

# Shaw Communications Inc.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (unaudited)

[millions of Canadian dollars]	November 30, 2015	August 31, 2015
<b>ASSETS</b>		
<b>Current</b>		
Cash	283	398
Accounts receivable	517	468
Inventories	60	60
Other current assets	93	78
Asset held for sale <i>[note 11]</i>	-	5
	<b>953</b>	1,009
Investments and other assets <i>[note 11]</i>	88	97
Property, plant and equipment	4,240	4,220
Other long-term assets	272	259
Deferred income tax assets	14	14
Intangibles	7,489	7,459
Goodwill	1,518	1,506
	<b>14,574</b>	14,564
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	851	887
Provisions	49	52
Income taxes payable	142	195
Unearned revenue	196	196
Current portion of long-term debt <i>[notes 6 and 11]</i>	608	608
	<b>1,846</b>	1,938
Long-term debt <i>[notes 6 and 11]</i>	5,075	5,061
Other long-term liabilities	142	186
Provisions	10	10
Deferred credits	582	588
Deferred income tax liabilities	1,129	1,135
	<b>8,784</b>	8,918
<b>Shareholders' equity <i>[notes 7 and 9]</i></b>		
Common and preferred shareholders	5,544	5,409
Non-controlling interests in subsidiaries	246	237
	<b>5,790</b>	5,646
	<b>14,574</b>	14,564

See accompanying notes.

## Shaw Communications Inc.

### CONSOLIDATED STATEMENTS OF INCOME (unaudited)

[millions of Canadian dollars except per share amounts]	Three months ended November 30,	
	2015	2014
<b>Revenue</b> <i>[note 3]</i>	<b>1,419</b>	1,389
Operating, general and administrative expenses <i>[note 5]</i>	<b>(793)</b>	(783)
Amortization:		
Deferred equipment revenue	<b>19</b>	19
Deferred equipment costs	<b>(40)</b>	(40)
Property, plant and equipment, intangibles and other	<b>(209)</b>	(199)
<b>Operating income</b>	<b>396</b>	386
Amortization of financing costs – long-term debt	<b>(1)</b>	(1)
Interest expense	<b>(73)</b>	(69)
Business acquisition costs	<b>(1)</b>	(6)
Accretion of long-term liabilities and provisions	<b>(1)</b>	(1)
Equity loss of a joint venture	<b>(18)</b>	(13)
Other losses	<b>(2)</b>	(3)
<b>Income before income taxes</b>	<b>300</b>	293
Current income tax expense <i>[note 3]</i>	<b>92</b>	90
Deferred income tax recovery	<b>(10)</b>	(24)
<b>Net income</b>	<b>218</b>	227
<b>Net income attributable to:</b>		
Equity shareholders	<b>209</b>	219
Non-controlling interests in subsidiaries	<b>9</b>	8
	<b>218</b>	227
<b>Earnings per share</b> <i>[note 8]</i>		
Basic and diluted	<b>0.43</b>	0.46

See accompanying notes.

**Shaw Communications Inc.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(unaudited)

[millions of Canadian dollars]	Three months ended November 30,	
	<b>2015</b>	2014
<b>Net income</b>	<b>218</b>	227
<b>Other comprehensive income (loss) [note 9]</b>		
<b>Items that may subsequently be reclassified to income:</b>		
Change in unrealized fair value of derivatives designated as cash flow hedges	-	1
Unrealized loss on available-for-sale investment	-	(2)
Exchange differences on translation of a foreign operation	<b>15</b>	43
Exchange differences on US denominated debt hedging a foreign operation	<b>(6)</b>	(17)
	<b>9</b>	25
<b>Items that will not subsequently be reclassified to income:</b>		
Remeasurements on employee benefit plans	<b>9</b>	-
	<b>18</b>	25
<b>Comprehensive income</b>	<b>236</b>	252
<b>Comprehensive income attributable to:</b>		
Equity shareholders	<b>227</b>	244
Non-controlling interests in subsidiaries	<b>9</b>	8
	<b>236</b>	252

