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Income taxes payable	25,320	5,446	2,446	2,446
Current portion of long-term debt (2)	481,739	482,341	509	509
Long-term debt (2)	2,668,749	2,695,908	2,706,534	2,731,404
Other long-term liability (7)	104,964	194,211	78,912	183,347
Deferred credits (2) (6)	659,073	656,830	687,836	685,349
Future income taxes	1,337,722	1,299,244	1,281,826	1,215,566
Shareholders' equity:				
Share capital	2,113,849	2,113,849	2,063,431	2,063,431
Contributed surplus	38,022	38,022	23,027	23,027

	August 31, 2009		August 31, 2008	
	Canadian GAAP \$	US GAAP \$	Canadian GAAP \$	US GAAP \$
Retained earnings	384,747	283,044	226,408	121,169
Accumulated other comprehensive loss	(38,634)	(100,343)	(57,674)	(130,698)
Total shareholders' equity	2,497,984	2,334,572	2,255,192	2,076,929

The cumulative effect of these adjustments on consolidated shareholders' equity is as follows:

	August 31, 2009 \$	August 31, 2008 \$
Shareholders' equity using Canadian GAAP	2,497,984	2,255,192
Amortization of intangible assets (1)	(130,208)	(130,208)
Deferred charges and credits (2)	(19,367)	(19,989)
Equity in loss of investees (3)	(35,710)	(35,710)
Gain on sale of subsidiary (4)	16,052	16,052
Gain on sale of cable systems (5)	50,063	50,063
Capitalized interest (8)	5,619	4,623
Income taxes (9)	11,848	9,930
Accumulated other comprehensive loss (7)	(61,709)	(73,024)
Shareholders' equity using US GAAP	2,334,572	2,076,929

Areas of material difference between Canadian and US GAAP and their impact on the consolidated financial statements are as follows:

- (1) Prior to September 1, 2001, amortization of broadcast rights was required on a straight-line basis for US GAAP instead of an increasing charge method.
- (2) The excess of equipment costs over equipment revenues are deferred and amortized under Canadian GAAP.

Under US GAAP, these costs are expensed as incurred.

For US GAAP, transaction amounts associated with the issuance of debt securities and fair value adjustments on debt assumed in business acquisitions are deferred and amortized to income on a straight-line basis over the period to maturity of the related debt.

Under Canadian GAAP, such amounts are recorded as part of the principal balance of debt and amortized to income using the effective interest rate method.

- (3) Equity in loss of investees has been adjusted to reflect US GAAP.
- (4) Gain on sale of subsidiary that was not permitted to be recognized under Canadian GAAP was required to be recognized under US GAAP.

- (5) Gain on sale of cable systems was required to be recorded under US GAAP but was not permitted to be recorded under Canadian GAAP.
- (6) Subscriber connection fee revenue and related costs are deferred and amortized under Canadian GAAP. Under US GAAP, connection revenues are recognized immediately to the extent of related costs, with any excess deferred and amortized.
- (7) Under US GAAP, the Company is required to recognize the funded status of the non-contributory defined benefit pension plan on the Consolidated Balance Sheet and to recognize changes in the funded status in other comprehensive income (loss). Under Canadian GAAP, the over or under funded status of defined

benefit plans is not recognized on the Consolidated Balance Sheet.

- (8) Under US GAAP, interest costs are capitalized as part of the historical cost of acquiring certain qualifying assets. Interest capitalization is not required under Canadian GAAP.
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- (9) Income taxes reflect the tax effect of the differences identified above, the impact of future income tax rate reductions on those differences and an adjustment for the tax benefit related to capital losses that cannot be recognized for US GAAP.

(b) Adoption of recent accounting pronouncements

(i) Fair Value Measurements

Effective September 1, 2008, the Company adopted SFAS No. 157 Fair Value Measurements . This statement provides a common definition of fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, this Statement does not require any new fair value measurements.

SFAS 157 includes a fair value hierarchy that is intended to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions.

The fair value hierarchy consists of the following three levels:

Level 1 Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived principally from or corroborated by observable market data.

Level 3 Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The following table represents the Company's derivative liabilities measured at fair value on a recurring basis as of August 31, 2009 and the basis for that measurement.

Fair value measurements at reporting date using

Quoted prices in active

Significant

	Carrying value	markets for identical asset (Level 1)	Significant other observable inputs (Level 2)	unobservable inputs (Level 3)
Cross-currency interest rate exchange agreements	462,273		462,273	
US currency forward purchase contracts	3,337		3,337	
	465,610		465,610	

(i) Derivative
Instruments and
Hedging
Activities

In 2009, the Company adopted SFAS No 161 Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 which requires enhanced disclosures about derivative and hedging activities to improve the transparency of financial reporting. The required disclosures are included in note 11 to the unaudited interim Consolidated Financial Statements for the three months and year ended August 31, 2009 and outlined below.

The following tables present the gains and losses, excluding tax effects, on derivatives designated as cash flow hedges to manage currency risks.

	Three months ended August 31, 2009			
	Gain (Loss) Recognized in Other Comprehensive Income (Effective Portion)	Gain (Loss) Reclassified from Other Comprehensive Income into Income (Effective Portion)		Gain (Loss) Reclassified from Other Comprehensive Income into Income (Ineffective Portion)
	\$	Location	\$	Location
	\$		\$	\$
Cross-currency interest rate exchange agreements	2,763	Other gains	3,185	Other gains
		Interest expense	(8,722)	Other gains
US currency forward purchase contracts	274	Equipment costs	2,969	Other gains
	3,037		(2,568)	

	Year ended August 31, 2009			
	Gain (Loss) Recognized in Other Comprehensive Income (Effective Portion)	Gain (Loss) Reclassified from Other Comprehensive Income into Income (Effective Portion)		Gain (Loss) Reclassified from Other Comprehensive Income into Income (Ineffective Portion)
	\$	Location	\$	Location
	\$		\$	\$
Cross-currency interest rate exchange agreements	24,799	Other gains	31,845	Other gains
		Interest expense	(26,313)	Other gains
US currency forward purchase contracts	15,278	Equipment costs	11,795	Other gains
	40,077		17,327	

The Company's estimate of the net amount of existing losses arising from the unrealized fair value of derivatives designated as cash flow hedges which are reported in accumulated other comprehensive income and would be reclassified to net income in the next twelve months, excluding tax effects, is \$3,337 for US currency forward purchase contracts and \$8,892 for cross-currency interest rate exchange agreements based on contractual maturity. As

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a result of the redemption of the US \$225,000 7.25% senior notes and \$300,000 7.20% senior notes subsequent to year end, there is an additional \$34,746 of existing losses at August 31, 2009 in respect of cross-currency interest rate exchange agreements which will be reclassified to income in 2010.

The following table presents gains and losses, excluding tax effects, arising from derivatives that were not designated as hedges.

		Gain (Loss) Recognized in Income	
		Three months ended August 31, 2009	Year ended August 31, 2009
	Location	\$	\$
US currency forward purchase contracts	Other gains	894	(78)

(ii) Subsequent
Events

In 2009, the Company adopted SFAS No 165 Subsequent Events which establishes standards for accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The application of this standard had no impact on the Company's unaudited interim consolidated financial statements other than disclosure of the date through which subsequent events have been evaluated which was October 23, 2009, the date the unaudited interim consolidated financial statements were issued.