

SHAW COMMUNICATIONS INC

Form SUPPL

February 27, 2007

**Table of Contents**

This Prospectus Supplement relates to an effective registration statement under the Securities Act of 1933, but is not complete and may be changed. This Prospectus Supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed pursuant to General Instruction II.L. of Form F-10;  
File No. 333-140435

**SUBJECT TO COMPLETION, DATED FEBRUARY 26, 2007****PRELIMINARY PROSPECTUS SUPPLEMENT**

To the base shelf prospectus dated February 16, 2007

**SHAW COMMUNICATIONS INC.**

**\$350,000,000**

**% Senior Notes due 2017**

The senior notes (the **Notes**) of Shaw Communications Inc. (**Shaw** or the **Corporation**) will bear interest at the rate of % per year. Shaw will pay interest on the Notes on March and September of each year, beginning September , 2007. The Notes will mature on March , 2017. Shaw may redeem some or all of the Notes at any time at the greater of (i) 100% of the principal amount and (ii) the Canada Yield Price (as defined herein), plus, in either case, accrued interest thereon to the date of redemption. Shaw may also redeem all of the Notes at any time if certain changes affecting Canadian taxation occur. The Notes do not have the benefit of any sinking fund. The Notes will be unsecured obligations of Shaw and will rank equally with all other unsecured senior indebtedness of Shaw. **Investing in the Notes involves risks. See Risk Factors beginning on page 18 of the accompanying short form base shelf prospectus (the Prospectus).**

	<b>Price to the Public<sup>(1)</sup></b>	<b>Underwriters Commission<sup>(2)</sup></b>	<b>Net Proceeds to the Corporation<sup>(3)</sup></b>
Per Note:	%	%	%
Total:	\$	\$	\$

**Notes:**

(1) Plus accrued interest from March , 2007, if settlement occurs after that date.

(2) The Underwriters (as defined below) are entitled a commission of 0.90% per Note sold by closing to institutions and 1.75% per Note for all other sales. The Underwriters commission set forth in the table assumes the sale of \$ million principal amount of Notes to institutions.

(3) Before deducting expenses of the offering, estimated at \$500,000, payable by the Corporation.

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

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

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

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

TD Securities Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., GMP Securities L.P., Merrill Lynch Canada Inc. and National Bank Financial Inc. (the **Underwriters** ), have agreed to purchase the Notes

---

**Table of Contents**

from the Corporation subject to the terms and conditions set forth in the Underwriting Agreement referred to under Plan of Distribution in this Prospectus Supplement. **The effective yield of the Notes, if held to maturity, is %.** The Underwriters, as principals, conditionally offer the Notes, subject to prior sale, if, as and when issued by Shaw and delivered to and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on behalf of Shaw by Fraser Milner Casgrain LLP, with respect to matters of Canadian law, and by Sherman & Howard L.L.C., with respect to matters of United States law, and on behalf of the Underwriters by McCarthy Tétrault LLP, with respect to matters of Canadian law, and by Skadden, Arps, Slate, Meagher & Flom LLP, with respect to matters of United States law. Closing of the offering and delivery of the Notes in book-entry form only through CDS Clearing and Depository Services Inc. ( CDS ) is expected to occur on or about March , 2007, but in any event not later than March , 2007. **There is no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under this Prospectus Supplement. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. See Risk Factors on page 18 of the Prospectus.** Subject to applicable laws, the Underwriters may, in conjunction with the offering of the Notes, effect transactions which stabilize or maintain the market price of the Notes at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See Plan of Distribution .

**Each of TD Securities Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., Merrill Lynch Canada Inc. and National Bank Financial Inc. is an affiliate of a lender to Shaw and to which Shaw is currently indebted.** Consequently, Shaw may be considered to be a connected issuer of each of these Underwriters (the **Connected Underwriters** ) for the purposes of Canadian securities laws. A portion of the net proceeds of the sale of the Notes will be used to reduce indebtedness of Shaw to such affiliates of the Connected Underwriters. See Relationship Between Shaw and Certain Underwriters and Use of Proceeds .

