CORUS ENT.

Moderator: John Cassaday
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1:00 p.m. CT

Operator: Good day and welcome to Corus Entertainment Q4 Analyst and Investor conference call. Today's conference call is being recorded.

At this time, I would like to turn the conference over to Mr. John Cassaday, President and CEO. Please go ahead, sir.

John Cassaday: Thank you, operator. Good afternoon everyone. It's John Cassaday. Welcome to Corus Entertainment's fourth quarter and yearend report and analysts conference call. Thank you for joining us today.

Before I read the standard cautionary statement, I would like to remind everyone that there are series of PowerPoint slides that will accompany this call, and the slides can be found on our website, www.corusent.com in the investor information section. We'll now run through the standard cautionary statements.

This discussion contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1955. Some of these statements may involve risks and uncertainties; actual results may be materially different from those contained in such forward-looking statements. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statement is contained in the company's filing with the U.S. Securities and Exchange Commission.

We'd like to begin by introducing you to the Corus Entertainment team that's available on this call. Tom Peddie, our Senior Vice President and Chief Financial Officer's with us, Paul Robertson, President of Corus Television, John Hayes, President of Corus Radio, and Doug Murphy, President of Nelvana Enterprises are all available to join me in responding to your questions.

So to begin, we are pleased to review our results for the fourth quarter and the full 2007 fiscal year. So if you turn to slide three, it shows the consolidated revenues for the fourth quarter ending August 31st. You'll see there are 187.2 million, up one percent from 185 million a year ago, with positive results from all divisions. Our specialty ad revenue was up eight percent; our subscriber growth was up five percent; our radio was up two percent in the quarter and was phasing very well off until we hit the wall in July and August which you're all aware of. So we're very happy with the two percent growth in radio in Q4.

And also, we point out that we had a significant reduction in content revenue in the fourth quarter of about seven million, but the fact of the matter is we are not managing the content business to build revenues; we're managing the content business to sell profitable revenue, and we had a terrific quarter from a profitability point of view on our content business.

On a full year basis, we’re also very pleased with our results at six – at 768.7 million. Our revenues for the year were at the highest level we've ever achieved as a company. Our TV revenues were up nine percent and as a sub-segment of other specialty ad revenues were up 12 percent; our sub revenue were up eight percent, and our radio was up three percent for the year. And again, keep in mind the anomaly in July and August, and certainly based on what we've seen in the beginning of this year, July and August was an anomaly.

So turning to slide four, you can see that our consolidated segment profit for the year was 240.9 million which is up 13 percent. Our free cash flow grows to 97 million, while within the range we indicated with our guidance and net income for the year 107 million, with basic earnings per share of $2.53 and diluted earnings per share of $2.47.

If you turn to slide five, we've attempted here to provide you with an overview of some of the highlights from 2007, and that include a strong revenue and ((inaudible)) growth, earnings per share of $2.53 for the year; ((inaudible)) price improvement of 26 percent; a dividend increase of 16 percent; share buy backs of approximately two percent of our shares; solid rating ((inaudible)) for both radio and television; considerable progress in our Quebec radio stations which are now beginning to ((inaudible)) place with ((inaudible)) market; (provable) or Cosmopolitan TV which will help extend our women's business, and the Kid's Co-International channels which ((inaudible)) launched just the – likely the beginning of this fiscal.

Turning to slide six, in Q4, we reversed an accrual of 4.9 million relating to part II fees. Working with legal counsels and our auditors, we've determined that the part II fees are essentially a tear-off that has no force or effect at this time, and we therefore reversed our 2007 accrual and we'll not accrue for this expense in 2008.

As we look at 2008, we'd like to highlight the effect of our programming (amort) on our quarterly splits. And if you'll turn to slide seven, in this slide, we've attempted to illustrate – and I think we've articulated this in the past – the cost of programming is going up slightly from 2006 to 2007 and will continue to rise in 2008. We see a larger percent increase in this cost in the first six months of 2008 when compared to last year.

So in essence, what we are telling you is that as we have responded to the competitive pressure on pay TV, and as we have moved aggressively to solidify our leadership position in W, we've got some programming expense increases which you'll see particularly in Q1 and Q2 and against much more favorable comes in Q3 and Q4 – look much more attractive. So while we expect to maintain our overall television's margins for the full fiscal year, we will – and some will see – an increase in programming cost for the first half of the year.