*See accompanying notes.*

## Shaw Communications Inc.

### CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

Three months ended November 30, 2015

[millions of Canadian dollars]	Attributable to equity shareholders					Equity attributable to non-controlling interests	Total equity
	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total		
Balance as at September 1, 2015	3,500	45	1,883	(19)	5,409	237	5,646
Net income	-	-	209	-	209	9	218
Other comprehensive income	-	-	-	18	18	-	18
Comprehensive income	-	-	209	18	227	9	236
Dividends	-	-	(99)	-	(99)	-	(99)
Dividend reinvestment plan	46	-	(46)	-	-	-	-
Shares issued under stock option plan	7	(1)	-	-	6	-	6
Share-based compensation	-	1	-	-	1	-	1
<b>Balance as at November 30, 2015</b>	<b>3,553</b>	<b>45</b>	<b>1,947</b>	<b>(1)</b>	<b>5,544</b>	<b>246</b>	<b>5,790</b>

Three months ended November 30, 2014

[millions of Canadian dollars]	Attributable to equity shareholders					Equity attributable to non-controlling interests	Total equity
	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total		
Balance as at September 1, 2014	3,182	64	1,589	(133)	4,702	235	4,937
Net income	-	-	219	-	219	8	227
Other comprehensive income	-	-	-	25	25	-	25
Comprehensive income	-	-	219	25	244	8	252
Dividends	-	-	(93)	-	(93)	-	(93)
Dividend reinvestment plan	39	-	(39)	-	-	-	-
Shares issued under stock option plan	34	(5)	-	-	29	-	29
Share-based compensation	-	1	-	-	1	-	1
Distributions declared by subsidiaries to non-controlling interests	-	-	-	-	-	(8)	(8)
<b>Balance as at November 30, 2014</b>	<b>3,255</b>	<b>60</b>	<b>1,676</b>	<b>(108)</b>	<b>4,883</b>	<b>235</b>	<b>5,118</b>

# Shaw Communications Inc.

## CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

[millions of Canadian dollars]	Three months ended November 30,	
	2015	2014
<b>OPERATING ACTIVITIES</b>		
Funds flow from operations <i>[note 10]</i>	406	392
Net change in non-cash balances related to operations	(102)	(174)
	<b>304</b>	<b>218</b>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment <i>[note 3]</i>	(270)	(221)
Additions to equipment costs (net) <i>[note 3]</i>	(24)	(19)
Additions to other intangibles <i>[note 3]</i>	(25)	(23)
Net reduction to inventories	-	17
Business acquisitions, net of cash acquired <i>[note 4]</i>	(2)	(893)
Additions to investments and other assets	(11)	(30)
Distributions received from investments	2	-
Proceeds on disposal of property, plant and equipment	6	-
	<b>(324)</b>	<b>(1,169)</b>
<b>FINANCING ACTIVITIES</b>		
Increase in long-term debt	-	411
Debt repayments	(2)	(2)
Bank facility arrangement costs	(1)	-
Issue of Class B Non-Voting Shares <i>[note 7]</i>	6	29
Dividends paid on Class A Shares and Class B Non-Voting Shares	(95)	(89)
Dividends paid on Preferred Shares	(3)	(3)
Distributions paid to non-controlling interests in subsidiaries	-	(8)
	<b>(95)</b>	<b>338</b>
<b>Decrease in cash</b>	<b>(115)</b>	<b>(613)</b>
Cash, beginning of the period	398	637
<b>Cash, end of the period</b>	<b>283</b>	<b>24</b>

## Shaw Communications Inc.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

November 30, 2015 and 2014

[all amounts in millions of Canadian dollars, except share and per share amounts]

#### 1. CORPORATE INFORMATION

Shaw Communications Inc. (the "Company") is a diversified Canadian communications company whose core operating business is providing: Cable telecommunications and Satellite video services to residential customers ("Consumer"); data networking, Cable telecommunications, Satellite video and fleet tracking services to businesses and public sector entities ("Business Network Services"); data centre colocation, cloud technology and managed IT solutions to businesses ("Business Infrastructure Services"); and programming content ("Media"). The Company's shares are listed on the Toronto Stock Exchange, TSX Venture Exchange and New York Stock Exchange.

#### 2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

##### Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in compliance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements of the Company for the three months ended November 30, 2015 were authorized for issue by the Audit Committee on January 13, 2016.