**TD Securities**

**RBC Capital Markets**

**CIBC World Markets**

**Scotia Capital**

**GMP Securities L.P.**

**Merrill Lynch & Co.**

**NBF Securities (USA) Corp.**

The date of this Prospectus Supplement is , 2007

---

**Table of Contents**

**TABLE OF CONTENTS  
Prospectus Supplement**

	<b>Page</b>
<u>IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS</u>	S-1
<u>CURRENCY EXCHANGE RATES</u>	S-1
<u>DOCUMENTS INCORPORATED BY REFERENCE</u>	S-1
<u>FORWARD LOOKING STATEMENTS</u>	S-2
<u>SUMMARY OF THE OFFERING</u>	S-4
<u>SHAW COMMUNICATIONS INC.</u>	S-5
<u>USE OF PROCEEDS</u>	S-5
<u>CAPITALIZATION</u>	S-6
<u>DESCRIPTION OF THE NOTES</u>	S-7
<u>EARNINGS COVERAGE</u>	S-11
<u>RATINGS OF THE NOTES</u>	S-11
<u>CERTAIN INCOME TAX CONSIDERATIONS</u>	S-12
<u>PLAN OF DISTRIBUTION</u>	S-15
<u>RELATIONSHIP BETWEEN SHAW AND CERTAIN UNDERWRITERS</u>	S-16
<u>LEGAL MATTERS</u>	S-17

**Prospectus**

ABOUT THE PROSPECTUS	2
WHERE YOU CAN FIND MORE INFORMATION	3
FORWARD LOOKING STATEMENTS	4
BUSINESS OF THE CORPORATION	5
USE OF PROCEEDS	5
EARNINGS COVERAGE	6
DESCRIPTION OF DEBT SECURITIES	6
CERTAIN INCOME TAX CONSIDERATIONS	18
RISK FACTORS	18
LEGAL MATTERS	19
DOCUMENTS FILED AS PART OF THE U.S. REGISTRATION STATEMENT	19
PLAN OF DISTRIBUTION	20
EXPERTS	20

---

**Table of Contents****IMPORTANT NOTICE ABOUT INFORMATION IN  
THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS**

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

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

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

This Prospectus Supplement and the Prospectus are part of a registration statement on Form F-10 relating to our Debt Securities that we filed with the SEC.

In this Prospectus Supplement, all capitalized terms and acronyms used and not otherwise defined herein have the meanings provided in the Prospectus. All financial information included and incorporated by reference in this Prospectus Supplement and the Prospectus is determined using generally accepted accounting principles in Canada ( **Canadian GAAP** ), which may differ from generally accepted accounting principles in the United States ( **U.S. GAAP** ). Therefore, the consolidated financial statements of Shaw incorporated by reference in this Prospectus Supplement and the Prospectus and the documents incorporated by reference herein and therein may not be comparable to financial statements prepared in accordance with U.S. GAAP. You should refer to the notes to our audited consolidated financial statements for a discussion of the principal differences between our financial results calculated under Canadian GAAP and U.S. GAAP.

**CURRENCY EXCHANGE RATES**

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

The following table sets forth, for each period indicated, the high and low exchange rates and the average of such exchange rates on the last business day of each month during such period, based on the noon buying rate in The City of New York for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York (the **noon buying rate** ). These rates are set forth as United States dollars per Cdn\$1.00. On February 26, 2007, the inverse of the noon buying rate was Cdn\$1.00 equals US\$0.8621.

	<b>Three Months Ended</b>		<b>Year Ended August 31,</b>		
	<b>November 30,</b>		<b>2006</b>	<b>2005</b>	<b>2004</b>
High	0.9048	0.8615	0.9100	0.8493	0.7880
Low	0.8715	0.8405	0.8405	0.7651	0.7158
Average	0.8879	0.8554	0.8765	0.8160	0.7518

**DOCUMENTS INCORPORATED BY REFERENCE**

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of the offering of the Notes. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus. See *Where You Can Find More Information* in the Prospectus.

**Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Shaw Communications Inc., Suite 900, 630 3rd Avenue S.W., Calgary, Alberta, T2P 4L4 (telephone (403) 750-4500) or by accessing those disclosure

documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which may be accessed at [www.sedar.com](http://www.sedar.com) or on the website maintained by the SEC which may be accessed at [www.sec.gov](http://www.sec.gov). For the purpose of the Province of Québec, this Prospectus Supplement contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be

S-1

---

**Table of Contents**

obtained from the Chief Financial Officer of Shaw Communications Inc. at the above-mentioned address and telephone number or by accessing SEDAR.

