

For immediate release

Directors Guild of Canada Strongly Opposes CanWest and Goldman Sachs takeover of Alliance Atlantis

No exception to foreign ownership rules should be permitted

Toronto, August 10, 2007 - The Directors Guild of Canada (DGC) filed an intervention today with the Canadian Radio-television and Telecommunications Commission (CRTC) on its behalf and in association with the Canadian Coalition of Audio-Visual Unions (CCAU) regarding the CanWest Global Communications Corp. and Goldman Sachs Capital Partners purchase of Alliance Atlantis Communications Inc. DGC is adamantly opposed to this proposal as it will result in a non-Canadian entity, U.S.-based Goldman Sachs Capital Partners and its affiliates, obtaining control in fact of an important Canadian media company, contrary to established foreign ownership rules.

"One of the cornerstones of Canadian broadcasting policy is the requirement that our broadcasters be owned and controlled by Canadians. This has served to create a strong broadcasting system for Canada, and should not be undermined under any circumstances," says Monique Lafontaine, DGC General Counsel and Director of Regulatory Affairs. "If this CanWest/Goldman Sachs application is approved, an unfortunate precedent will be set and the floodgates will be open. Many more instances of foreigners obtaining a significant stake in Canadian broadcasting services will most certainly occur," adds Lafontaine.

The Alliance Atlantis application also raises serious concerns for the DGC with respect to the proposed benefits package. "The Commission should require CanWest to provide greater details about how the proposed benefits monies will support the production and broadcast of Canadian dramatic programs. We're proposing that 64% of the on-screen benefits be directed to high quality original Canadian drama, in-line with the recent CTVgm/CHUM transaction," says Lafontaine.

The DGC also asserts that CanWest's proposal to extend benefit payments to an unprecedented ten-year time period should also be rejected and reduced to seven years. Alternatively, CanWest should be required to increase the amount of benefits payable to represent the true value of funding made over a ten-year rather than a seven-year period. CanWest has proposed a ten-year term to ensure that monies are available in the system past the traditional seven-year mark.

"CanWest is simply seeking special treatment from the Commission that will allow it to have an additional three-year grace period to distribute its funds," says DGC president Alan Goluboff. "CanWest does not know what will happen in seven years; by then the CRTC may have established a more stable mechanism for ensuring funding for original Canadian priority programming. If this is the case, there would not be a need for benefit monies to be used to compensate for the lack of broadcaster support for original Canadian programs in the system," adds Goluboff.

DGC will be appearing at the CRTC hearing scheduled to commence September 5, 2007 in Ottawa.

About the Directors Guild of Canada

The Directors Guild of Canada (DGC) is a national labour organization that represents over 3,800 key creative and logistical personnel in the film and television industry covering all areas of direction, design, production and editing. The DGC negotiates and administers collective agreements and lobbies extensively on issues of concern for members including Canadian content conditions, CRTC regulations and ensuring that funding is maintained for Canadian film and television programming.

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