##### Basis of presentation

These condensed interim consolidated financial statements have been prepared primarily under the historical cost convention except as detailed in the significant accounting policies disclosed in the Company's consolidated financial statements for the year ended August 31, 2015 and are expressed in millions of Canadian dollars unless otherwise indicated. The condensed interim consolidated statements of income are presented using the nature classification for expenses.

The notes presented in these condensed interim consolidated financial statements include only significant events and transactions occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed by IFRS in the Company's annual consolidated financial statements. As a result, these condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended August 31, 2015.

The condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements.

#### 3. BUSINESS SEGMENT INFORMATION

The Company's chief operating decision makers are the CEO, COO and CFO and they review the operating performance of the Company by segments which comprise Consumer, Business Network Services, Business Infrastructure Services and Media. The chief operating decision makers utilize operating income before restructuring costs and amortization for each segment as a key measure in making operating decisions and assessing performance. The Consumer segment provides Cable telecommunications services including Video, Internet, WiFi and Phone, and Satellite Video, to Canadian consumers. The Business Network Services segment provides data networking, video, voice and Internet services through a national fibre-optic backbone network and also provides satellite Video services, and fleet tracking services to North American businesses and public sector entities. The Business Infrastructure Services segment provides data centre colocation, cloud and managed services to North American businesses. The Media segment provides programming content and its operating results are affected by seasonality and fluctuate throughout the year due to a number of factors including seasonal advertising and viewing patterns. As such, operating results for an interim period should not be considered indicative of full fiscal year performance.

## Shaw Communications Inc.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

November 30, 2015 and 2014

[all amounts in millions of Canadian dollars, except share and per share amounts]

In general, advertising revenues are higher during the first quarter and lower during the fourth quarter and expenses are incurred more evenly throughout the year. All of the Company's reportable segments are substantially located in Canada with the exception of ViaWest which is located in the United States. Information on operations by segment is as follows:

#### Operating information

	Three months ended November 30,	
	2015	2014
	\$	\$
<b>Revenue</b>		
Consumer	943	927
Business Network Services	136	127
Business Infrastructure Services	73	55
Media	294	307
	<b>1,446</b>	1,416
Intersegment eliminations	(27)	(27)
	<b>1,419</b>	1,389
<b>Operating income before restructuring costs and amortization</b>		
Consumer	419	405
Business Network Services	64	61
Business Infrastructure Services	25	21
Media	118	119
	<b>626</b>	606
Amortization	(230)	(220)
<b>Operating income</b>	<b>396</b>	386
<b>Current taxes</b>		
Operating	97	98
Other/non-operating	(5)	(8)
	<b>92</b>	90

**Shaw Communications Inc.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

November 30, 2015 and 2014

[all amounts in millions of Canadian dollars, except share and per share amounts]

**Capital expenditures**

	Three months ended November 30,	
	2015	2014
	\$	\$
<b>Capital expenditures accrual basis</b> <sup>(1)</sup>		
Consumer and Business Network Services <sup>(2)</sup>	189	205
Business Infrastructure Services	30	12
Media	1	1
	<b>220</b>	<b>218</b>
<b>Equipment costs (net of revenue)</b>		
Consumer and Business Network Services	26	22
<b>Capital expenditures and equipment costs (net)</b>		
Consumer and Business Network Services	215	227
Business Infrastructure Services	30	12
Media	1	1
	<b>246</b>	<b>240</b>
<b>Reconciliation to Consolidated Statements of Cash Flows</b>		
Additions to property, plant and equipment	270	221
Additions to equipment costs (net)	24	19
Additions to other intangibles	25	23
Total of capital expenditures and equipment costs (net) per Consolidated Statements of Cash Flows	319	263
Decrease in working capital and other liabilities related to capital expenditures	(68)	(25)
Decrease in customer equipment financing receivables	2	3
Less: Proceeds on disposal of property, plant and equipment	(6)	-
Less: Satellite equipment profit <sup>(2)</sup>	(1)	(1)
Total capital expenditures and equipment costs (net) reported by segments	<b>246</b>	<b>240</b>

(1) The three months ended November 30, 2014 include \$30 related to certain capital investments that were funded from the accelerated capital fund.

(2) The profit from the sale of satellite equipment is subtracted from the calculation of segmented capital expenditures and equipment costs (net) as the Company views the profit on sale as a recovery of expenditures on customer premise equipment.