Under the short form prospectus system adopted by the securities commissions and other regulatory authorities in each of the provinces of Canada and under the multijurisdictional disclosure system adopted by the United States and Canada, we are permitted to incorporate by reference the information we file with securities commissions in Canada, which means that we can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this Prospectus Supplement and the Prospectus. The following documents, which were filed with the securities commission or other similar authority in each of the provinces of Canada and filed with or furnished to the SEC are specifically incorporated by reference in, and form an integral part of, this Prospectus Supplement and the Prospectus:

- (a) the annual information form of Shaw dated November 29, 2006;
- (b) the audited consolidated balance sheets of Shaw as at August 31, 2006 and 2005 and the consolidated statements of income and deficit and cash flows for the three years ended August 31, 2006 together with the notes thereto and the auditors' reports thereon;
- (c) management's discussion and analysis of the financial condition and operations of Shaw with respect to the year ended August 31, 2006;
- (d) the unaudited consolidated balance sheet of Shaw as at November 30, 2006 and the unaudited interim consolidated statements of income and deficit and cash flows for the three months ended November 30, 2006 and 2005;
- (e) management's discussion and analysis of the financial condition and operations of Shaw with respect to the three months ended November 30, 2006; and
- (f) the management proxy information circular dated December 7, 2006 relating to the annual general meeting of shareholders of the Corporation held on January 11, 2007.

**Any documents of the type referred to in the preceding paragraph or similar material, including all annual information forms, all information circulars, all financial statements and management's discussion and analysis relating thereto, all material change reports (excluding confidential material change reports, if any), all business acquisition reports, all updated earnings coverage ratio information, as well as all prospectus supplements related to this offering and disclosing additional or updated information filed by us with securities commissions or similar authorities in the relevant provinces of Canada subsequent to the date of this Prospectus Supplement and prior to the termination of any offering under this Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus Supplement. Shaw also incorporates by reference into the registration statement of which this Prospectus Supplement and the Prospectus forms a part any information Shaw files with the SEC pursuant to Section 13(a), 13(c) or 15(d) of the Exchange Act, if and to the extent expressly provided in such filings, until Shaw sells all of the Notes.**

**Any statement contained in this Prospectus Supplement or the Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus Supplement or the Prospectus to the extent that a statement contained in this Prospectus Supplement or the Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus modifies or supersedes such prior statement. Any statement or document so modified or superseded shall not, except to the extent so modified or superseded, be incorporated by reference and constitute a part of this Prospectus Supplement and the Prospectus.**

**FORWARD LOOKING STATEMENTS**



Certain statements included and incorporated by reference in this Prospectus Supplement and the Prospectus constitute forward-looking statements within the meaning of applicable securities laws, including the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of Shaw to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Prospectus Supplement or in the Prospectus, the words anticipate , believe , expect , plan , intend ,

S-2

---

**Table of Contents**

estimate , target , guideline , goal and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Forward-looking statements include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of Shaw's business and operations, plans and references to Shaw's future success. These forward-looking statements are based on certain assumptions and analyses made by Shaw in light of Shaw's experience and perception of historical trends, current conditions and expected future developments, as well as other factors Shaw believes are appropriate in the circumstances. However, Shaw cannot guarantee future results, levels of activity, performance or achievements and actual events or results may differ materially. Many factors, including those not within Shaw's control, could cause Shaw's actual results, performance or achievements to be materially different from the views expressed or implied by such forward-looking statements, including, but not limited to:

general economic, market or business conditions and industry trends;

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

increased competition in Shaw's markets and from the development of new markets for emerging technologies;

changing conditions in the entertainment, information and communications industries;

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

changes in laws, regulation and decisions by regulators in Shaw's industries in both Canada and the United States;

the concentration of control of Shaw;

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

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

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, Shaw's actual results, performance or achievements may vary materially from those described herein or in the Prospectus. Consequently, all of the forward-looking statements made herein or in the Prospectus, and the documents incorporated by reference herein or therein are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Shaw will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Shaw. You should not place undue reliance on any such forward-looking statements. Furthermore, the forward-looking statements contained in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein are made only as of the date of such document and Shaw expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any of the included forward-looking statements to reflect any change in expectations with regard to those statements or any other change in events, conditions or circumstances on which any such statement is based, except as required by law. New factors affecting Shaw emerge from time to time, and it is not possible for Shaw to predict what factors will arise or when. In addition, Shaw cannot assess the impact of each factor on its business or the extent to which any particular factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