Turning to slide eight, we continue to look at the outlook for 2008, and in particular, we expect the solid performance from our core businesses – for launch of Cosmopolitan TV which we're scheduling for February 14th, appropriately, 2008. we're expecting continued progress in our Quebec radio market; we're looking for potential upside from international channel growth and possible merchandising success from one or more of the Nelvana brands; we plan to continue or share buy-back and our dividends strategy, and this morning at our meeting, a stock split was approved by our board of directors, and that will go to our shareholders at our January ATM. We believe a stock split will make our stock more attractive and accessible to a broader range of investors, and we hope to execute that split in February.

Lastly, given our confidence and our ability to execute in 2008, as we have consistently in the past, and the fact that we will no longer be accruing for part II fees, we have revised our segment profit guidelines upwards to 255 to 265 million – so a range of 255 to 265 for fiscal '08.

Before we turn it over to you for your questions, we'd like to take a moment to thank all of our employees for their efforts in delivering such tremendous results in 2007. Once again, we did what we said we will do, and we also remind everyone that our ATM will be held in Calgary on January 9th at 4:00 p.m. Eastern Time, 2:00 p.m. Mountain Time.

So we'll now open the phones to questions that you may have. Operator, you would help us out on that front?

Operator: Thank you, sir. Ladies and gentlemen, if you would like to ask a question, please press star one on your touch-tone phone. To withdraw your question, please press the pound sign. If you're using a speakerphone, please lift the handset before entering your request. One moment please for the first question.

The first question comes from (Carl Bayer), (Genuity) Capital Market. Please go ahead.

(Carl Bayer): Yes, good afternoon. Just a few questions – actually (Tom) first off please, wondering if you could provide us with a (clean EPS) number? There was a – there were few unusuals in the quarter. If you were to exclude the type II fees, the tax benefit and the radio restructuring, do you have a number there?

John Cassaday: Yes I do, (Carl). The earnings per share for the quarter was at 45 cents compared to 41 cents last year, and on an annual basis, it would have been $2.65 a share compared to $2.15 per share last year. If you recall last year, we had the take-out of the high yield?

(Carl Bayer): Right.

John Cassaday: So 45 cents per share versus 41, and 2.65 versus 2.15.

(Carl Bayer): OK. And in the financials, the Q4 '06 (full), has that been readjusted to reflect the type II fees?

John Cassaday: No it is not.

(Carl Bayer): It is not, OK.

John Cassaday: It isn't the adjustment numbers that I just gave you.

(Carl Bayer): Right, but not the full financials that we have? (By the way), I was just wondering, in your press release, there is mention of, you know, double digit revenue growth for (W and CMT) for the year but there's not mention made for the quarter. I was just wondering if trends have subsided somewhat there.

John Cassaday: No, certainly W is continuing to grow very nicely and CMT had a terrific year last year, and we expect that it will continue in fiscal '08.

(Carl Bayer): So we shall not be reading into anything (other) than the fact. You didn't mention anything about those two channels?

John Cassaday: No – no, I think the big thing to keep in mind here when you look at the – as relates to Q4 – comparison is the – I think about $2.3 million in incremental (BDU) revenue from an audit last year that we told you about. So, I think you have to factor that out when you compare it to Q4 this year.

But – and as we said, we wanted to make sure that you're aware that there's going to be a skew to higher programming cost in the first half of the year but overall, we expect to maintain and build our margins despite the investment that we've made in programming for the year in total. But we remain continuously optimistic about the growth especially television, and W in particular is firing (on all zones).

(Carl Bayer): And can you maybe just provide us for the further update on how your kid's channels are doing given the, you know, the issues with toy manufacturers in China and so on. You talked about that in the Investor Day and maybe if you have anything to add there?

John Cassaday: Maybe I'll turn it over to Paul if he has any – I don't really think there's anything to add from what we said in the Investor Day. We're dealing with the issues not so much directly from the big guys but from the smaller toy players who are finding getting products our of China to be an issue as manufacturers are working hard to replenish the inventories for their two biggest customers – Mattel and Astro. So there's been some collateral impact.

The other two factors that we talked about Investor Day were some movie delays and some movies that typically have been positioned as kid's being positioned as all-family movies affecting to some degree our revenues on our kid properties. And then of course, we're still dealing with the adjustments that good manufacturers are making to the concerns over childhood obesity. So they are certainly coming back but they're coming back with (retooled) product and that slowed the food at (pace) a little bit as they adjust. We certainly don't think they're going to move away from addressing their product benefit to kids, but I think they're going to be very sure that they're on a really socially responsible plane in their conversations with kids about the benefits of their products.

