STEBBINS PAUL H
Form 4
June 29, 2010

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
STEBBINS PAUL H

(Last) (First) (Middle)

C/O FIRST SOLAR, INC., 350 WEST WASHINGTON STREET SUITE 600

(Street)

TEMPE, AZ 85281-1244

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
FIRST SOLAR, INC. [FSLR]

3. Date of Earliest Transaction (Month/Day/Year)
06/25/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	06/25/2010		A (1)		210	A	$ 0	5,123	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STEBBINS PAUL H C/O FIRST SOLAR, INC. 350 WEST WASHINGTON STREET SUITE 600 TEMPE, AZ 85281-1244	X			

Signatures

/s/ Richard Mittermaier, Attorney-in-fact	06/29/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The shares granted represent the quarterly equity compensation paid to the Issuer's independent directors.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Employee benefits

The Company expects to elect to recognize cumulative actuarial gains and losses arising from all of its defined benefit plans as at September 1, 2010 in opening retained earnings.

Borrowing costs

The Company expects to elect to apply IAS 23 Borrowing Costs prospectively from September 1, 2010.
Management is in the process of quantifying the expected material differences between IFRS and the current accounting treatment under Canadian GAAP. Set out below are the key areas where changes in accounting policies are expected that may impact the Company s consolidated financial statements. The list and comments should not be regarded as a complete list of changes that will result from the transition to IFRS. It is intended to highlight those areas management believes to be most significant. However, the IASB has significant ongoing projects that could affect the ultimate differences between Canadian GAAP and IFRS and their impact on the Company s consolidated

financial statements. Consequently, management s analysis of changes and policy decisions have been made based on its expectations regarding the accounting standards that we anticipate will be effective at the time of transition. The future impacts of IFRS will also depend on the particular circumstances prevailing in those years. At this stage, management is not able to reliably quantify the impacts expected on the Company s consolidated financial statements for these differences. Please see the section entitled Cautionary statement regarding forward-looking statements .

The following significant differences between Canadian GAAP and IFRS have been identified that are expected to impact the Company s financial statements. This is not an exhaustive list of all of the changes that could occur during the transition to IFRS. At this time, the comprehensive impact of the changeover on the Company s future financial position and results of operations is not yet determinable.

Shaw Communications Inc.

The Company continues to monitor and assess the impact of evolving differences between Canadian GAAP and IFRS, since the IASB is expected to continue to issue new accounting standards during the transition period. As a result, the final impact of IFRS on the Company s consolidated financial statements can only be measured once all the applicable IFRS at the conversion date are known.

Differences with respect to recognition, measurement, presentation and disclosure of financial information are expected to be in the following key accounting areas:

Key accounting area	**Differences from Canadian GAAP, with potential impact for the Company**
Presentation of Financial Statements (IAS 1)	IAS 1 requires additional disclosures in the notes to financial statements.
Share-based Payments (IFRS 2)	IFRS 2 requires cash-settled awards to employees be measured at fair value at the initial grant date and re-measured at fair value at the end of each reporting period. IFRS 2 also requires the fair value of stock-based compensation awards to be recognized using a graded vesting method based on the vesting period of the options.
Income Taxes (IAS 12)	IAS 12 recognition and measurement criteria for deferred tax assets and liabilities may differ.
Employee Benefits (IAS 19)	IAS 19 requires past service costs of defined benefit plans to be expensed on an accelerated basis, with vested past service costs immediately expensed and unvested past service costs amortized on a straight line basis until benefits become vested. IAS 19 has an accounting policy choice that allows the Company to recognize actuarial gains and losses using one of the following methods: in net income using the corridor approach amortized over the expected average remaining working lives, in net income on a systematic basis for faster recognition, including immediate recognition of all actuarial gains and losses, or to recognize them in other comprehensive income, as they occur. The Company is currently reviewing the impact of the accounting policy choice for recognition of actuarial gains and losses.
Interests in Joint Ventures (IAS 31)	Although IAS 31 currently permits the use of proportionate consolidation for joint venture interests, proposed changes are expected to be finalized prior to transition to require joint venture interests to be accounted for using the equity method.

Shaw Communications Inc.

Key accounting area	Differences from Canadian GAAP, with potential impact for the Company
Impairment of Assets (IAS 36)	IAS 36 uses a one-step approach for the identification and measurement of impairment of assets. The carrying value of assets is compared to the greater of its fair value less costs to sell and value in use, which is based on the net present value of future cash flows. Impairment of assets, other than goodwill, is reversed in a subsequent period if circumstances change such that the previously determined impairment is reduced or eliminated.
Provisions, Contingent Liabilities and Contingent Assets (IAS 37)	IAS 37 uses a different threshold for recognition of a contingent liability that could impact the timing of when a provision may be recorded.
Intangible Assets (IAS 38)	IAS 38 prohibits the amortization of indefinite-lived intangibles and reinstatement of previous amortization is required.

2011 GUIDANCE

With respect to 2011 guidance, the Company expects continued growth in the core Cable and Satellite business and on a preliminary basis, expects that the growth rate of core consolidated operating income before amortization will decline modestly compared to last year s organic growth rate of approximately 7.5% as a result of competitive market pressures and higher programming costs. Capital investment is expected to decline and cash taxes are estimated to increase.

