Shaw triples quarterly earnings

REUTERS
TORONTO

Shaw Communications Inc., Canada's No. 2 cable and satellite TV company, said Friday that second-quarter net profit more than tripled, lifted by a $188-million tax recovery, strong subscriber gains and higher prices.

Calgary-based Shaw also repeated it plans to participate in the upcoming auction of Canadian wireless spectrum and will bid on licences as it deems appropriate. It would fund any licence purchase from free cash flow and an existing credit facility if needed, it said.

In a conference call with analysts, chief executive Jim Shaw hinted the company was leaning toward rolling out a network if its bids at next month's auction are successful.

"Shaw will not deploy if the economic model does not work in the long term," he said. "And when we see the economic model on wireless, it looks to us like it works."

Shaw's stronger results helped lift the stock five per cent to $21.20 on the Toronto Stock Exchange and ahead four per cent to $20.76 US in New York. So far this year, the shares are down about 10 per cent.

The company earned $299 million, or 69 cents a share, in the three months ended Feb. 29. That was up from $80 million, or 18 cents a share, in the same period a year earlier.

Excluding non-operating items, profit rose to $113 million from $79 million.

The company said revenue rose 11 per cent to $763 million, as cable revenue jumped 13 per cent and satellite sales grew six per cent. That bettered the average estimate of $760.5 million in sales, according to Reuters Estimates.

Shaw, which lacks cellphone service to bundle with its other offerings, added 56,536 digital phone lines in the quarter.

Canwest revenue rises

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TORONTO

Canwest Global Communications Corp. said revenue rose in the second quarter, although the bottom line suffered amid a slumping advertising environment made worse by the U.S. writers' strike.

Canada's biggest media company said Friday that sales climbed nine per cent to $702 million, compared with $644 million a year earlier.

The company reported a loss of $34 million, or 19 cents a share, versus profit of $7 million, or four cents a share, last year.

Consolidated earnings before interest, taxes, depreciation and amortization were up 15 per cent to $92 million, compared with $80 million in the second quarter of 2007.

"Overall, our second-quarter results were solid, despite overall softening market conditions in Canada, and the impact of the writers' strike on Canadian television," said CEO Leonard Asper in a statement.

Excluding the effects of long-term liabilities, foreign-exchange losses and restructuring expenses, the company said it would have turned a profit of $4 million, or two cents a share.

The company predicted a spring television schedule that includes new episodes of popular shows would boost fortunes in the second half of the year.

Calgary Herald Archive

Prices for new homes in the Calgary area fell slightly from January to February, but gained 5.2 per cent over a year.

Prices for new homes take February dip

Calgary area saw 0.3 per cent decline for the month

MARIO TONEGUZZI
CALGARY HERALD

New housing price increases in the Calgary region continue to slow, and even decrease, according to data released Friday by Statistics Canada.

The federal agency's new housing price index showed that in the Calgary census metropolitan area, prices dropped by 0.3 per cent from January to February this year. But prices rose 5.2 per cent between February 2007 and February 2008, slightly lower than the 5.6 per cent year-over-year increase in the previous month.

The Calgary CMA includes the city, Airdrie, the Municipal District of Rocky View, Chestermere, Cochrane, Irricana, Beiseker and Crossfield.

For the Calgary area, the house-only component of the new housing price index rose by 2.8 per cent over the past 12 months while the land only component saw a 10.6 per cent hike.

The index for the Calgary region is drifting downward, reflecting conditions in the marketplace, said Lai Sing Louie, senior market analyst for Canada Mortgage and Housing Corp.

"New home sales are slowing. It's in a very competitive environment," said Louie.

NEW HOUSING PRICE INDEX
(Percentage change)

	Feb. '07 to Feb. '08	Jan. to Feb. '08
Calgary	**5.2 %**	**- 0.3 %**
Edmonton	14.8 %	- 0.9 %
Saskatoon	58.3 %	4.3 %
Regina	28.6 %	7.0 %
Canada	6.2 %	0.3 %

SOURCE: STATISTICS CANADA

He said that land cost increases are still holding in the double-digit range, but "at some point in time that's going to have to give, too."