(Carl Bayer): Then just maybe a final question if I may, I noticed you sold your share to (Astral) media during the quarter. I think you'd held that stock for quite some time. Maybe if you could just comment on the – what drove that decision to sell?

John Cassaday: Well we had paid the premium for that; it was part of the transaction to acquire W. We really don't consider ourselves to be in the business of investing in another people's stock. Quite frankly, we think Corus is the best investment that's why we've been buying our stocks aggressively. So when we had the opportunity to sell that stock without incurring any king of a write-down, we seized it and it was as simple as that.

(Carl Bayer): And how much are you paid for the stock? There was no gain recorded on the (fit).

John Cassaday: It was a minimal gain, (Carl).

(Carl Bayer): Good, thank you very much.

Operator: The next question comes from (Bob Beck), (CNBC) World Market. Please go ahead.

(Bob Beck): Hi, thanks. Just to clear, John, the changing guidelines is entirely due to the – to the (tech) II fees, is that correct?

John Cassaday: Yes. We really viewed the part II fees as simple, you know, quite similar to any other scrub of cost that we have, and we're always looking to reduce cost. This was the cost that we had built into our business that we no longer think applies, so we felt that we were solid in our guidelines of 250 to 260 when we spoke to you guys a couple of weeks ago. We now know that our expenses will be five million less than they were when we spoke to you, so we increased our guidelines commensurate with that.

(Bob Beck): OK. In the disclaimer, you have this on page 13, that's just, I guess, just to cover yourself as far as if there is a change to this quarter four. Is that ((inaudible))?

John Cassaday: I mean, we don’t set accruals for any unanticipated taxes. We only plan for that which we know, but I think – yes, exactly as you described.

(Bob Beck): And I think we talked about this last year, but any chance of payback on prior payments or anything like that?

John Cassaday: That would be wonderful if we could have, but we have not assumed that in our financials at this particular point in time.

(Bob Beck): OK, just changing the tone of operations. Is that your – your comment on the radio, I think your tone was fairly positive given what happened in the summer? Can you elaborate a bit on what you've seen to date in the radio market? In particular, you four percent commentary outside of Quebec – I think you talked about four percent growth being quite reachable. And maybe, John Hayes, your current views on that please.

John Cassaday: Yes, go ahead John.

John Hayes: Yes. My view is that we believe that radio revenue will grow in the area that we predicted – 46 percent. September was a bit of a continuation of the summer programs, but October and November are very strong, although I would say that looking ahead into later November and early December, demand is little bit uneven. However, when we looked at the pipeline in – within each and every sales department, it seems strong. So we continue to be bullish; we continue to think the radio industry will grow at that pace.

Having said that, there is one market in particular that we are a little bit concerned about – that's Montreal French where September was lower. In fact, September was lower than last year according to trend report, and although our local retail business is strong, the agency business in Montreal for the French market has been challenged this year. I think they were getting pressure on pricing from television on that side, and that television is being priced well in this added inventory for television. But as a fact, it's a bit of a puzzle that we're undertaking to understand.

(Bob Beck): Thanks for that. Just one question and I'll leave it for others, I guess (Tom), just a clarification on the – remind me – I guess on the building cost. The treatment for the expenses on the new office and the – I guess on timing please.

Thomas Peddie: I guess (Bob) that comments wouldn't really change from Investor Day. We (try to discourage) to construct that particular building; they're starting to put in the (footings). We're still on the target of late 2009. So the comments with respect to capital's managers as agreed would be incurring minimal expenditures in our fiscal 2008.

(Bob Beck): That's all for – thanks (Tom).

Operator: The next question comes from (Scott Cutsbergson), (PD New Quest). Please go ahead.

(Scott Cutsbergson): Yes, good afternoon.

Male: Good afternoon.

(Scott Cutsbergson): Couple of questions. Just a – first of all, the softness in the – I was talking of growth in television in Q4 to five percent from higher page where the year-to-date. Was that primarily due to softness in (total) advertising the manager? You're detached in this John, but do you think is a catch-up effect from the series you go for, and do you think that will happen soon enough to get to the holiday season this year?

John Cassaday: Well Paul will give you some good color on this but just we're going to remind you that our specialty ad growth in Q4 was actually plus eight and we did have some softness in the – of course custom networks in Q4 on our conventional assets. But you know, I though the specialty ad growth was pretty darn good in Q4, (Scott). So Paul…

Paul Robertson: Yes, I'll build on this, (Scott). Yes, I think we came out the year in pretty good shape here. I think that we found some joy in August and September in this specialty market, but again kind of summer related, it looked a little softer. So we're pretty happy that we seem to come out better than the market on that basis.