Overall, preliminary 2011 free cash flow guidance of approximately $550 million provided on October 22, 2010 for the core Cable and Satellite business has not changed. It is expected that the new Media assets will generate approximately $75 million of free cash flow for the 10 month period of inclusion during fiscal 2011, before considering cash funding of the CRTC benefit obligation amounts. Over the next 7 years the benefit obligation funding is approximately $275 million comprising $180 million from the Shaw acquisition and $95 million remaining from the Canwest acquisition of the Specialty services in 2007. After considering the estimated 2011 CRTC benefit obligation cash funding, Media is expected to contribute approximately $50 million of free cash flow and consolidated fiscal 2011 free cash flow is estimated to approximate $600 million.

The investment associated with the Wireless build is being tracked and reported separately from the free cash flow generated from ongoing operations. The Company plans to invest approximately $150 $200 million during 2011 on its Wireless initiative.

Certain important assumptions for 2011 guidance purposes include: customer growth continuing generally in line with historical trends; stable pricing environment for Shaw s products relative to today s rates; no significant market disruption or other significant changes in competition or regulation that would have a material impact; stable advertising demand and rates; cash income taxes to be paid or payable in 2011; and a stable regulatory environment.

See the following section entitled Caution Concerning Forward-Looking Statements .

Shaw Communications Inc.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements included and incorporated by reference herein may constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used, the words anticipate , believe , expect , pla intend , target , guideline , goal , and similar expressions generally identify forward-looking statements. Th forward-looking statements include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), financial guidance for future performance, business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of Shaw s business and operations, plans and references to the future success of Shaw. These forward-looking statements are based on certain assumptions, some of which are noted above, and analyses made by Shaw in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances as of the current date. These assumptions include but are not limited to general economic and industry growth rates, currency exchange rates, technology deployment, content and equipment costs, and industry structure and stability.

Whether actual results and developments will conform with expectations and predictions of the Company is subject to a number of factors including, but not limited to, general economic, market or business conditions; the opportunities that may be available to Shaw; Shaw s ability to execute its strategic plans; changes in the competitive environment in the markets in which Shaw operates and from the development of new markets for emerging technologies; changes in laws, regulations and decisions by regulators that affect Shaw or the markets in which it operates in both Canada and the United States; Shaw s status as a holding company with separate operating subsidiaries; changing conditions in the entertainment, information and communications industries; risks associated with the economic, political and regulatory policies of local governments and laws and policies of Canada and the United States; and other factors, many of which are beyond the control of Shaw. The foregoing is not an exhaustive list of all possible factors. Should one or more of these risks materialize or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those as described herein. Consequently, all of the forward-looking statements made in this report and the documents incorporated by reference herein 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, the Company.

You should not place undue reliance on any such forward-looking statements. The Company utilizes forward-looking statements in assessing its performance. Certain investors, analysts and others, utilize the Company s financial guidance and other forward-looking information in order to assess the Company s expected operational and financial performance and as an indicator of its ability to service debt and return cash to shareholders. The Company s financial guidance may not be appropriate for other purposes.

Shaw Communications Inc.

Any forward-looking statement (and such risks, uncertainties and other factors) speaks only as of the date on which it was originally made and the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained in this document 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 the Company emerge from time to time, and it is not possible for the Company to predict what factors will arise or when. In addition, the Company 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.

Shaw Communications Inc.

CONSOLIDATED BALANCE SHEETS
(unaudited)

[thousands of Canadian dollars]	**November 30, 2010**	August 31, 2010
ASSETS		
Current		
Cash and cash equivalents	**42,065**	216,735
Accounts receivable	**531,075**	196,415
Inventories	**80,459**	53,815
Prepaids and other	**68,213**	33,844
Derivative instruments	**67,095**	66,718
Future income taxes	**31,809**	27,996
	820,716	595,523
Derivative instrument	**15,907**	
Investments and other assets	**20,857**	743,273
Property, plant and equipment	**3,167,682**	3,004,649
Deferred charges	**240,154**	232,843
Intangibles		
Broadcast rights and licenses *[note 3]*	**6,448,169**	5,061,153
Program rights and advances	**318,205**	
Spectrum licenses	**190,912**	190,912
Goodwill *[note 3]*	**839,710**	169,143
Other intangibles	**233,399**	156,469
	12,295,711	10,153,965
LIABILITIES AND SHAREHOLDERS EQUITY		
Current		
Accounts payable and accrued liabilities	**806,685**	623,070
Income taxes payable	**29,305**	170,581
Unearned revenue	**150,967**	145,491
Current portion of long-term debt *[note 4]*	**566**	557
Current portion of derivative instruments	**80,904**	79,740
	1,068,427	1,019,439
Long-term debt *[note 4]*	**5,394,410**	3,981,671
Other long-term liabilities *[note 9]*	**534,590**	291,500
Derivative instruments	**6,938**	6,482
Deferred credits	**628,910**	632,482
Future income taxes	**1,711,452**	1,451,859
	9,344,727	7,383,433

Shareholders equity		
Share capital *[note 5]*	**2,269,757**	2,250,498
Contributed surplus *[note 5]*	**56,089**	53,330
Retained earnings	**378,945**	457,728
Accumulated other comprehensive income *[note 7]*	**1,039**	8,976
Non-controlling interests	**245,154**	
	2,950,984	2,770,532
	12,295,711	10,153,965

See accompanying notes

Shaw Communications Inc.