**Table of Contents****SUMMARY OF THE OFFERING**

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

<b>Issuer</b>	Shaw Communications Inc.
<b>Notes Offered</b>	\$350,000,000 aggregate principal amount of % Senior Notes due March , 2017 (the Notes ).
<b>Interest Rate</b>	% per annum.
<b>Interest Payment Dates</b>	March and September of each year, commencing on September , 2007.
<b>Maturity</b>	March , 2017.
<b>Ranking</b>	The Notes will be senior unsecured obligations of Shaw and will rank equally and ratably with all existing and future senior unsecured indebtedness of Shaw. The Notes will effectively rank behind all existing and future indebtedness and other liabilities, including trade liabilities, of Shaw s subsidiaries. As at November 30, 2006, indebtedness and other liabilities of Shaw s subsidiaries totalled approximately \$573 million, excluding intercompany liabilities, deferred credits and future income taxes.
<b>Additional Amounts</b>	Any payments with respect to the Notes made by Shaw will be made without withholding or deduction for Canadian taxes, unless required by law or the interpretation or administration thereof, in which case Shaw will pay such additional amounts as may be necessary so that the net amount received by holders of the Notes (other than certain excluded holders) after such withholding or deduction will not be less than the amount that would have been received in the absence of such withholding or deduction. See Description of the Debt Securities Payment of Additional Amounts in the Prospectus.
<b>Redemption</b>	The Notes will be redeemable at Shaw s option at any time, in whole or in part, prior to maturity at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes, or (ii) the Canada Yield Price (as defined herein), plus, in either case, accrued interest thereon to the date of redemption. The Corporation may also redeem all of the Notes if certain events occur involving Canadian taxation. See Description of the Notes Optional Redemption and Redemption for Changes in Canadian Tax Law in this Prospectus Supplement.
<b>Sinking Fund</b>	None.
<b>Certain Covenants</b>	The Indenture (as defined herein) governing the Notes will restrict the ability of the Corporation and its subsidiaries to incur liens, enter into sale and leaseback transactions and consolidate, merge or transfer all or substantially all of Shaw s assets and the assets of its subsidiaries on a consolidated basis. In addition, the Indenture will limit Shaw s subsidiaries ability to incur additional indebtedness. These covenants are subject to important qualifications and limitations. See Description of Debt Securities Certain Covenants in the Prospectus.

**Use of Proceeds**

The net proceeds from the sale of the Notes offered hereby, after payment of expenses of the offering and Underwriters' commission, are estimated to be \$ \_\_\_\_\_ million. The aggregate net proceeds of this offering will be used for debt repayment, for working capital and for general corporate purposes. See Use of Proceeds and Capitalization .

**Governing Law**

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

S-4

---

**Table of Contents**

**SHAW COMMUNICATIONS INC.**

Shaw (together with its subsidiaries) is a diversified Canadian communications company whose core business is providing cable television, Internet, Digital Phone, telecommunications and satellite direct-to-home services to approximately 3.2 million customers as of November 30, 2006. Shaw's total revenue for the years ended August 31, 2006 and 2005, was approximately \$2.5 billion and \$2.2 billion, respectively. As at November 30, 2006, Shaw had assets of approximately \$7.7 billion. Shaw's executive offices are located at Suite 900, 630 3rd Avenue S.W., Calgary, Alberta, Canada, T2P 4L4; telephone number (403) 750-4500.

**USE OF PROCEEDS**

The net proceeds from the sale of the Notes offered hereby, after payment of estimated expenses of the offering and the Underwriters' commission, are estimated to be \$ \_\_\_\_\_ million. The net proceeds of this offering will be used for debt repayment, for working capital and for general corporate purposes.

S-5

---

**Table of Contents****CAPITALIZATION**

The following table summarizes the consolidated capitalization of Shaw as at November 30, 2006, both actual and as adjusted to give effect to the issuance of the Notes, the application of the net proceeds thereof as described under Use of Proceeds and for other significant changes in capitalization that have occurred since November 30, 2006 described below. The information presented below has been derived from the unaudited interim consolidated financial statements of the Corporation and should be read in conjunction with the financial statements of the Corporation incorporated by reference herein, as described under Documents Incorporated by Reference in this Prospectus Supplement.