With respect to your second question, you know, how the toy issue kind of played through timing-wise on the year. We know that it's affected the first quarter, but it doesn’t seem to be affecting us, you know, in the second quarter. The second quarter was lot more buoyant than the kid's than the first quarter. And you know, added to that, that the theatrical, so we saw the chip in the first quarter into the second quarter really it's kind of presenting what could be kind of high-low singles to double digits. So I think that we will see the first quarter unfold to be kind of a lower number. But I think you'll see other market improvement in Q2.

(Scott Cutsbergson): Very helpful Paul, thank you. Just on the expenses as while we're talking about television, you know the costing to really go up in Q3 '07. I'm just wondering – I'm just trying to quantify a little bit. You know, my analysis for sure shoes that the cost will be up a little more in the first half than the second half from the numbers that I was pushing around, you know. Looking at the cost and the trend and your restructuring things, I'm in the ballpark if you think the cost to be absorbed at 10 percent in Q1 and Q2, but then I only have about sort of three percent in the second half of the year?

Paul Robertson: Oh you got the shape of the curve absolutely right. I guess what you got is you say in Q3 and Q4; the run rate kind of going up in terms of the programming load, ad that run rate kind of continues into the next year. So you get into the back up a year ago connoisseur, you know, end up that's kind of little single digit. So yes, the prime house – it's a prime house challenge based really more on what was a pretty soft year – a light year for programming at the start of the last year. So you know, I think you've analyzed it properly and you know, as John kind of shown in his documents, that's absolutely the shape of it.

(Scott Cutsbergson): Great. And I guess (Tom), just on the corporate cost and the other old – other general and at (men) line, you said it was up to investments and information technology will – I've seen on this stuffing because otherwise it will be (cup ducks) and if that's true, then now it will be – that it will sort of be ongoing. Can you assume that that line would be sort of six and a half line for 2008? In other words, a decent run rate from what you showed in Q4?

Paul Robertson: We anticipate that the – some of those IT cuts numbers would be down. We do take them – restructuring charges in Q1 of this year. Some of that is related to the IT area, and so the – I'm just – I'm just hesitating – just – I think that number 15 is probably too high.

(Scott Cutsbergson): So Q4 was – Q4 is a better – for in change for that? That's an anomaly.

Paul Robertson: That's right.

(Scott Cutsbergson): OK. And I guess the last…

John Cassaday: Just on that – I mean what we've talked about, there's been a, you know, our corporate cost on annual basis run, you know, 24 to $25 million, and the – and the – and the (down) in there has been the stock-based compensation which had been, I think, 10 million. And so you'd be looking at number 14 on our net basis. So it would be kind of a net – 16 we believe is too high on a run rate.

(Scott Cutsbergson): OK, the 25 million is very helpful. And then just a follow up, the last question I had was on the – just your pay TV subs a little bit from Q3. I just wonder if you could comment on that. I'm sure you guys are just sick of talking about the sopranos and talk of all that, but I just wonder if you could give some color on the trend there – what you see going forth?

Paul Robertson: Sure. Paul here. You know what we said up there in the investor day was that if you did – we were going to separate half full sopranos low. But then coming in at the hills of that, if the introduction of several programs – California Case in August; Brotherhood in October – early October, Dexter II on October, followed later in the year with entourage by the (Wire Five) Concorde II and Big Love in June. So you got a series of program releases that we think will put us in good shape to continue the growth throughout the year. The leg effect of kind of Sopranos ending and these other shows taping in was a gap in there. So, yes, we saw – we saw reduction of about 5,000 subscribers between the end of Q3 and end of Q4 which we thought was pretty moderate. But we expect maybe there's a little more of a dent before it starts coming back up the other side. So we probably see the major – is the stronger growth in the second to fourth quarter rather than the first quarter, but we're really confident that by the end of the year, we can continue to grow phase up much like we have in '07.

(Scott Cutsbergson): That's very helpful, thanks very much.

John Cassaday: Thanks (Scott).

Operator: The next question comes from (Eric Menkey), UBS Securities. Please go ahead.

(Eric Menkey): Thanks very much. I want to know if you could maybe expand a little bit on the decline in revenues at the content division.

Doug Murphy: Well, Doug here, Eric. The revenues referred to – I'm assuming are the library and current delivery revenues because we've seen some nice lift in merchandising…

(Eric Menkey): Yes.