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(unaudited)

[thousands of Canadian dollars except per share amounts]	Three months ended November 30, **2010**	2009
Revenue *[note 2]*	**1,078,905**	905,934
Operating, general and administrative expenses	**605,551**	430,982
Operating income before amortization *[note 2]*	**473,354**	474,952
Amortization:		
Deferred IRU revenue	**3,137**	3,137
Deferred equipment revenue	**27,318**	31,261
Deferred equipment costs	**(52,106)**	(59,509)
Deferred charges	**(256)**	(256)
Property, plant and equipment	**(148,829)**	(124,639)
Other intangibles	**(10,006)**	(9,092)
Operating income	**292,612**	315,854
Amortization of financing costs long-term debt	**(1,020)**	(1,101)
Interest expense debt *[note 2]*	**(68,695)**	(62,064)
	222,897	252,689
Debt retirement costs		(81,585)
CRTC benefit obligation *[note 3]*	**(139,098)**	
Business acquisition, integration and restructuring expenses *[note 3]*	**(58,104)**	
Loss on derivative instruments	**(1,411)**	(44,432)
Accretion of long-term liabilities	**(1,933)**	(213)
Foreign exchange gain on unhedged long-term-debt	**3,318**	
Other gains	**2,429**	8,717
Income before income taxes	**28,098**	135,176
Current income tax expense *[note 2]*	**55,342**	94,578
Future income tax expense (recovery)	**(33,951)**	(73,631)
Income before the following	**6,707**	114,229
Equity income on investees	**13,625**	
Net income	**20,332**	114,229
Net income attributable to:		
Common shareholders	**16,642**	114,229
Non-controlling interests	**3,690**	
	20,332	114,229

Retained earnings, beginning of period	**457,728**	382,227
Net income attributable to common shareholders	**16,642**	114,229
Reduction on Class B Non-Voting Shares purchased for cancellation		(19,789)
Dividends Class A Shares and Class B Non-Voting Shares	**(95,425)**	(90,815)
Retained earnings, end of period	**378,945**	385,852
Earnings per share *[note 6]*		
Basic and diluted	**0.04**	0.26
[thousands of shares]		
Weighted average participating shares outstanding during period	**433,792**	432,507
Participating shares outstanding, end of period	**434,178**	435,363

See accompanying notes

Shaw Communications Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

(unaudited)

[thousands of Canadian dollars]	Three months ended November 30, **2010**	2009
Net income	**20,332**	114,229
Other comprehensive income (loss) *[note 7]*		
Change in unrealized fair value of derivatives designated as cash flow hedges	**(606)**	(51,435)
Adjustment for hedged items recognized in the period	**(7,383)**	9,444
Reclassification of foreign exchange loss on hedging derivatives to income to offset foreign exchange adjustments on US denominated debt		34,940
Reclassification of remaining losses on hedging derivatives to income upon early redemption of hedged US denominated debt		42,658
Unrealized gain on available-for-sale investment	**53**	430
Unrealized foreign exchange loss on translation of a self- sustaining foreign operation	**(1)**	(1)
	(7,937)	36,036
Comprehensive income	**12,395**	150,265
Comprehensive income attributable to:		
Common shareholders	**8,705**	150,265
Non-controlling interests	**3,690**	
	12,395	150,265
Accumulated other comprehensive income (loss), beginning of period	**8,976**	(38,634)
Other comprehensive income (loss)	**(7,937)**	36,036
Accumulated other comprehensive income (loss), end of period	**1,039**	(2,598)

See accompanying notes

Shaw Communications Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

[thousands of Canadian dollars]	Three months ended November 30, 2010	2009
OPERATING ACTIVITIES *[note 8]*		
Funds flow from operations	**264,380**	338,952
Net decrease in non-cash working capital balances related to operations	**(202,493)**	(5,393)
	61,887	333,559
INVESTING ACTIVITIES		
Additions to property, plant and equipment *[note 2]*	**(258,058)**	(158,820)
Additions to equipment costs (net) *[note 2]*	**(28,537)**	(27,760)
Additions to other intangibles *[note 2]*	**(36,128)**	(9,528)
Net addition to inventories	**(26,644)**	(9,555)
Business acquisitions *[note 3]*	**(420,442)**	(155,334)
Purchase of Government of Canada bond		(158,968)
Proceeds on disposal of property, plant and equipment *[note 2]*	**6,596**	67
Addition to investments and other assets	**(477)**	
	(763,690)	(519,898)
FINANCING ACTIVITIES		
Increase in long-term debt, net of discounts	**1,000,000**	1,891,656
Senior notes issuance costs		(9,057)
Senior notes repayments		(1,016,170)
Other debt repayments *[note 3]*	**(395,076)**	(132)
Payments on cross-currency agreements		(291,920)
Debt retirement costs		(79,488)
Issue of Class B Non-Voting Shares, net of after-tax expenses *[note 5]*	**17,634**	7,870
Purchase of Class B Non-Voting Shares for cancellation		(27,892)
Dividends paid on Class A Shares and Class B Non-Voting Shares	**(95,425)**	(90,815)
	527,133	384,052
Increase (decrease) in cash	**(174,670)**	197,713
Cash, beginning of the period	**216,735**	453,237
Cash, end of the period	**42,065**	650,950

Cash includes cash and cash equivalents
See accompanying notes

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Shaw Communications Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

November 30, 2010 and 2009

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

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The unaudited interim Consolidated Financial Statements include the accounts of Shaw Communications Inc. and its subsidiaries (collectively the Company). The notes presented in these unaudited 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 in the Company s annual audited consolidated financial statements. As a result, these unaudited interim Consolidated Financial Statements should be read in conjunction with the Company s consolidated financial statements for the year ended August 31, 2010.