Designation	November 30, 2006	
	Actual	As Adjusted <sup>(1)</sup>
	(in thousands of dollars)	
Long-term debt		
Corporate:		
Bank loans <sup>(3)(4)</sup>	305,000	
Senior Notes due October 17, 2007 <sup>(2)(4)</sup>	296,760	296,760
Senior Notes due November 16, 2012 <sup>(4)</sup>	450,000	450,000
Senior Notes due November 20, 2013 <sup>(4)</sup>	350,000	350,000
US\$Senior Notes (US\$440 million) due April 11, 2010 <sup>(4)</sup>	502,568	502,568
US\$Senior Notes (US\$225 million) due April 6, 2011 <sup>(4)</sup>	256,995	256,995
US\$Senior Notes (US\$300 million) due December 15, 2011 <sup>(4)</sup>	342,660	342,660
Senior Notes due May 9, 2016 <sup>(4)</sup>	300,000	300,000
Senior Notes due March , 2017 offered hereby		350,000
COPrS:		
Due September 30, 2027 <sup>(4)</sup>	100,000	100,000
Other subsidiaries:		
Videon Cablesystems Inc. 8.15% Senior Debentures due April 26, 2010 <sup>(4)</sup>	130,000	130,000
Burrard Landing Lot 2 Holdings Partnership <sup>(4)</sup>	22,900	22,900
<b>Total long-term debt</b>	<b>3,056,883</b>	<b>3,101,883</b>
Shareholders' equity		
Class A shares and Class B non-voting shares	1,988,917	2,035,810
Contributed surplus	6,102	6,102
Deficit and cumulative translation adjustment	(123,459)	(123,459)
<b>Total shareholders' equity</b>	<b>1,871,560</b>	<b>1,918,453</b>
<b>Total capitalization</b>	<b>4,928,443</b>	<b>5,020,336</b>

**Notes:**

(1) Subsequent to November 30, 2006 the following significant changes in capitalization have occurred: share capital has increased as a result of Class B shares being issued on exercise of stock options for proceeds of approximately

\$46 million and the Corporation repaid approximately \$120 million on its bank loans.

- (2) Includes current portion of long term debt of \$297 million.
- (3) The Corporation's bank loans are provided pursuant to a revolving credit facility which is described in note 9 to the Corporation's annual audited consolidated financial statements incorporated by reference herein.
- (4) The general terms and respective priorities of the indebtedness set out in the table above are detailed in note 9 to the Corporation's annual audited consolidated financial statements incorporated by reference herein.

S-6

---

**Table of Contents**

**DESCRIPTION OF THE NOTES**

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

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

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

**General**

The Notes will mature on March , 2017. The Notes will bear interest at the rate per annum set forth on the cover page of this Prospectus Supplement from the date of original issuance, or from the most recent date to which interest has been paid or duly provided for, payable semi-annually in arrears on each March and September (the **Interest Payment Dates**), commencing on September , 2007, to the persons in whose names the Notes are registered at the close of business on February or August (the **Regular Record Dates**), as the case may be, immediately prior to such Interest Payment Dates, regardless of whether any such Regular Record Date is a business day. Interest on the Notes will be computed on the basis of a 365-day year.

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

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

Substantially all of Shaw's business activities are operated by its subsidiaries. As a holding company, the Corporation's ability to meet its financial obligations is dependent primarily upon the receipt of interest and principal payments on intercompany advances, management fees, cash dividends and other payments from its subsidiaries, together with proceeds raised by the Corporation through the issuance of equity and the incurrence of debt, and from the proceeds from the sale of assets. In addition, because the Corporation is a holding company, the Notes are effectively subordinated to all existing and future liabilities, including trade payables and other indebtedness, of the Corporation's Subsidiaries, except to the extent the Corporation is a creditor of such Subsidiaries. As at November 30, 2006, indebtedness and other liabilities of Shaw's subsidiaries totalled approximately \$573 million, excluding intercompany liabilities, deferred credits and future income taxes.

The Notes will be issued in fully registered form only in denominations of \$1,000 and integral multiples thereof. The Notes will initially be issued as global notes (the **Global Notes**). Beneficial interests in the Global Notes representing the Notes will be shown on, and transfers thereof will be effected only through, records maintained by CDS and its participants. See The Depository, Book-Entry and Settlement.

As described herein, under certain limited circumstances, the Notes may be issued in certificated non-book-entry form in exchange for a Global Note. See The Depository, Book-Entry and Settlement. In the event that the Notes are issued in certificated non-book-entry form, the Notes will be issued in denominations of \$1,000, and integral multiples thereof. Payments on Notes issued as a Global Note will be made to CDS or a successor depository. In the event that the Notes are issued in certificated non-book-entry form, the transfer of such Notes will be registrable and such Notes will be exchangeable for Notes in other denominations of a like aggregate principal amount at the corporate trust office of the Trustee, 600, 530 8th Avenue S.W., Calgary, Alberta, T2P 3S8 (telephone number: (403) 267-6894) or its designated agent. Payment of principal and interest will be effected, in respect of Notes represented by Global Notes, by wire transfer of immediately available funds to the accounts specified by CDS and, in respect of certificated securities, by wire of immediately available funds to the accounts specified by holders thereof or if no such account is specified to each such holder's registered address.





