

MEDIAWORKS Investment Report

1. Summary of the Deal

On 8 May 2007, Ironbridge entered into an agreement with CanWest to acquire its 70% holding in CanWest MediaWorks (NZ) Limited (“MediaWorks”).

MediaWorks was a public company listed on the New Zealand Stock Exchange (“NZX”). The agreement with CanWest followed a competitive process where Ironbridge ultimately secured the deal by offering a superior and flexible acquisition structure.

The agreement to acquire 70% from CanWest was followed by a public takeover offer. Having received acceptances from in excess of 90% of shareholders, Ironbridge is now able to commence a compulsory acquisition and delisting process, which is expected to be finalised in mid October 2007.

The acquisition of MediaWorks was effectively valued at NZ\$741m.

“MediaWorks is a high quality media business with leading market positions in the Free-to-Air TV and radio markets in New Zealand. Both assets have highly defensible market positions”

- Mike Hill, Director

2. The Industry and Business

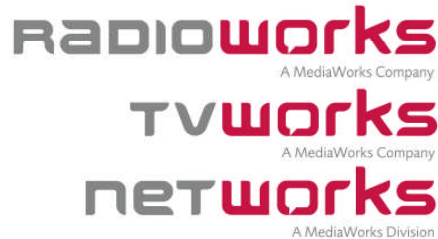
The NZ advertising market is served by a diverse range of media including TV, radio, newspapers, magazines and online. However, the market is relatively concentrated in terms of the market shares held by the major participants.

NZ domestic advertising spend is closely correlated with the NZ economy (as measured by GDP) and has a steady history of growth, having increased from NZ\$1.3b in 1996 to NZ\$2.1b in 2006, reflecting an annualised growth rate of around 5.0% per annum.

The TV and radio markets accounted for 28.8% and 12.1% of the total advertising spend in 2006 respectively.

CanWest entered the New Zealand media market in 1991, when it purchased a small stake in the privately owned Free to Air (“FTA”) television network, TV3. During the mid to late 90’s, CanWest acquired full ownership of TV3, launched another TV channel (currently branded C4), and commenced its New Zealand radio operations with the acquisition of the More FM Group. In 2000/01 CanWest expanded its radio presence further with the takeover of the then NZX listed radio business, RadioWorks.

MediaWorks today consists of three operating divisions:



TVWorks

TVWorks operates two FTA channels, TV3 and C4, from network premises in Auckland, with sales offices and news bureaus in Wellington and Christchurch, sales offices in Hamilton, Melbourne and Sydney, and a news bureau in Dunedin.



TV3 is a full service broadcaster with high quality international and local programming. TV3 maintains a market leading position in its target demographic of 18-49 and in the important prime time viewing slots of news and current affairs. TV3 also maintains an excellent sport offering with broadcasting rights to the 2007 Rugby World Cup and 2008 V8 Supercars racing series. C4 is primarily a niche television channel targeting the youth market.



RadioWorks

RadioWorks holds a leading market share in the NZ market. RadioWorks operate three of the top five ranked stations in New Zealand. RadioWorks has 6 network brands and 31 local stations.



NetWorks

NetWorks is the new media division that works closely with the market leading FTA TV and Radio business of MediaWorks. NetWorks is well placed to leverage its strong news, current affairs and sport content to generate online advertising and sponsorship revenue.

NetWorks is a relatively small division of MediaWorks but has demonstrated very high growth rates which are expected to continue.

3. Management Team

CEO Brent Impey is highly regarded by industry professionals and institutional investors. Brent was appointed as CEO in 2000 having been CEO of MoreFM since 1997. Prior to joining MediaWorks, Brent was a solicitor, specialising in Media law.

Peter Crossan, CFO has been with MediaWorks since 1999 and has experience across a variety of industries in New Zealand and the UK.

Rick Friesen, COO TVWorks has operational responsibility for broadcasting and new TV developments of the division. Rick has worked within the CanWest Global Group since 1986.

Sussan Turner, COO RadioWorks has been involved in the radio industry for many years. Prior to RadioWorks, Sussan was the MD of Otago Ltd, a NZSX listed radio business acquired by CanWest. Sussan has been COO since 2001.

Brent Harman will join MediaWorks as Chairman. Brent is a well regarded media executive who has held CEO positions in a range of media companies in NZ, Australia and the UK.

“We have undoubtedly backed an excellent executive media team with proven capability in driving growth.”

- Kerry McIntosh, Ironbridge Operational Partner NZ

4. Transaction Rationale

Attractive Industry Dynamic: both the radio and TV businesses enjoy the benefits of a favourable industry structure, with the two leading operators in both the radio and the FTA TV markets accounting for +90% of available advertising revenues for each segment.

Strong management team with a demonstrated track record in achieving a sustained uplift in both market share and operating margin performance.

TVWorks market share growth: Management has identified several initiatives to increase market share.

Auckland Radio market share growth: recently acquired radio spectrum provides a platform to capture valuable Auckland radio market share.

New Media opportunities: as a leading provider of local news content, MediaWorks is well positioned to capitalise on new media growth through its NetWorks division.