SHAW COMMUNICATIONS INC
Form 6-K
October 20, 2011

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934
For the month of October, 2011
Shaw Communications Inc.
(Translation of registrant s name into English)
Suite 900, 630 3rd Avenue S.W., Calgary, Alberta T2P 4L4 (403) 750-4500
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:
Form 20-F o Form 40-F þ

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes o No þ

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Shaw Communications Inc., has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 20, 2011

Shaw Communications Inc.

By: /s/ Steve Wilson

Steve Wilson
Sr. V.P., Chief Financial Officer
Shaw Communications Inc.

NEWS RELEASE

Shaw announces fourth quarter and full year results and preliminary fiscal 2012 guidance

Calgary, Alberta (October 20, 2011) Shaw Communications Inc. announced results for the fourth quarter and year ended August 31, 2011. Consolidated revenue for the three and twelve month periods of $1.18 billion and $4.74 billion, respectively, was up 26% and 28% over the comparable periods last year. Total operating income before amortization[1] of $476 million and $2.03 billion, respectively, improved 12% and 15% over the same periods last year. Free cash flow[1] for the three and twelve month periods was $49 million and $603 million, respectively, compared to $69 million and $515 million for the comparable periods.

Chief Executive Officer Brad Shaw said, Fiscal 2011 was a year in which we undertook important steps to be more operationally efficient and financially stronger. I am pleased to report we ended the year meeting all of our financial commitments. Our performance in the fourth quarter was highlighted by solid operating income growth in the Cable division and margin improvement.

Mr. Shaw continued This was a year of significant change including the completion of the strategic acquisition of our new Media assets, our senior leadership transition, the start of our digital network upgrade, our broadband leadership initiatives including our Wi-Fi build, and our decision to not pursue a conventional wireless business. Shaw is a dynamic company, a successful operator, and a technology leader. We continue to leverage our broadband network and, with our focus on providing an exceptional customer experience, are driven to deliver new and innovative products and services. We recently announced our plans to build a managed Wi-Fi network to extend our customers broadband experience beyond their homes. Customers are actively seeking Wi-Fi hotspots to reduce data costs and improve their wireless broadband experience. Shaw will become the first service provider in Canada to deliver secure and reliable wireless broadband through an extensive Wi-Fi network covering thousands of locations.

Our Media business has proven to be a key strategic asset and very attractive acquisition. The division performed extremely well this year, showcasing its leading portfolio of specialty channels and conventional programming and benefitting from the recovery in the advertising market. During the year we also continued to strengthen our capital structure and lower costs, taking advantage of favorable market conditions. We issued $1.3 billion in debt and $300 million in preferred equity using a portion of the proceeds to refinance higher cost debt assumed in the Canwest acquisition. We also continued to focus on returning value to our shareholders and paid almost $400 million in dividends. The initiatives we undertook this past year, and decisions we executed on, have positioned us well to move forward in this rapidly evolving competitive landscape.

Net income from continuing operations of $166.2 million or $0.37 per share for the quarter ended August 31, 2011 compared to $123 million or $0.28 per share for the same period last year. Net income from continuing operations for the annual period was $562 million or $1.24 per share compared to $534 million or $1.23 per share last year. All periods included non-operating items which are more fully detailed in Management s Discussions and Analysis (MD&A).[2] The current year-to-date period included a charge of $139 million for the discounted value of the $180 million CRTC benefit obligation related to the acquisition of Shaw Media, as well as business acquisition, integration and restructuring expenses of $91 million. The prior twelve month period included debt retirement costs and amounts related to financial instruments of $82 million and $45 million, respectively. Excluding the non-operating items, net income from continuing operations for the three and twelve month periods ended August 31, 2011 would have been $147 million and $696 million respectively, compared to $133 million and $614 million in the same periods last year.