Doug Murphy: During the last quarter in Q4 and – so most of that is on the library side. One of the things that we faced this year has been some headwind because a lot of our sales are denominated in U.S. currency. So you'll see certainly some impact on the (year-over-year) comparison as John stated currently.

Secondly, I would say that on the current deliveries, we delivered fewer episodes in total this quarter than last, but as we reminded you the last time on the call, we’re not releasing the specific number of episodes anymore.

(Eric Menkey): OK. So on the currency impact, I mean, how much – is there any way kind of modeling that or gauging that especially with the dollar above par now?

Doug Murphy: You know, we've been addressing this by looking at pricing differently and denominating our sales internationally in different currencies than the U.S. dollar. From the modeling point of view, I'm not sure I can give you really any guidance there. It's really a fundamental fact laid for us in the content division because the vast majority of our revenues are indeed international. So, you know, obviously we've taken every possible to mitigate against (the rise) of the Looney, but I can't give you guidance on the modeling, I'm sorry.

(Eric Menkey): OK, thanks. Just a follow up for (Tom); (Tom), can you refresh our memory on cut-backs for '08 or '09 and then the tax rate?

Thomas Peddie: Cut backs – I've mentioned that yesterday. It's generally in kind of $20 million range. And we presumably thought that our cut-backs should be kind of in the $25 million range. But what we said we would do is reduce some of our capital expenditures over the next – of this past year and the coming year to help offset the incremental capital that would be incurred in 2009 and 2010.

And then I guess with respect to the tax rate, you know, the statutory rate this year was 35.5 compared to 35.2 last year. Our statutory rate fluctuates a bit depending upon where – which province we generate our revenue in, but we finish the year with a statutory tax rate slightly under 35 percent, and that was because they have reduced the statutory rate by – I think about 29 percent. So we kind of think that 35 range, and from our guidelines point of view, we've traditionally send – wanted to use about 36 percent.

(Eric Menkey): OK, thanks very much.

Operator: The next question comes from (David McSeargent) for (Marked) Securities. Please go ahead.

(David McSeargent): Couple of question. When you released the 2006 results, you gave us the (Evita) margin for Quebec radio which was four percent. Can you give us an idea of how you performed in 2007?

John Cassaday: We had a nice bump there and we were up over 200 basis points in the – in margin in Quebec in '07.

(David McSeargent): OK. And then, I noticed in the (MDNA) regarding the television business in the quarter, you talked about the (Evita) how – if you exclude the regulatory adjustment, its 3.5 or three percent in the fourth quarter. If you exclude that – just the 10 percent from tele-toon, what would the decline have been?

John Cassaday: Don't know the answer to that but I guess if you wanted the…

Thomas Peddie: Are you guys – there you're saying in the overall decline in (Evita)?

(David McSeargent): Yes, just for television.

Thomas Peddie: Just for television.

(David McSeargent): Yes, just trying to get a life for like performance in the fourth quarter.

Thomas Peddie: Yes, well I guess it's a bit tough because as (John) said in his opening comments, in Q4 last year, we had an extra 2.3 million revenue from cable audit. We had to pull that out and then, as you said, we – I guess didn't have the 10 percent interest in tele toon and I just think probably the way you should look at it is at overall operating performance margin in television this year where, you know, in the 40 percent range like they were last year, and go on that particular basis rather than trying to isolate the particular quarter. Because as we've also said to you is that, you know, in the television business, you can have an ad campaign – let's say (August) versus September this year was in August of last year. I'm not saying it's the wise one, but hose cued the results. So I just think that you should probably stay away from the quarter analysis and give us the benefit on the annual runway basis.

(David McSeargent): OK. All right, thanks a lot.

Operator: The next question comes from (Tim Casey), BMO. Please go ahead.

(Tim Casey): Thanks. (Tom), question for you and Doug that goes, when I look at the cash flow statement on the full year basis and I compare your program amortization and your program investment, it comes out at a fairly negative number – almost 40 million. Is there more in that than just the content business? Because, you know, if you've been pretty clear that you run this business on a cash neutral basis, or is there timing elements in there as well?

John Cassaday: Well clearly there are timing elements, and one of the ways the – I guess the landscape changed a bit when we moved to studio inside television. Because what happens now is that, you know, enterprise is effectively no longer in the business of manufacturing episodes. And so what happens is, you know, our strategy was that television would produce programming through their own benefit to satisfy their own conditions of lighting. And then they would then sell the product over to enterprises, and because of their ability to manufacture the stuff for their own use, selling it at a lower cost to what they had before.