## **Table of Contents**

### **Optional Redemption**

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

(1) 100% of the principal amount of the Notes, or

(2) the Canada Yield Price (as defined below);

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

**Canada Yield Price** means in respect of any redemption of the Notes issued under the Indenture, a price, as determined by the Independent Investment Banker (as defined below), equal to the sum of the present values of the remaining scheduled payments of principal and interest on the Notes (not including any portion of the payments of interest accrued as of the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 365-day year) at the Government of Canada Yield, plus, until March , 2009, basis points and, thereafter, basis points.

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

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

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

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

### **Purchase for Cancellation**

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

### **Redemption for Changes in Canadian Tax Law**

The Notes will be subject to redemption, in whole but not in part, at the option of the Corporation at any time at a redemption price equal to 100% of the outstanding principal amount thereof together with accrued and unpaid interest to the date fixed for redemption, upon the giving of a notice as described below, if (x) the Corporation determines that (a) as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of Canada or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in or amendment to official position of such taxing authority regarding application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which change or amendment is announced or becomes effective on or after the date of the Supplemental Indenture, the Corporation has or will become obligated to pay, on the next succeeding Interest Payment Date, Additional Amounts or (b) on or after the date of the Supplemental Indenture, any action has been taken by any taxing authority of Canada or any political subdivision thereof, or any decision has been rendered by a court of competent jurisdiction in Canada or any political subdivision or taxing authority thereof, including any of those actions specified in clause (a) above, whether or not such action was taken or decision was rendered with respect to the Corporation, or any change, amendment, application or interpretation shall be officially proposed, which, in any such case, in the written opinion to the Corporation of legal counsel of recognized standing, will result in an obligation to pay, on the next succeeding Interest Payment Date, Additional Amounts with respect to any Notes and (y) in any such case the Corporation in its business

judgment determines that such obligation cannot be avoided by the use of reasonable measures available to the Corporation; provided however, that (i) no such

S-8

---

## **Table of Contents**

notice of redemption may be given earlier than 90 days prior to the earliest date on which the Corporation would be obligated to pay such Additional Amounts and (ii) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect.

In the event that the Corporation elects to redeem the Notes pursuant to the provisions set forth in the preceding paragraph, the Corporation shall deliver to the Trustee a certificate, signed by an authorized officer, stating that the Corporation is entitled to redeem the Notes pursuant to their terms.

Notice of intention to redeem the Notes will be given to each holder of the Notes not more than 60 nor less than 15 days prior to the date fixed for redemption and will specify the date fixed for redemption.

### **Governing Law**

The Notes and the Indenture will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

### **The Depository, Book-Entry and Settlement**

Except as otherwise provided below, the Notes will be represented in the form of one or more fully registered global notes (each a **Global Note**) held by, or on behalf of, CDS as depository of Global Notes for the participants (the **participants**) of CDS registered in the name of CDS or its nominee, and registration of ownership and transfers of the Notes will be made through the depository system of CDS. On the closing date of this offering, CDS will credit interests in Global Notes representing the notes to the accounts of its participants as directed by the Underwriters. Direct and indirect participants in CDS, including The Depository Trust Company (**DTC**), Euroclear Bank S.A./ N.V., as operator of the Euroclear System (**Euroclear**), and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), on behalf of their respective accountholders, will record beneficial ownership of the Notes on behalf of their respective accountholders.

Except as described below, no purchaser of Notes will be entitled to a certificate or other instrument from the Corporation or CDS evidencing that purchaser's ownership thereof, and no holder of a beneficial interest in the Notes will be shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of beneficial owners. Each purchaser of Notes will receive a confirmation of purchase from the Underwriters. CDS will be responsible for establishing and maintaining book-entry accounts for its participants having interests in Global Notes. Sales of interests in Global Notes can only be completed through participants in the depository service of CDS.

Certificated securities will be issued to holders or their nominees, other than CDS or its nominee, only if (i) required to do so by applicable law, (ii) the depository system of CDS ceases to exist, (iii) the Corporation determines that CDS is no longer willing or able to discharge properly its responsibility as depository and the Corporation is unable to locate a qualified successor, or (iv) the Corporation at its option elects to terminate the book-entry system administered by CDS.