Revenue in the Cable division was up almost 6% for each of the three and twelve month periods, respectively, to $784 million and $3.10 billion. The improvement was primarily driven by price changes and growth. Operating income before amortization for the quarter of $392 million was up 10% over the comparable quarter. Excluding the one-time CRTC Part II fee recovery last year, operating income before amortization for the annual period increased over 6% to $1.49 billion.

In the Satellite division revenue was $208 million and $828 million for the three and twelve month periods, respectively, up 3% over each of the comparable periods. Operating income before amortization for the current quarter of $72 million improved almost 5% over the same period last year. Excluding the one-time Part II fee recovery, operating income before amortization for the annual period of $288 million improved 3% over last year.

Quarterly revenue and operating income before amortization in the Media division was $209 million and $12 million, respectively. Revenue and operating income before amortization for the period from October 27, 2010 to August 31, 2011 was $891 million and $252 million, respectively. For informational purposes, on a comparative basis to last year, Media revenues for the full twelve month period were up approximately 7% to $1.07 billion and operating income before amortization, excluding the impact of the one-time Part II fee recovery last year, improved 25% to $325 million.

Shaw completed its review of the wireless strategic initiative and concluded that the economics as a new entrant would be extremely challenging, even with the Company s established base and considerable strengths and assets. Shaw has decided not to pursue a conventional wireless build and instead plans to focus on initiatives that align with leveraging its Media and programming assets and strengthening its leadership position in broadband and video. Excluding spectrum licenses, all assets which are not re-deployable or held for resale have been written off in the fourth quarter.

In August Shaw redeemed all of its outstanding 13.5% senior notes due 2015. The notes had a face value of US $260.4 million.

Looking forward Mr. Shaw said, We are starting the new fiscal year with a number of strategic initiatives on the agenda including our digital network upgrade and Wi-Fi build. We expect continued growth in revenue and operating income before amortization across all divisions in 2012. Investment in our various strategic initiatives is expected to increase capital over 2011 spend levels, excluding wireless. Combined with higher CRTC benefit obligation funding and cash taxes, we expect free cash flow to decline moderately to approximate $550 million.

In closing Brad Shaw stated, We look forward to the challenges and opportunities ahead. We have the resources, the creativity, and the drive to successfully execute on our fiscal 2012 strategic business priorities building value for our shareholders.

Shaw Communications Inc. is a diversified communications and media company, providing consumers with broadband cable television, High-Speed Internet, Home Phone, telecommunications services (through Shaw Business), satellite direct-to-home services (through Shaw Direct) and engaging programming content (through Shaw Media). Shaw serves 3.4 million customers, through a reliable and extensive fibre network. Shaw Media operates one of the largest conventional television networks in Canada, Global Television, and 18 specialty networks including HGTV Canada, Food Network Canada, History Television and Showcase. Shaw is traded on the Toronto and New York stock exchanges and is included in the S&P/TSX 60 Index (Symbol: TSX SJR.B, NYSE SJR).

The accompanying Management s Discussion and Analysis forms part of this news release and the Caution Concerning Forward Looking Statements applies to all forward-looking statements made in this news release.

For more information, please contact:

Shaw Investor Relations
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1 See definitions and discussion under Key Performance Drivers in MD&A.

2 See reconciliation of Net Income in Consolidated Overview in MD&A

Shaw Communications Inc.

MANAGEMENT S DISCUSSION AND ANALYSIS
AUGUST 31, 2011

October 20, 2011

Certain statements in this report may constitute forward-looking statements. Included herein is a Caution Concerning Forward-Looking Statements section which should be read in conjunction with this report.

The following should also be read in conjunction with Management s Discussion and Analysis included in the Company s August 31, 2010 Annual Report including the Consolidated Financial Statements and the Notes thereto and the unaudited interim Consolidated Financial Statements and the Notes thereto of the current quarter.