The unaudited interim Consolidated Financial Statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements except as noted below.

Adoption of accounting policies for Shaw Media

The following accounting policies have been adopted for the Company s new television broadcasting operations (Shaw Media).

Revenue

Subscriber revenue is recognized monthly based on subscriber levels. Advertising revenues are recognized in the period in which the advertisements are broadcast and recorded net of agency commissions as these amounts are paid directly to the agency or advertiser. When a sales arrangement includes multiple advertising spots, the proceeds are allocated to individual advertising spots under the arrangement based on relative fair values.

Program Rights and Advances

Program rights represent licensed rights acquired to broadcast television programs on the Company s conventional and specialty television channels and program advances are in respect of payments for programming prior to the window license start date. For licensed rights, the Company records a liability for program rights and corresponding asset when the license period has commenced and all of the following conditions have been met: (i) the cost of the program is known or reasonably determinable, (ii) the program material has been accepted by the Company in accordance with the license agreement and (iii) the material is available to the Company for telecast. Program rights are expensed on a systematic basis over the estimated exhibition period as the programs are aired and are included in operating, general and administrative expenses. If program rights are not scheduled, they are considered impaired and are written off.

CRTC Benefit Obligations

The fair value of CRTC benefit obligations committed as part of business acquisitions are initially recorded, on a discounted basis, at the present value of amounts to be paid net of any expected incremental cash inflows. The obligation is subsequently adjusted for the incurrence of related expenditures, the passage of time and for revisions to the timing of the cash flows. Changes in the obligation due to the passage of time are recorded as accretion of long-term liabilities in the income statement.

Asset Retirement Obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred, on a discounted basis, with a corresponding increase to the carrying amount of property and equipment. This cost is amortized on the same basis as the related asset. The liability is subsequently increased for the passage of time and the accretion is recorded in the income statement as accretion of long-term liabilities. Revisions due to the estimated timing of cash flows or the amount required to settle the obligation may result in an increase or decrease in the liability. Actual costs incurred upon settlement of the obligation are charged against the liability to the extent recorded.

Shaw Communications Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

November 30, 2010 and 2009

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

Embedded Derivative Instruments

Derivatives embedded in other financial instruments or contracts are separated from their host contracts and separately accounted for as derivatives when their economic characteristics and risks are not closely related to the host contract, they meet the definition of a derivative and the combined instrument or contract is not measured at fair value. The Company records embedded derivatives at fair value with changes recognized in the income statement as loss/gain on derivative instruments.

Adoption of recent accounting pronouncements

Business Combinations

Effective September 1, 2010, the Company early adopted CICA Handbook Section 1582 Business Combinations , which replaces Section 1581 Business Combinations . The differences which arise from the new accounting standard relate to details in applying the acquisition method. The significant changes that result include (i) a change in the measurement date for equity instruments issued by the acquirer from a few days before and after the announcement date to the acquisition date, (ii) contingent consideration is recognized at fair value and subsequently remeasured at each reporting date until settled, (iii) future adjustments to income tax estimates are recorded in income whereas previously, certain changes were recorded in goodwill, (iv) acquisition related costs, other than costs to issue debt or equity instruments, and acquisition related restructuring costs must be expensed, (v) for business combinations completed in stages, identifiable net assets are recognized at fair value when control is obtained and a gain or loss is recognized for the difference in fair value and carrying value of the previously held equity interests, (vi) the fair value of identifiable assets and liabilities attributable to non-controlling interests must be recognized, and (vii) non-controlling interests are recorded at either fair value or their proportionate share of the fair value of identifiable net assets acquired.

Consolidated Financial Statements and Non-controlling Interests

Effective September 1, 2010, the Company early adopted CICA Handbook Section 1601 Consolidated Financial Statements and Section 1602 Non-controlling Interests which replace Section 1600 Consolidated Financial Statements . The new standards provide guidance for the preparation of financial statements and accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. For presentation and disclosure purposes, non-controlling interests are classified as a separate component of shareholders equity. In addition, net income and comprehensive income is attributed to the Company s shareholders and to non-controlling interests rather than reflecting the non-controlling interests as a deduction to arrive at net income and comprehensive income.

Recent accounting pronouncements

International Financial Reporting Standards (IFRS)

In February 2008, the CICA Accounting Standards Board (AScB) confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), for fiscal periods beginning on or after January 1, 2011. These standards require the Company to begin reporting under IFRS in the first quarter of fiscal 2012 with comparative data for the prior year. The Company has developed its plan and has completed the preliminary identification and assessment of the accounting and reporting differences under IFRS as compared to Canadian GAAP. Evaluation of accounting policies is in progress; however, at this time, the full impact of adopting IFRS is not reasonably estimable or determinable.