The Corporation, the Underwriters and the Trustee will not have any liability for (i) records maintained by CDS relating to beneficial interest in the Notes or the book-entry accounts maintained by CDS, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest, or (iii) any advice or representation made or given by CDS and made or given herein with respect to the rules and regulations of CDS or any action to be taken by CDS or at the direction of the participants.

The Indenture will require that payments in respect of the Notes represented by Global Notes (including principal, premium, if any, and interest, if any) be effected by wire transfer of immediately available funds to the accounts specified by CDS. With respect to certificated securities, the Corporation will make all payments of principal, premium, if any, and interest, if any, by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a cheque to each such holder's registered address. The Corporation expects that secondary trading in any certificated securities will also be settled in immediately available funds.

As long as CDS or its nominee is the registered holder of Global Notes, CDS or its nominee, as the case may be, will be considered to be the sole owner of Global Notes for the purposes of receiving payments of interest on and principal of Global Notes and premium, if any. The Corporation expects that CDS or its nominee, upon receipt of any payment of principal, interest, or premium, if any, in respect of Global Notes, will credit participants' accounts, on the



**Table of Contents**

date principal or interest is payable, with payments in amounts proportionate to their respective interests in the principal amount of Global Notes as shown on the records of CDS or its nominee at the close of business on the Regular Record Date, with respect to the payment of interest, and at maturity, with respect to the payment of principal. The Corporation also expects that payments of principal and interest by participants to the owners of beneficial interests in Global Notes held through such participants will be governed by standing instructions and customary practices, and will be the responsibility of such participants. The responsibility and liability of the Corporation in respect of Notes represented by Global Notes is limited to making payment of any principal and interest due on such Global Notes to the Trustee.

Transfers of beneficial ownership in Notes represented by Global Notes will be effected through the records maintained by CDS or its nominee for such Global Notes with respect to the interests of participants, and on the records of participants with respect to interests of Persons other than participants. Beneficial owners who are not participants in the depository service of CDS, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Notes, may do so only through participants in the depository service of CDS.

The ability of a beneficial owner of an interest in a Note represented by Global Notes to pledge the Note or otherwise take action with respect to such owner's interest in a Note represented by Global Notes (other than through a participant) may be limited due to the lack of a physical certificate.

**DTC, Euroclear and Clearstream, Luxembourg**

Noteholders may hold their Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

DTC, Euroclear and Clearstream, Luxembourg will hold book-entry positions on behalf of their participants on the books of CDS. All securities in DTC, Euroclear or Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of Notes by Persons holding through Euroclear or Clearstream, Luxembourg participants will be effected through CDS, in accordance with CDS rules, and on behalf of the relevant European international clearing system by its depositories. However, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositories to take action to effect transfer of the Notes on its behalf by delivering Notes through CDS and receiving payment in accordance with its normal procedures. Payments with respect to the Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositories.

Although the Corporation will make all payments of principal and interest on the Notes in Canadian dollars, holders of Notes held through DTC will receive such payments in U.S. dollars, except as set forth below. Canadian dollar payments received by CDS will be exchanged into U.S. dollars and paid directly to DTC in accordance with procedures established from time to time by CDS and DTC. All costs of conversion will be borne by holders of Notes held through DTC who receive payments in U.S. dollars. Holders of Notes held through DTC may elect, through procedures established from time to time by DTC and its participants, to receive Canadian dollar payments, in which case such Canadian dollar amounts will be transferred directly to Canadian dollar accounts designated by such holders to DTC.

Any such procedures once established may be changed or discontinued by CDS, DTC, Euroclear or Clearstream, Luxembourg, as the case may be, at any time.

**Foreign Exchange Risk**

The Notes are denominated in Canadian dollars and all payments in respect of the Notes are to be made in Canadian dollars. An investment in the Notes by a purchaser not resident in Canada that conducts its business or activities in a currency (the **home currency**) other than Canadian dollars entails significant risks not associated with a similar investment in a security denominated in the home currency. Such risks include the possibility of significant changes in rates of exchange between the home currency and the Canadian dollar and the possibility of the imposition

or modification of foreign exchange controls with respect to the home currency or Canadian dollar. Such risks generally depend on events over which the Corporation has no control, such as economic and political events and the supply of,

S-10

---

**Table of Contents**

and demand for, the Canadian dollar and the home currency. In recent years, rates of exchange for certain currencies have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of the Notes. Depreciation of the Canadian dollar against the relevant home currency could result in a decrease in the effective yield on the Notes below their coupon rate and, in certain circumstances, could result in a loss to the investor on a home currency basis.