In 2006, the rate of new home price growth in the Calgary region peaked with a stunning 60.6 per cent year-over-year hike in August.

Nationally, the increase in new housing prices slowed in February, following two consecutive months in which the rate of growth was gaining speed, said Statistics Canada.

"This deceleration continues the downward trend that started in September 2006," said the federal agency.

Nationally, contractors' selling prices rose 6.2 per cent between February 2007 and February 2008, a slower pace than the year-over-year increase of 6.5 per cent in January. The house-only component was up 6.1 per cent on a yearly basis while the land-only component increased by 6.9 per cent.

The markets in Saskatoon and Regina led the country in year-over-year new house price appreciation. Saskatoon was 58.3 per cent while Regina was 28.6 per cent.

"The markets in both Saskatoon and Regina continue to be strong," said Statistics Canada. "Demand for new housing is high in Saskatchewan due to a strong natural resource sector and aggressive efforts to attract migrants to alleviate the labour shortage in the province."

From January to February, prices rose by 4.3 per cent in Saskatoon and by seven per cent in Regina.

In Edmonton, the 12-month growth rate slowed in February to 14.8 per cent, the seventh month in a row in which the pace of growth has decelerated.

"Edmonton and Calgary are experiencing slower market conditions," said Statistics Canada. "With some migrants leaving the province, there are many resale houses on the market, making for slower new housing sales. This has resulted in both cities showing price declines on a monthly basis."

In Edmonton, prices were down 0.9 per cent from January.

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INBRIEF

From Herald News Services

'Red flag' adviser assists in big gain

HEDGE FUNDS • A commodity hedge fund advised by Brian Hunter, the energy trader whose bad bets triggered $6.6-billion of losses at **Amaranth Advisors LLC** in 2006, returned 49 per cent in the first quarter, according to two investors.

The **Peak Ridge Commodity Volatility Fund**, run by Boston-based private equity firm **Peak Ridge Capital Group Inc.**, gained six per cent last month and 103 per cent since it was started in November, according to the investors who didn't want to be identified because the information is private. Peak Ridge chief financial officer Shondell Sabad declined to comment.

"For some investors, Hunter's name is a red flag and they will avoid the fund," said Patrick Tuohy, global head of sales and marketing at HSBC Holdings PLC's alternative investment group, which invests about $55 billion in hedge funds. "However, some may dig deeper because in the past he did deliver some spectacular returns."

Sprott CEO made $83.8M

COMPENSATION • Sprott Inc., the Canadian money manager that filed for an initial public offering Thursday, paid founder and chief executive Eric Sprott $83.8 million last year, in addition to paying rent on his art collection.

Sprott's compensation included $80,461 in salary, a $16.1-million bonus and a separate payout of $67.7 million for his controlling stake in the company, according to a filing for the stock sale.

Sprott and other shareholders are selling stock to tap demand for the firm's mutual funds and hedge funds that have benefited from soaring prices for oil, gold and other metals.

The prospectus doesn't say how much the sellers will raise in the IPO, though a Toronto newspaper has reported it will be about $200 million.

The company managed $6.9 billion as of Feb. 29, more than triple the $2.1 billion overseen at the end of 2004.

MTS pushes for TV shakeup

MEDIA • MTS Allstream, a relatively new player in the TV distribution business, pushed for the biggest shakeup yet to the Canadian television system Friday by urging regulators to suspend the requirement to carry "basic" channels, such as public affairs broadcaster CPAC, which have been designated to be in the interest of all Canadians.

French-language network TVA and the Aboriginal People's Television Network are also mandatory channels in the basic packages of the country's big cable and satellite players. In the late 1990s, the Canadian Radio-television and Telecommunications Commission determined they fulfil the Broadcasting Act's objective of promoting cultural diversity.

MTS executives urged the regulator to accept that customers want choice most of all, and will find it on the Internet or through black market satellite services from the U.S. if they can't get it through domestic cable, satellite, and telecom TV services.