Shaw Communications Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

November 30, 2010 and 2009

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

2. BUSINESS SEGMENT INFORMATION

The Company provides cable television services, high-speed Internet access, Digital Phone and Internet infrastructure services (Cable); television broadcasting (Shaw Media); DTH satellite services (Shaw Direct); and, satellite distribution services (Satellite Services). Shaw Media s 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. 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 these operations are substantially located in Canada. Information on operations by segment is as follows:

Operating information

	Three months ended November 30,	
	2010	2009
	$	$
Revenue		
Cable	**757,831**	709,747
DTH	**185,379**	179,764
Satellite Services	**20,794**	20,947
Media	**125,397**	
	1,089,401	910,458
Intersegment eliminations	**(10,496)**	(4,524)
	1,078,905	905,934
Operating income (expenditures) before amortization (1) (4)		
Cable	**347,855**	380,252
DTH	**59,073**	83,726
Satellite Services	**10,436**	10,974
Media	**56,772**	
Wireless	**(782)**	
	473,354	474,952
Interest (2)		
Cable	**50,947**	55,166
DTH and Satellite Services	**6,265**	6,563
Media	**6,484**	
Wireless	**4,673**	
Burrard Landing Lot 2 Holdings Partnership	**326**	335
	68,695	62,064

Cash taxes [3]		
Cable	**45,375**	48,005
DTH and Satellite Services	**12,225**	19,001
Media	**2,000**	
Other/non-operating	**(4,258)**	27,572
	55,342	94,578

(1) The three months ended November 30, 2009 includes the impact of a one-time CRTC Part II fee recovery of $48,662 for Cable and $26,570 for combined satellite.

(2) The Company reports interest on a segmented basis for Cable, Media, Wireless and combined satellite only. It does not report interest on a segmented basis for DTH and Satellite Services. Interest is allocated to the Wireless division based on the Company s average cost of borrowing to fund the capital expenditures and operating costs.

(3) The Company reports cash taxes on a segmented basis for Cable, Media and combined satellite only. It does not report cash taxes on a segmented basis for DTH and Satellite Services.

(4) The presentation of segmented operating income (expenditures) before amortization has been adjusted to reflect on a gross basis to include intersegment transactions. As a result, operating income before amortization for Cable and DTH have decreased by $850 and $25, respectively and increased by $875 for Satellite Services.

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Capital expenditures

	Three months ended November 30,	
	2010	2009
	$	$
Capital expenditures accrual basis		
Cable (including corporate)	**170,619**	156,031
Satellite (net of equipment profit)	**2,564**	1,418
Media	**2,124**	
Wireless	**23,341**	
	198,648	157,449
Equipment costs (net of revenue received)		
Cable	**6,761**	4,054
Satellite	**21,776**	23,706
	28,537	27,760
Capital expenditures and equipment costs (net)		
Cable	**177,380**	160,085
Satellite	**24,340**	25,124
Media	**2,124**	
Wireless	**23,341**	
	227,185	185,209
Reconciliation to Consolidated Statements of Cash Flows		
Additions to property, plant and equipment	**258,058**	158,820
Additions to equipment costs (net)	**28,537**	27,760
Additions to other intangibles	**36,128**	9,528
Total of capital expenditures and equipment costs (net) per Consolidated Statements of Cash Flows	**322,723**	196,108
Decrease in working capital related to capital expenditures	**(88,287)**	(10,127)
Less: Proceeds on disposal of property, plant and equipment	**(6,596)**	(67)
Less: Satellite equipment profit [1]	**(655)**	(705)
Total capital expenditures and equipment costs (net) reported by segments	**227,185**	185,209

(1)

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.

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Assets

	November 30, 2010					
	Cable	DTH	Satellite Services	Media	Wireless	Total
	$	$	$	$	$	$
Segment assets	**7,162,517**	**849,228**	**478,638**	**3,003,050**	**312,132**	**11,805,565**
Corporate assets						**490,146**
Total assets						**12,295,711**

	August 31, 2010					
	Cable	DTH	Satellite Services	Media	Wireless	Total
	$	$	$	$	$	$
Segment assets	**7,111,526**	**844,502**	**483,404**	**739,125**	**287,626**	**9,466,183**
Corporate assets						**687,782**
Total assets						**10,153,965**

3. BUSINESS ACQUISITIONS

	November 30, 2010		
	Cash [(1)]	Cumulative equity income	Total
	$	$	$
Television broadcasting businesses (i)	1,208,112	2,180	1,210,292
Cable system (ii)	3,464		3,464
	1,211,576	2,180	1,213,756

(1) The cash consideration includes $708,000 paid in 2010 for the Company s initial equity investment in CW Media and an option to acquire an additional equity interest. The acquisition-date fair value of the Company s initial equity investment approximated $549,000 compared to its carrying value of $558,500 under the equity method of accounting which resulted in an amount of approximately $9,500 related to transaction costs which are included in business acquisition, integration and restructuring expenses in the income statement.

(i) On May 3, 2010 the Company announced that it had entered into agreements to acquire 100% of the broadcasting businesses of Canwest Global Communications Corp. (Canwest). The acquisition includes all of the over-the-air channels, which were in creditor protection, and the specialty television business of Canwest, including Canwest s equity interest in CW Investments Co. (CW

Media), the company that owns the portfolio of specialty channels acquired from Alliance Atlantis Communications Inc. in 2007. During the third quarter of 2010, the Company completed certain portions of the acquisition including acquiring a 49.9% equity interest, a 29.9% voting interest, and an option to acquire an additional 14.8% equity interest and 3.4% voting interest in CW Media. On October 22, 2010, the CRTC approved the transaction and the Company closed the purchase on October 27, 2010. Certain of the subsidiary specialty channels continue to have non-controlling interests. The purpose of the acquisition is to combine programming content with the Company s cable and satellite distribution network, and future wireless service, to create a vertically integrated entertainment and communications company.