# Shaw Communications Inc.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

November 30, 2015 and 2014

[all amounts in millions of Canadian dollars, except share and per share amounts]

### 4. BUSINESS ACQUISITION

Effective October 31, 2015, the Company acquired the assets of a small cable system serving approximately 1,300 video subscribers in British Columbia. The cash consideration of \$2 has been allocated to property, plant and equipment and broadcast rights.

### 5. OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES AND RESTRUCTURING COSTS

	Three months ended November 30,	
	2015	2014
	\$	\$
Employee salaries and benefits	247	234
Purchases of goods and services	546	549
	<b>793</b>	<b>783</b>

### 6. LONG-TERM DEBT

	November 30, 2015			August 31, 2015		
	Long-term debt at amortized cost \$	Adjustment for finance costs \$	Long-term debt repayable at maturity \$	Long-term debt at amortized cost \$	Adjustment for finance costs \$	Long-term debt repayable at maturity \$
<b>Corporate</b>						
Bank loans <sup>(1)</sup>	441	-	441	434	-	434
Cdn fixed rate senior notes-						
6.15% due May 9, 2016	299	1	300	299	1	300
5.70% due March 2, 2017	399	1	400	399	1	400
5.65% due October 1, 2019	1,246	4	1,250	1,245	5	1,250
5.50% due December 7, 2020	497	3	500	497	3	500
4.35% due January 31, 2024	497	3	500	497	3	500
6.75% due November 9, 2039	1,418	32	1,450	1,418	32	1,450
	<b>4,797</b>	<b>44</b>	<b>4,841</b>	<b>4,789</b>	<b>45</b>	<b>4,834</b>
Cdn variable rate senior notes-						
Due February 1, 2016	300	-	300	300	-	300
	<b>5,097</b>	<b>44</b>	<b>5,141</b>	<b>5,089</b>	<b>45</b>	<b>5,134</b>
<b>Other</b>						
ViaWest – credit facility	513	12	525	506	12	518
ViaWest – other	33	-	33	34	-	34
Burrard Landing Lot 2 Holdings Partnership	40	-	40	40	-	40
Total consolidated debt	<b>5,683</b>	<b>56</b>	<b>5,739</b>	<b>5,669</b>	<b>57</b>	<b>5,726</b>
Less current portion <sup>(2)</sup>	<b>608</b>	<b>1</b>	<b>609</b>	<b>608</b>	<b>1</b>	<b>609</b>
	<b>5,075</b>	<b>55</b>	<b>5,130</b>	<b>5,061</b>	<b>56</b>	<b>5,117</b>

<sup>(1)</sup> Bank loans include borrowings of USD \$330.

<sup>(2)</sup> Current portion of long-term debt includes the variable rate senior notes due February 2016, the 6.15% senior notes due May 2016 and the amounts due within one year in respect of ViaWest's term loan, finance lease obligations and landlord debt.

## Shaw Communications Inc.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

November 30, 2015 and 2014

[all amounts in millions of Canadian dollars, except share and per share amounts]

#### 7. SHARE CAPITAL

Changes in share capital during the three months ended November 30, 2015 are as follows:

	Class A Shares		Class B Non-Voting Shares		Preferred Shares	
	Number	\$	Number	\$	Number	\$
<b>August 31, 2015</b>	22,420,064	2	451,471,562	3,205	12,000,000	293
Issued upon stock option plan exercises	-	-	263,869	7	-	-
Issued pursuant to dividend reinvestment plan	-	-	1,768,039	46	-	-
<b>November 30, 2015</b>	22,420,064	2	453,503,470	3,258	12,000,000	293

#### 8. EARNINGS PER SHARE

Earnings per share calculations are as follows:

	Three months ended November 30,	
	2015	2014
<b>Numerator for basic and diluted earnings per share (\$)</b>		
Net income	218	227
Deduct: net income attributable to non-controlling interests	(9)	(8)
Deduct: dividends on Preferred Shares	(3)	(4)
Net income attributable to common shareholders	206	215
<b>Denominator (millions of shares)</b>		
Weighted average number of Class A Shares and Class B Non-Voting Shares for basic earnings per share	480	463
Effect of dilutive securities <sup>(1)</sup>	1	3
Weighted average number of Class A Shares and Class B Non-Voting Shares for diluted earnings per share	481	466
<b>Earnings per share (\$)</b>		
Basic and diluted	0.43	0.46

(1) The earnings per share calculation does not take into consideration the potential dilutive effect of certain stock options since their impact is anti-dilutive. For the three months ended November 30, 2015, 2,957,853 (2014 – 489,428) options were excluded from the diluted earnings per share calculation.