This description of foreign currency risks does not describe all of the risks of an investment in securities denominated in a currency other than the home currency. Prospective investors should consult their own financial and legal advisers as to the risks involved in an investment in the Notes.

**EARNINGS COVERAGE**

The following consolidated financial ratios are calculated for the twelve-month periods ended August 31, 2006 and November 30, 2006 and give effect to the issuance of all of the Corporation's long-term debt and repayment or redemption thereof subsequent to such dates, including debt to be issued pursuant to this offering. The ratios are based on the Corporation's annual audited consolidated financial statements and unaudited interim consolidated financial statements incorporated by reference herein.

	<b>Twelve months ended November 30, 2006</b>	<b>Twelve months ended August 31, 2006</b>
Interest <sup>(1)</sup> (000\$)	\$	\$
Earnings <sup>(2)</sup> (000\$)	\$	\$
Ratio of Earnings to Interest		

**Notes:**

(1) The annual interest requirements on long-term debt outstanding at August 31, 2006, have been adjusted to reflect issuance, repayment or redemption of long-term debt since August 31, 2006 and to give effect to the issuance of the Notes, and the application of the net proceeds thereof as described under "Use of Proceeds".

(2) Earnings are before deduction of interest on long-term debt and income taxes.

**RATINGS OF THE NOTES**

The following table discloses the ratings of the Notes, and ratings outlooks, received by Shaw from the rating agencies indicated:

<b>Ratings</b>	<b>Ratings Outlook</b>	<b>Rating Agency</b>
BBB (low)	Stable	Dominion Bond Rating Service Limited ( DBRS )
Ba1	Stable	Moody's Investors Service, Inc. ( Moody's )
BB+	Positive	Standard & Poor's Rating Services ( S&P )

DBRS credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. A rating of BBB by DBRS is the fourth highest of ten categories and is assigned to debt securities considered to be of adequate credit quality. Protection of interest and principal is considered acceptable, but the entity is fairly susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the entity and its rated



securities. The assignment of a (high) or (low) modifier within each rating category indicates relative standing within such category. The high and low grades are not used for the AAA and D categories.

Moody's credit ratings are on a long-term debt rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. A rating of Ba by Moody's is the fifth highest of nine categories and denotes obligations judged to have speculative elements and which are subject to substantial credit risk. The addition of a 1, 2 or 3 modifier after a rating indicates the relative standing within a particular rating category. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

S&P's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. A rating of BB by S&P is the fifth highest of eleven categories.

S-11

---

## **Table of Contents**

According to the S&P rating system, debt securities rated BB have significant speculative characteristics but are less vulnerable in the near term than other lower rated obligations. However, an obligor rated BB faces major ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments. The addition of a plus (+) or minus (-) designation after a rating indicates the relative standing within a particular rating category.

Each rating agency has several categories of long-term debt ratings that may be assigned to a particular issue. Prospective purchasers of the Notes should consult the rating organization with respect to the interpretation and implication of the foregoing ratings and outlooks.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The foregoing ratings should not be construed as a recommendation to buy, sell or hold the Notes, in as much as such ratings do not comment as to market price or suitability for a particular investor. Any of the foregoing ratings may be revised or withdrawn at any time by the respective rating organization if in its judgment circumstances so warrant.

### **CERTAIN INCOME TAX CONSIDERATIONS**

**The following summary is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any prospective investor and no representation with respect to the tax consequences to any particular investor is made. Accordingly, prospective investors should consult with their own tax advisors for advice with respect to the income tax consequences to them of purchasing, holding or disposing of the Notes having regard to their own particular circumstances, including any consequences of an investment in the Notes arising under state, provincial, territorial or local tax laws in Canada or the United States or tax laws of jurisdictions outside Canada or the United States.**

#### **Certain Canadian Federal Income Tax Considerations**

In the opinion of Fraser Milner Casgrain LLP, counsel for Shaw, and McCarthy Tétrault LLP, counsel for the Underwriters, the following are as of the date hereof fair and adequate summaries of the material Canadian federal income tax consequences generally applicable to (a) a holder (a **Holder**) who acquires Notes pursuant to this offering and who, for the purposes of the *Income Tax Act* (Canada) (the **Tax Act**), is or is deemed to be a resident of Canada, deals with Shaw at arm's length, is not affiliate