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The transaction has been accounted for using the acquisition method and results of operations have been included commencing October 27, 2010. These broadcasting businesses have contributed $125,397 of revenue and $56,772 of operating income before amortization for the period from October 27 to November 30, 2010. If the acquisition had closed on September 1, 2010, the Media revenue and operating income before amortization for the three month period would have been approximately $309,000 and $130,000, respectively. Net income is not determinable due to emergence of certain portions of the business from bankruptcy protection.

In the current quarter, acquisition related costs of $58,104 have been expensed and include amounts incurred to effect the transaction, such as professional fees paid to lawyers and consultants, as well as restructuring costs to integrate the new businesses and increase organizational effectiveness for future growth as well as senior leadership reorganization.

As part of the CRTC decision approving the transaction, the Company is required to contribute approximately $180,000 in new benefits to the Canadian broadcasting system over the next seven years. Most of this contribution will be used to create new programming on Canwest services, construct digital transmission towers and provide a satellite solution for over-the-air viewers whose local television stations do not convert to digital. The obligation has been recorded in the income statement at fair value, being the sum of the discounted future net cash flows using a 5.75% discount rate. In addition, the Company assumed the CRTC benefit obligation from Canwest s acquisition of Specialty services in 2007 which was a remaining commitment of approximately $95,000.

The purchase price allocation is preliminary pending finalization of valuation of the net assets acquired. A summary of net assets acquired and preliminary allocation is as follows:

	$
Net assets acquired at assigned fair values	
Cash and cash equivalents	**83,134**
Receivables	**296,665**
Other current assets (1)	**30,191**
Future income taxes	**26,882**
Derivative instrument	**15,765**
Investments and other assets	**15,958**
Property, plant and equipment	**140,059**
Intangibles (2)	**1,775,573**
Goodwill, not deductible for tax (3)	**670,567**
	3,054,794
Current liabilities (1)	**(285,303)**
Current debt (4)	**(399,065)**
Derivative instruments (4)	**(81,975)**
Non-current liabilities	**(104,306)**
Future income taxes	**(316,206)**
Long-term debt (5)	**(411,633)**
Non-controlling interests (6)	**(246,014)**
	1,210,292

(1) The Company acquired a remaining tax indemnity amount of $25,906 as part of the acquisition. The indemnity arose in 2007 as part of Canwest s acquisition of Specialty services where a wholly-owned

subsidiary of CW Media entered into an agreement pursuant to which certain of the parties agreed to indemnify the company in respect of certain tax liabilities. A corresponding income tax liability was also assumed which according to the terms of the agreement, will be recovered from other parties to the agreement if and when the liabilities are settled.

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(2) Intangibles includes broadcast licenses, brands, program rights, a trademark and software assets.

(3) Goodwill comprises the value of expected efficiencies from combining programming content and distribution businesses into vertically integrated operations, growth expectations and an assembled workforce.

(4) Current debt is comprised of a US $389,636 term loan. Shortly after closing the acquisition, the Company repaid the term loan including breakage of the related currency swaps.

(5) Within 30 days of closing the transaction, a subsidiary of CW Media was required to make a change of control offer at a cash price equal to 101% of the obligations under the US $338,306 13.5% senior unsecured notes due 2015 issued by it in accordance with a related indenture dated as of July 3, 2008. As a result, on November 15, 2010, an offer was made to purchase all of the notes for an effective purchase price of US $1,145.58 for each US $1,000 face amount. An aggregate of US $51,620 face amount was tendered under the offer and purchased by the Company for cancellation for an aggregate price of approximately US $59,135. The change of control offer expired on December 15, 2010 and no further purchases are required.

(6) Non-controlling interests in certain of the subsidiary specialty channels were assumed as part of the acquisition and are recorded at their proportionate share of the fair value of identifiable net assets acquired.

(ii) During the first quarter, the Company purchased the assets of the Lake Broadcasting cable system serving approximately 1,000 basic subscribers in the interior of British Columbia. These assets were purchased as they compliment the Company s existing surrounding cable systems. The transaction has been accounted for using the acquisition method and results of operations have been included commencing October 1, 2010. These assets have contributed approximately $100 of revenue and $50 of operating income before amortization for the period October 1 to November 30, 2010. The purchase price may be impacted by settlement of final closing adjustments for working capital. A summary of net assets acquired is as follows:

	$
Identifiable net assets acquired at assigned fair values	
Property, plant and equipment	**584**
Broadcast rights	**2,916**
	3,500
Working capital deficiency	**(36)**
	3,464

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4. LONG-TERM DEBT

	November 30, 2010				August 31, 2010		
	Effective interest rates	**Long-term debt at amortized cost [1]**	**Adjustment for finance costs and fair value adjustment [1]**	**Long-term debt repayable at maturity**	Long-term debt at amortized cost [1]	Adjustment for finance costs [1]	Long-term debt repayable at maturity
	%	**$**	**$**	**$**	$	$	$
Corporate [4]							
Senior notes-Bank loans	Variable	**1,000,000**		**1,000,000**			
Cdn $600,000 6.50% due June 2, 2014	6.56	**595,249**	**4,751**	**600,000**	594,941	5,059	600,000
Cdn $400,000 5.70% due March 2, 2017	5.72	**396,250**	**3,750**	**400,000**	396,124	3,876	400,000
Cdn $450,000 6.10% due November 16, 2012	6.11	**447,998**	**2,002**	**450,000**	447,749	2,251	450,000
Cdn $300,000 6.15% due May 9, 2016	6.34	**293,243**	**6,757**	**300,000**	292,978	7,022	300,000
Cdn $1,250,000 5.65% due October 1, 2019	5.69	**1,240,875**	**9,125**	**1,250,000**	1,240,673	9,327	1,250,000
Cdn $650,000 6.75% due November 9, 2039	6.80	**641,707**	**8,293**	**650,000**	641,684	8,316	650,000
Cdn $350,000 7.50% due November 20, 2013	7.50	**347,331**	**2,669**	**350,000**	347,129	2,871	350,000
		4,962,653	**37,347**	**5,000,000**	3,961,278	38,722	4,000,000
Other subsidiaries and entities							
Burrard Landing Lot 2 Holdings	6.31	**20,814**	**78**	**20,892**	20,950	83	21,033