CONSOLIDATED RESULTS OF OPERATIONS
FOURTH QUARTER ENDING AUGUST 31, 2011
Selected Financial Highlights

	Three months ended August 31,			Year ended August 31,		
			Change			Change
($000 s Cdn except per share amounts)	**2011**	2010	%	**2011**	2010	%
Operations:						
Revenue	**1,180,699**	938,872	**25.8**	**4,740,903**	3,717,580	**27.5**
Operating income before amortization (1)	**476,229**	424,458	**12.2**	**2,030,828**	1,760,147	**15.4**
Operating margin (1) (2) (3)	**40.3%**	45.2%	**(4.9)**	**42.8%**	45.3%	**(2.5)**
Funds flow from continuing operations (4)	**358,391**	328,741	**9.0**	**1,443,179**	1,376,799	**4.8**
Net income from continuing operations	**166,237**	122,551	**35.6**	**562,052**	533,776	**5.3**
Per share data:						
Earnings per share basic and diluted From continuing operations	**0.37**	0.28		**1.24**	1.23	
Weighted average participating shares outstanding during period (000 s)	**436,467**	432,913		**434,881**	432,675	

(1) See definition and discussion under Key Performance Drivers.

(2) Operating margin is adjusted to exclude the one-time CRTC Part II recovery for the year ended August 31, 2010. Including the one-time CRTC Part II recovery, the operating margin would be 47.3%.

(3) Operating margin has declined in the three and twelve month periods compared to last year mainly due to the inclusion of the new Media segment.

(4) Funds flow from continuing operations is before changes in non-cash working capital balances related to operations as presented in the unaudited interim Consolidated Statements of Cash Flows.

Subscriber Highlights

		Growth			
	Total August 31,	Three months ended August 31,		Year ended August 31,	
	2011	**2011**	2010	**2011**	2010
Subscriber statistics:					
Basic cable customers	**2,289,775**	**(16,207)**	2,559	**(50,988)**	2,410
Digital customers	**1,819,388**	**49,548**	54,946	**166,369**	328,841

Internet customers (including pending installs)	**1,877,231**	**13,528**	21,374	**54,217**	110,012
Digital phone lines (including pending installs)	**1,233,041**	**22,776**	51,896	**136,534**	234,402
DTH customers	**908,883**	**806**	831	**3,087**	4,855

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Additional Highlights

Revenue of $1.18 billion and $4.74 billion for the three and twelve month periods improved 25.8% and 27.5% over the comparable periods last year.

Free cash flow[1] for the quarter was $49.0 million bringing the annual total to $603.0 million compared to $69.3 million and $515.1 million, respectively, for the same periods last year.

During the quarter Shaw redeemed all of its outstanding US$ 13.5% senior notes due 2015 having a face value of US $260.4 million.

Shaw recently announced its intent to provide a managed Wi-Fi network that will extend a customer s broadband experience beyond their home.

Consolidated Overview

Consolidated revenue of $1.18 billion and $4.74 billion for the three and twelve month periods, respectively, improved 25.8% and 27.5% over the same periods last year. The improvement was primarily due to the acquisition of Shaw Media, as well as price changes and growth in the Cable and Satellite divisions.

Consolidated operating income before amortization for the three and twelve month periods of $476.2 million and $2.03 billion, respectively, increased 12.2% and 15.4% over the same periods last year. Both periods benefitted from the acquisition of Shaw Media as well as core revenue related growth, partially offset by higher programming costs and increased sales and marketing. Employee related costs were up on a full year basis and generally even in the current quarter, benefitting from the restructuring initiatives completed earlier this year. The current annual period also included the impact of the retroactive support structure rate increases and the prior year benefitted from a one-time CRTC Part II fee recovery of $75.3 million.

Net income from continuing operations was $166.2 million and $562.1 million for the three and twelve months ended August 31, 2011, respectively, compared to $122.6 million and $533.8 million for the same periods last year. Non-operating items affected all periods. The current year-to-date period included a charge of $139.1 million for the discounted value of the $180.0 million CRTC benefit obligation, net of incremental revenues, related to the Media acquisition, as well as business acquisition, integration and restructuring expenses of $90.6 million. The prior year-to-date period included debt retirement costs and amounts related to financial instruments of $81.6 million and $47.3 million, respectively. Outlined below are further details on these and other operating and non-operating components of net income for each period.