#### 9. OTHER COMPREHENSIVE INCOME AND ACCUMULATED OTHER COMPREHENSIVE LOSS

Components of other comprehensive income and the related income tax effects for the three months ended November 30, 2015 are as follows:

	Amount \$	Income taxes \$	Net \$
<b>Items that may subsequently be reclassified to income</b>			
Exchange differences on translation of a foreign operation	15	-	15
Exchange differences on translation of US denominated debt hedging a foreign operation	(6)	-	(6)
	9	-	9
<b>Items that will not subsequently be reclassified to income</b>			
Remeasurements on employee benefit plans	12	(3)	9
	21	(3)	18

## Shaw Communications Inc.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

November 30, 2015 and 2014

[all amounts in millions of Canadian dollars, except share and per share amounts]

Components of other comprehensive income and the related income tax effects for the three months ended November 30, 2014 are as follows:

	Amount \$	Income taxes \$	Net \$
<b>Items that may subsequently be reclassified to income</b>			
Change in unrealized fair value of derivatives designated as cash flow hedges	1	-	1
Unrealized loss on available-for-sale investment	(2)	-	(2)
Exchange differences on translation of a foreign operation	43	-	43
Exchange differences on translation of US denominated debt hedging a foreign operation	(17)	-	(17)
	<u>25</u>	<u>-</u>	<u>25</u>

Accumulated other comprehensive loss is comprised of the following:

	November 30, 2015 \$	August 31, 2015 \$
<b>Items that may subsequently be reclassified to income</b>		
Unrealized loss on available-for-sale investment	(5)	(5)
Foreign currency translation adjustments	119	110
<b>Items that will not subsequently be reclassified to income</b>		
Remeasurements on employee benefit plans	(115)	(124)
	<u>(1)</u>	<u>(19)</u>

## 10. STATEMENTS OF CASH FLOWS

Disclosures with respect to the Consolidated Statements of Cash Flows are as follows:

(i) Funds flow from operations

	Three months ended November 30,	
	2015 \$	2014 \$
Net income	218	227
Adjustments to reconcile net income to funds flow from operations:		
Amortization	231	221
Program rights	(25)	(24)
Deferred income tax recovery	(10)	(24)
CRTC benefit obligation funding	(4)	(5)
Share-based compensation	1	1
Defined benefit pension plans	(24)	(24)
Accretion of long-term liabilities and provisions	1	1
Equity loss of a joint venture	18	13
Write-down of property held for sale	-	3
Other	-	3
Funds flow from operations	<u>406</u>	<u>392</u>

## Shaw Communications Inc.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

November 30, 2015 and 2014

[all amounts in millions of Canadian dollars, except share and per share amounts]

(i) Interest and income taxes paid and interest received and classified as operating activities are as follows:

	Three months ended November 30,	
	2015	2014
	\$	\$
Interest paid	113	108
Income taxes paid (net of refunds)	145	213
Interest received	1	-

(ii) Non-cash transactions:

The Consolidated Statements of Cash Flows exclude the following non-cash transactions:

	Three months ended November 30,	
	2015	2014
	\$	\$
Issuance of Class B Non-Voting Shares:		
Dividend reinvestment plan	46	39

## 11. FAIR VALUE

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

### Financial instruments

The fair value of financial instruments has been determined as follows:

(i) Current assets and current liabilities

The fair value of financial instruments included in current assets and current liabilities approximates their carrying value due to their short-term nature.

(ii) Investments and other assets and Other long-term assets

The fair value of publicly traded investments is determined by quoted market prices. Investments in private entities which do not have quoted market prices in an active market and whose fair value cannot be readily measured are carried at cost. No published market exists for such investments. These equity investments have been made as they are considered to have the potential to provide future benefit to the Company and accordingly, the Company has no current intention to dispose of these investments in the near term. The fair value of long-term receivables approximates their carrying value as they are recorded at the net present values of their future cash flows, using an appropriate discount rate.