Partnership CW Media Holdings Inc. 13.50% US senior unsecured notes due August 15, 2015 (2)	8.56	**411,509**	**(64,204)**	**347,305**			
Total consolidated debt		**5,394,976**	**(26,779)**	**5,368,197**	3,982,228	38,805	4,021,033
Less current portion (3)		**566**	**19**	**585**	557	19	576
		5,394,410	**(26,798)**	**5,367,612**	3,981,671	38,786	4,020,457

(1) Long-term debt, excluding bank loans, is presented net of unamortized discounts, finance costs and bond forward proceeds of $37,425 (August 31, 2010 $38,805) and a fair value adjustment of $64,204 in respect of the US senior unsecured notes assumed on the acquisition of CW Media.

(2) The US $338,306 senior unsecured notes, which were assumed on acquisition of the Canwest broadcasting business, are translated at the period end foreign exchange rate. Subsequent to quarter end, US $51,620 face amount was tendered under a change of control offer and purchased by the Company for cancellation (see note 3). CW Media Holdings Inc. originally issued US $312,000 senior unsecured notes on July 3, 2008 at 13.5% per annum, compounded semi-annually. For periods up to August 15, 2011 (the cash interest date), interest is accrued, however is not payable until maturity unless the Company elects to pay interest in cash with respect to any period before the cash interest date. At November 30, 2010 US $26,306 of accrued interest was outstanding and included in the principal debt balance with respect to the period of July 3, 2008 to February 15, 2009. Interest for all periods subsequent to February 15, 2009 has been paid in cash. After August 15, 2011, interest is payable in cash commencing February 15, 2012. The senior unsecured notes have a variable prepayment option at a premium of 106.75 in 2011 which declines on a straight-line basis to par in 2013. The prepayment option represents an embedded derivative that is accounted for separately at fair value.

(3) Current portion of long-term debt is the amount due within one year on the Partnership s mortgage bonds.

(4) Subsequent to quarter end, the Company issued $500,000 senior notes at a rate of 5.5% due December 7, 2020 and $400,000 senior notes at a rate of 6.75% due November 9, 2039. The effective rate on the $500,000 senior notes and $400,000 senior notes is 5.548% and 6.963%, respectively, due to discounts on the issuances. In conjunction with the senior notes issuances, the unsecured $500,000 revolving credit facility was cancelled.

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5. SHARE CAPITAL

Issued and outstanding

Changes in Class A Share and Class B Non-Voting Share capital during the three months ended November 30, 2010 are as follows:

	Class A Shares		**Class B Non-Voting Shares**	
	Number	$	Number	$
August 31, 2010	22,520,064	2,468	410,622,001	2,248,030
Issued upon stock option plan exercises			1,036,241	19,259
	22,520,064	2,468	411,658,242	2,267,289

Stock option plan

Under a stock option plan, directors, officers, employees and consultants of the Company are eligible to receive stock options to acquire Class B Non-Voting Shares with terms not to exceed 10 years from the date of grant. Options granted up to November 30, 2010 vest evenly on the anniversary dates from the original grant at either 25% per year over four years or 20% per year over five years. The options must be issued at not less than the fair market value of the Class B Non-Voting Shares at the date of grant. The maximum number of Class B Non-Voting Shares issuable under the plan may not exceed 52,000,000. To date 15,140,826 Class B Non-Voting Shares have been issued under the plan. During the three months ended November 30, 2010, 1,036,241 options were exercised for $17,634.

The changes in options for the three months ended November 30, 2010 are as follows:

	Number	**Weighted average exercise price $**
Outstanding, beginning of period	**23,993,150**	**20.48**
Granted	**240,000**	**21.87**
Forfeited	**(203,500)**	**20.52**
Exercised	**(1,036,241)**	**17.02**
Outstanding, end of period	**22,993,409**	**20.65**

The following table summarizes information about the options outstanding at November 30, 2010:

Range of prices	Number outstanding	Weighted average remaining contractual life		Weighted average exercise price	Number exercisable		Weighted average exercise price
$8.69	20,000	2.89	$	8.69	20,000	$	8.69
$14.85 - $22.27	15,133,909	7.21	$	18.68	6,785,659	$	17.58
$22.28 - $26.20	7,839,500	6.76	$	24.47	5,792,250	$	24.47

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The weighted average estimated fair value at the date of the grant for common share options granted was $3.45 per option (2009 $2.94 per option) for the three months ended November 30, 2010. The fair value of each option granted was estimated on the date of the grant using the Black-Scholes option-pricing model with the following assumptions:

	Three months ended November 30,	
	2010	2009
Dividend yield	**4.02%**	4.47%
Risk-free interest rate	**2.24%**	2.40%
Expected life of options	**5 years**	5 years
Expected volatility factor of the future expected market price of Class B Non-Voting Shares	**25.7%**	26.6%