[1] See definition and discussion under Key Performance Drivers

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($000 s Cdn)	Year ended **August 31, 2011**	**Operating net of interest**	**Non-operating**	Year ended **August 31, 2010**	**Operating net of interest**	**Non-operating**
Operating income	**1,294,841**			1,103,876		
Amortization of financing costs long-term debt	**(4,302)**			(3,972)		
Interest expense debt	**(331,584)**			(248,011)		
Operating income after interest	**958,955**	**958,955**		851,893	851,893	
Debt retirement costs				(81,585)		(81,585)
Gain on redemption of debt	**32,752**		**32,752**			
CRTC benefit obligation	**(139,098)**		**(139,098)**			
Business acquisition, integration and restructuring expenses	**(90,648)**		**(90,648)**			
Loss on derivative instruments	**(22,022)**		**(22,022)**	(45,164)		(45,164)
Accretion of long-term liabilities	**(14,975)**		**(14,975)**	(2,142)		(2,142)
Foreign exchange gain on unhedged long-term debt	**16,695**		**16,695**			
Other gains	**11,022**		**11,022**	5,513		5,513
Income (loss) before income taxes	**752,681**	**958,955**	**(206,274)**	728,515	851,893	(123,378)
Current income tax expense (recovery)	**209,649**	**239,600**	**(29,951)**	167,767	179,974	(12,207)
Future income tax expense (recovery)	**(4,820)**	**23,148**	**(27,968)**	15,722	57,483	(41,761)
Income (loss) before following	**547,852**	**696,207**	**(148,355)**	545,026	614,436	(69,410)
Equity income (loss) on investees	**14,200**		**14,200**	(11,250)		(11,250)
Net income (loss) from continuing operations	**562,052**	**696,207**	**(134,155)**	533,776	614,436	(80,660)

($000 s Cdn)	Three months ended	**Operating net of interest**	**Non-operating**	Three months ended	**Operating net of interest**	**Non-operating**

	August 31, 2011			August 31, 2010		
Operating income	**290,298**			251,189		
Amortization of financing costs long-term debt	**(1,096)**			(957)		
Interest expense debt	**(87,941)**			(62,504)		
Operating income after interest	**201,261**	**201,261**		187,728	187,728	
Gain on redemption of debt	**22,771**		**22,771**			
Business acquisition, integration and restructuring expenses	**(405)**		**(405)**			
Gain on derivative instruments	**3,758**		**3,758**	619		619
Accretion of long-term liabilities	**(4,113)**		**(4,113)**	(645)		(645)
Foreign exchange loss on unhedged long-term debt	**(6,681)**		**(6,681)**			
Other gains (losses)	**4,144**		**4,144**	(2,829)		(2,829)
Income (loss) before income taxes	**220,735**	**201,261**	**19,474**	184,873	187,728	(2,855)
Current income tax expense (recovery)	**49,371**	**45,984**	**3,387**	40,435	22,969	17,466
Future income tax expense (recovery)	**5,238**	**7,863**	**(2,625)**	13,337	31,423	(18,086)
Income (loss) before following	**166,126**	**147,414**	**18,712**	131,101	133,336	(2,235)
Equity income (loss) on investees	**111**		**111**	(8,550)		(8,550)
Net income (loss) from continuing operations	**166,237**	**147,414**	**18,823**	122,551	133,336	(10,785)

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The changes in net income from continuing operations are outlined in the table below.