And so clearly the strategy has been that we would continue to grow our library without investing more cash, and that's the strategy that we would be deploying going forward. I guess building on our comments that (Paul) had made earlier that clearly this year, we invested more on the programming than we did on amortization as we were defending the turf by doing the deals with HBO with a lot of additional programming in for W. But we would take all of those back into consideration when we give you advice for guidelines for 2008, '09 to 2010.

(Tim Casey): Right. So the – just tying it back to the Novana investments, there's more than just Novana in those programming numbers. There are – there is stuff related to the pay generals from the specialty services?

John Cassaday: That's correct.

(Tim Casey): OK, thank you.

Operator: Ladies and gentlemen, if there are any additional questions at this time, please press star-one on your touch-tone phone.

We have a follow-up question from (Bob Beck), (BRBC) World Market. Please go ahead.

(Bob Beck): All right. So just on the type II fees, (Tom), can you get – remind us – is this seasonal or is this sequential. How do these things – where these things paid out just to be considered (backyard) for the effect in the lead?

Thomas Peddie: What happens is that we – the season due on November 30th of each year. So in 2006, we would have paid our fees, and I think we paid the fees probably first week or so by December by 2006, and so that expense would have been extended in 2006 and paid for in cash in the fall of 2006, therefore through the 2007 cash flow. And what we do is we incurred the expense, tied to revenue on the quarterly basis.

(Bob Beck): OK, so tied to revenue. OK. Thank you.

Operator: The next question comes from (Randell Radnesky), Credit Suisse. Please go ahead.

(Randell Radnesky): Thank you. First of all, Doug, would it be possible to give us a revenue split for the content division between, you know, United States, Canada and international? You know, help us to go through foreign exchange.

Doug Murphy: First of all, no Canadian number – no Canadian revenues appear in the Nelvana statement because all of the Canadian sales are through course properties, so they're backed out.

(Randell Radnesky): OK.

John Cassaday: And then when you try to look at what the regional splits – and by region I mean international versus United States versus Latin America – it's a mix of merchant broadcast license fees. I guess I'd say that what we've been trying to do over the last two years is convert our international deals to Euros in Europe and U.S. dollar in the United States, and again try to minimize the impact of currency going forward by because so many of our deals are with different players around the world. It's almost impossible to give you anything that I think would be very helpful in that regard.

Doug Murphy: I mean – it's Doug here, (Randell). I mean, the rule of thumb would be third, third, third between, you know, Canada, U.S. and international. But international's also split because of the Euros and dollars. And that moves around every quarter. So to John's points, it's really difficult. I think what we're trying to do is to implement pricing strategies and contracting strategies to mitigate against, you know, the rise in the dollars. So again, as I answered earlier, it's tough to model it, but that would be some sense is the hell of the revenue breakout.

(Randell Radnesky): OK, that was helpful. And then, can you tell us what's the pay television subscriber revenue growth was in the quarter?

John Cassaday: I'm just checking on that (Rendall).

(Randell Radnesky): OK. Then I have maybe a question for John Hayes pertaining to the 3.6 million restructuring charge in the radio segment. I was hoping john could outline what activities that occurred.

Thomas Peddie: (Rendall), it's (Tom). Those – during the year in radio, we had some restructuring charges in Vancouver, and we've been, I guess quite up front that majority of the restructuring cost were related to Quebec, and we talked about how we were consolidating all of the operations there to make sure we have the right people and the right stocks. So it's kind of across the board when we had incurred the appropriate cost. And not all of those cost would necessarily be people cost.

(Randell Radnesky): Right, good.

Operator: The next question comes from (Scott Cutsbergson) from (PD New Quest). Please go ahead.

(Scott Cutsbergson): Just a quick follow up. (Tom), is the depreciation amort in Q4 – is that the reason for run rate?

Thomas Peddie: I think the – yes.

(Scott Cutsbergson): Thanks very much.

Operator: Mr. Cassaday, there are no further questions at this time. Please continue.

John Cassaday: Getting back to (Randell) on the sub number for Q4.

Male: Revenue.

John Cassaday: Revenue was up five percent in Q4 for subscribers. I don't have an actual count on the numbers.

Male: ((inaudible))

John Cassaday: So (Rendall), if you need anything more specific in that, give Paul a call if you wouldn't mind. And if there are no further questions, thank you all very much for participating in the call today, and we look forward to talking to you individually in the weeks to come. Bye for now.

Operator: Ladies and gentlemen, this concludes the conference call for today. You may now disconnect your line, and have a great day.

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