Contributed surplus

The changes in contributed surplus are as follows:

	Three months ended November 30, 2010
	$
Balance, beginning of period	**53,330**
Stock-based compensation	**4,384**
Stock options exercised	**(1,625)**
Balance, end of period	**56,089**

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6. EARNINGS PER SHARE

Earnings per share calculations are as follows:

	Three months ended November 30,	
	2010	2009
Numerator for basic and diluted earnings per share ($)		
Net income attributable to common shareholders	**16,642**	114,229
Denominator (thousands of shares)		
Weighted average number of Class A Shares and Class B Non-Voting Shares for basic earnings per share	**433,792**	432,507
Effect of dilutive securities	**1,361**	1,241
Weighted average number of Class A Shares and Class B Non-Voting Shares for diluted earnings per share	**435,153**	433,748
Earnings per share ($)		
Basic and diluted	**0.04**	0.26

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7. OTHER COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Components of other comprehensive income (loss) and the related income tax effects for the three months ended November 30, 2010 are as follows:

	Amount	**Income taxes**	**Net**
	$	**$**	**$**
Change in unrealized fair value of derivatives designated as cash flow hedges	**(744)**	**138**	**(606)**
Adjustment for hedged items recognized in the period	**(8,528)**	**1,145**	**(7,383)**
Unrealized gain on available-for-sale investment	**61**	**(8)**	**53**
Unrealized foreign exchange loss on translation of a self-sustaining foreign operation	**(1)**		**(1)**
	(9,212)	**1,275**	**(7,937)**

Components of other comprehensive income (loss) and the related income tax effects for the three months ended November 30, 2009 are as follows:

	Amount	**Income taxes**	**Net**
	$	**$**	**$**
Change in unrealized fair value of derivatives designated as cash flow hedges	(61,820)	10,385	(51,435)
Adjustment for hedged items recognized in the period	13,196	(3,752)	9,444
Reclassification of foreign exchange loss on hedging derivatives to income to offset foreign exchange gain on US denominated debt	40,505	(5,565)	34,940
Reclassification of remaining losses on hedging derivatives to income upon early redemption of hedged US denominated debt	50,121	(7,463)	42,658
Unrealized gain on available-for-sale investment	495	(65)	430
Unrealized foreign exchange loss on translation of a self-sustaining foreign operation	(1)		(1)
	42,496	(6,460)	36,036

Accumulated other comprehensive income is comprised of the following:

	November 30, 2010	August 31, 2010
	$	$
Unrealized foreign exchange gain on translation of a self-sustaining foreign operation	**348**	349
Fair value of derivatives	**638**	8,627
Unrealized gain on available-for-sale investment	**53**	

1,039	8,976

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8. 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,	
	2010	2009
	$	$
Net income	**20,332**	114,229
Adjustments to reconcile net income to funds flow from operations:		
Amortization		
Deferred IRU revenue	**(3,137)**	(3,137)
Deferred equipment revenue	**(27,318)**	(31,261)
Deferred equipment costs	**52,106**	59,509
Deferred charges	**256**	256
Property, plant and equipment	**148,829**	124,639
Other intangibles	**10,006**	9,092
Financing costs long-term debt	**1,020**	1,101
Program rights	**13,584**	
Future income tax recovery	**(33,951)**	(73,631)
Equity income on investees	**(13,625)**	
Debt retirement costs		81,585
CRTC benefit obligation *[note 3]*	**139,098**	
CRTC benefit obligation funding	**(2,308)**	
Business acquisition, integration and restructuring expenses	**36,096**	
Stock-based compensation	**4,174**	4,420
Defined benefit pension plan	**9,013**	6,969
Loss on derivative instruments	**1,411**	44,432
Realized loss on settlement of financial instruments	**(5,448)**	
Payments on cross-currency agreements *[note 3]*	**(86,109)**	
Foreign exchange gain on unhedged long-term debt	**(3,318)**	
Accretion of long-term liabilities	**1,933**	213
Other	**1,736**	536
Funds flow from operations	**264,380**	338,952

(ii) Changes in non-cash working capital balances related to operations include the following:

	Three months ended November 30,	
	2010	2009
	$	$
Accounts receivable	**(37,978)**	(18,566)

Prepaids and other	**(9,692)**	(1,250)
Accounts payable and accrued liabilities	**23,992**	(77,758)
Income taxes payable	**(184,007)**	87,302
Unearned revenue	**5,192**	4,879
	(202,493)	(5,393)

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(iii) Interest and income taxes paid and classified as operating activities are as follows:

	Three months ended November 30,	
	2010	2009
	$	$
Interest	**106,536**	95,047
Income taxes	**237,382**	55

(iv) Non-cash transaction:

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

	Three months ended November 30,	
	2010	2009
	$	$
Issuance of Class B Non-Voting Shares on a cable system acquisition		120,000

9. OTHER LONG-TERM LIABILITIES

Other long-term liabilities include the long-term portion of the Company s employee benefit plans of $165,369, the liability of $159,310 with respect to the principal components of the US $300,000 amended cross-currency interest rate agreements, the non-current portion of CRTC benefit obligations, including the amount assumed on acquisition, of $187,030 and other liabilities totaling $22,881. The total benefit costs expensed under the Company s defined benefit pension plans were $9,863 for the three months ended November 30, 2010 (2009 $7,331).

10. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

Certain of the comparative figures have been reclassified to conform to the presentation adopted in the current year.