	August 31, 2011 net income from continuing operations compared to:		
	Three months ended		Year ended
(000 s Cdn)	May 31, 2011	August 31, 2010	August 31, 2010
Increased operating income before amortization	(104,834)	51,771	270,681
Decreased (increased) amortization	(7,713)	(12,801)	(80,046)
Decreased (increased) interest expense	1,770	(25,437)	(83,573)
Change in net other costs and revenue [(1)]	55,619	30,990	(57,446)
Decreased (increased) income taxes	17,398	(837)	(21,340)
	(37,760)	43,686	28,276

(1) Net other costs and revenue includes debt retirement costs, gain on redemption of debt, the CRTC benefit obligation, business acquisition, integration and restructuring expenses, loss on derivative instruments, accretion of long-term liabilities, foreign exchange gain (loss) on unhedged long-term debt, other gains and equity income (loss) on investees as detailed in the unaudited interim Consolidated Statements of Income and Retained Earnings.

Basic earnings per share were $0.37 and $1.24 for the three and twelve months, respectively compared to $0.28 and $1.23 in the same periods last year. The improvement in the quarter was primarily due to increased operating income before amortization of $51.8 million and the change in net other costs and revenues of $31.0 million, the total of which was partially offset by increased interest and amortization of $25.4 million and $12.8 million, respectively. The change in net other costs and revenue was mainly due to a gain in the current period realized on the redemption of the US$ senior notes. The current annual period was up modestly over the prior year. Improved operating income before amortization of $270.7 million was reduced by higher interest, amortization, and income taxes of $83.6 million, $80.0 million, and $21.3 million, respectively. The change in net other costs and revenue of $57.4 million also reduced the current period and was primarily due to amounts related to the CRTC benefit obligation and various acquisition, integration and restructuring costs, partially offset by debt retirement costs and amounts related to financial instruments associated with the early redemption of the three series of US senior notes in the prior year. The prior twelve month period operating income before amortization included a one-time CRTC Part II fee recovery of $75.3 million which was offset in the current year by amounts related to Shaw Media and growth in the Cable and Satellite divisions.

Net income from continuing operations in the current quarter decreased $37.8 million compared to the third quarter of fiscal 2011 mainly due to reduced operating income before amortization of $104.8 million and increased amortization of $7.7 million, partially offset by the change in net other costs and revenue and lower income taxes of $55.6 million and $17.4 million, respectively. The decreased operating income before amortization was primarily due to the cyclical nature of the Media business, with lower advertising revenues in the summer months. The change in net other costs and revenue was primarily due to restructuring costs in the prior period.

Free cash flow for the quarter and annual period of $49.0 million and $603.0 million, respectively, compared to $69.3 million and $515.1 million in the same periods last year. The decline in the current quarter was mainly due to increased operating income before amortization in the Cable division, reduced by higher interest, taxes, and CRTC benefit obligation funding. The annual improvement was due to the Shaw Media acquisition and growth in the Cable and Satellite divisions, partially reduced by a one-time Part II fee recovery last year.

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Shaw completed its review of the wireless strategic initiative and concluded that the economics as a new entrant would be extremely challenging, even with the Company s established base and considerable strengths and assets. Shaw has decided not to pursue a conventional wireless build and instead plans to focus on initiatives that align with leveraging its Media and programming assets and strengthening its leadership position in broadband and video. The Company intends to hold its wireless spectrum while it reviews all options.

Key Performance Drivers

The Company s continuous disclosure documents may provide discussion and analysis of non-GAAP financial measures. These financial measures do not have standard definitions prescribed by Canadian GAAP or US GAAP and therefore may not be comparable to similar measures disclosed by other companies. The Company utilizes these measures in making operating decisions and assessing its performance. Certain investors, analysts and others, utilize these measures in assessing the Company s operational and financial performance and as an indicator of its ability to service debt and return cash to shareholders. These non-GAAP financial measures have not been presented as an alternative to net income or any other measure of performance required by Canadian or US GAAP.

The following contains a listing of non-GAAP financial measures used by the Company and provides a reconciliation to the nearest GAAP measurement or provides a reference to such reconciliation.