(iii) Long-term debt

The carrying value of long-term debt is at amortized cost based on the initial fair value as determined at the time of issuance or at the time of a business acquisition. The fair value of publicly traded notes is based upon current trading values. The fair value of finance lease obligations is determined by discounting future cash flows using a rate for loans with similar terms, conditions and maturity dates. The carrying value of bank credit facilities approximates fair value as the debt bears interest at rates that fluctuate with market values. Other notes and debentures are valued based upon current trading values for similar instruments.

## Shaw Communications Inc.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

November 30, 2015 and 2014

[all amounts in millions of Canadian dollars, except share and per share amounts]

(iv) Other long-term liabilities

The fair value of program rights payable, estimated by discounting future cash flows, approximates their carrying value. The fair value of contingent consideration arising from a business acquisition is determined by calculating the present value of the probability weighted assessment of the likelihood that revenue targets will be met and the estimated timing of such payments.

(v) Derivative financial instruments

The fair value of US currency forward purchase contracts is determined by an estimated credit-adjusted mark-to-market valuation using observable forward exchange rates at the end of reporting periods and contract forward rates.

The carrying values and estimated fair values of an investment in a publicly traded company, long-term debt and a contingent liability are as follows:

	November 30, 2015		August 31, 2015	
	Carrying value \$	Estimated fair value \$	Carrying value \$	Estimated fair value \$
<b>Assets</b>				
Investment in publicly traded company <sup>(1)</sup>	4	4	4	4
<b>Liabilities</b>				
Long-term debt (including current portion) <sup>(2)</sup>	5,683	6,260	5,669	6,307
Contingent liability <sup>(3)</sup>	2	2	2	2

<sup>(1)</sup> Level 1 fair value – determined by quoted market prices.

<sup>(2)</sup> Level 2 fair value – determined by valuation techniques using inputs based on observable market data, either directly or indirectly, other than quoted prices.

<sup>(3)</sup> Level 3 fair value – determined by valuation techniques using inputs that are not based on observable market data.

#### Real estate property

A real estate property was classified as held for sale in the statement of financial position at August 31, 2015. At August 31, 2015, the property's fair value of \$5 was based on the sale which closed during the current quarter.

#### 12. RESTRUCTURING COSTS

During 2014 and 2015, the Company undertook organizational changes and restructured its operations across its Consumer, Business Network Services and Media operating segments. The majority of the remaining costs in respect of the restructuring activities are expected to be paid in fiscal 2016. The continuity of the restructuring provisions is as follows.

	\$
Balance as at September 1, 2015	17
Payments	(7)
Balance as at November 30, 2015	10

#### 13. SUBSEQUENT EVENTS

On January 13, 2016 the Company announced it entered into an agreement with Corus Entertainment Inc. ("Corus"), a related party subject to common voting control, to sell 100% of its wholly owned subsidiary Shaw Media Inc.

## **Shaw Communications Inc.**

### **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** **(unaudited)**

**November 30, 2015 and 2014**

**[all amounts in millions of Canadian dollars, except share and per share amounts]**

("Shaw Media") for \$2.65 billion. Shaw Media comprises the Media division of the Company. The transaction is expected to close in the third quarter of fiscal 2016.

On December 16, 2015, the Company announced it had entered into an agreement to acquire 100% of the shares of Mid-Bowline Group Corp., and its wholly owned subsidiary WIND Mobile Corp. ("WIND"), for an enterprise value of approximately \$1.6 billion. WIND is Canada's largest non-incumbent wireless service provider, serving approximately 940,000 subscribers across Ontario, British Columbia and Alberta. The acquisition is subject to receipt of certain regulatory and court approvals and is expected to close during the third quarter of fiscal 2016.

On December 15, 2015, ViaWest closed the acquisition of 100% of the shares of INetU, Inc. ("INetU") for approximately US \$162 which was funded through a combination of borrowings under ViaWest's and the Company's revolving credit facilities as well as incremental term loan proceeds under ViaWest's credit facility. INetU is a solutions provider of public, private and hybrid cloud environments in addition to offering managed security and compliance services. The Company is currently in the process of completing the purchase price allocation which it expects to include in its interim financial statements for the second quarter.