<u>Operating income before amortization and operating margin</u>

Operating income before amortization is calculated as revenue less operating, general and administrative expenses and is presented as a sub-total line item in the Company s unaudited interim Consolidated Statements of Income and Retained Earnings. It is intended to indicate the Company s ability to service and/or incur debt, and therefore it is calculated before amortization (a non-cash expense) and interest. Operating income before amortization is also one of the measures used by the investing community to value the business. Operating margin is calculated by dividing operating income before amortization by revenue.

<u>Free cash flow</u>

The Company utilizes this measurement as it measures the Company s ability to repay debt and return cash to shareholders.

Free cash flow for cable and satellite is calculated as operating income before amortization, less interest, cash taxes paid or payable, capital expenditures (on an accrual basis and net of proceeds on capital dispositions) and equipment costs (net) and adjusted to exclude non-cash stock-based compensation expense.

With respect to the new Media segment, free cash flow has been determined as detailed above and in addition, Shaw has deducted cash amounts associated with funding the new and assumed CRTC benefit obligation related to the acquisition of Shaw Media as well as excluding the non-controlling interest amounts that are consolidated in the operating income before amortization, capital expenditure and cash tax amounts.

Shaw Communications Inc.
Free cash flow is calculated as follows:

	Three months ended August 31,		Year ended August 31,	
($000 s Cdn)	**2011**	2010 [(2)]	**2011**	2010 [(2)]
Cable free cash flow [(1)]	**81,761**	34,959	**400,924**	362,656
Satellite free cash flow [(1)]	**2,700**	34,363	**104,762**	152,484
Media free cash flow [(1)]	**(35,424)**		**97,341**	
Free cash flow	**49,037**	69,322	**603,027**	515,140

(1) Reconciliations of free cash flow for cable, satellite and media are provided under Cable Financial Highlights , Satellite Financial Highlights and Media Financial Highlights .

(2) The presentation of segmented free cash flow has been adjusted to reflect on a gross basis to include intersegment transactions. As a result, Cable free cash flow has decreased and Satellite free cash flow has increased by $858 for the three month period and $3,398 for the twelve month period.

CABLE
FINANCIAL HIGHLIGHTS

	Three months ended August 31,			Year ended August 31,		
($000 s Cdn)	**2011**	2010 [(3)]	Change %	**2011**	2010 [(3)]	Change %
Revenue	**783,551**	742,471	5.5	**3,095,456**	2,931,976	5.6
Operating income before amortization [(1)]	**392,384**	355,608	10.3	**1,491,700**	1,453,429	2.6
Capital expenditures and equipment costs (net):						
New housing development	**22,757**	15,838	43.7	**88,066**	78,451	12.3
Success based	**58,156**	62,594	(7.1)	**206,897**	222,246	(6.9)
Upgrades and enhancement	**91,674**	105,403	(13.0)	**277,543**	289,421	(4.1)
Replacement	**14,350**	24,245	(40.8)	**47,371**	66,393	(28.7)
Buildings and other	**35,940**	47,663	(24.6)	**88,940**	100,574	(11.6)
Total as per Note 2 to the unaudited interim Consolidated Financial Statements	**222,877**	255,743	(12.9)	**708,817**	757,085	(6.4)
Free cash flow before the following	**169,507**	99,865	69.7	**782,883**	696,344	12.4
Less:						
Interest expense	**(61,261)**	(52,131)	17.5	**(231,678)**	(213,898)	8.3
Cash taxes	**(29,500)**	(16,995)	73.6	**(163,600)**	(136,000)	20.3
Other adjustments:						
Non-cash stock based compensation	**3,015**	4,220	(28.6)	**13,319**	16,210	(17.8)
Free cash flow [(1)]	**81,761**	34,959	133.9	**400,924**	362,656	10.6

Operating margin [1] [2]	**50.1%**	47.9%	2.2	**48.2%**	47.9%	0.3

(1) See definitions and discussion under Key Performance Drivers.

(2) Operating margin is adjusted to exclude the one-time CRTC Part II fee recovery in the twelve months ended August 31, 2010. Including the one-time CRTC Part II recovery, operating margin would be 49