

THE COMPETITION TRIBUNAL

CT-90/1

IN THE MATTER OF an Application by Southam Inc., *et al.* under Section 106 of the *Competition Act*, R.S.C. 1985, c. C-34, as amended (the "Act");

AND IN THE MATTER of the direct and indirect acquisitions by Southam Inc. of equity interests in the business of publishing *The Vancouver Courier*, the *North Shore News* and the *Real Estate Weekly*.

BETWEEN:

COMPETITION TRIBUNAL
 TRIBUNAL DE LA CONCURRENCE

File No. CT-90/1

Applicant(s) Director

Exhibit No. VA-155

No. de la pièce NOV. 21, 1997

Filed on L. Austin

Déposée le

Registrar

Greffier

SOUTHAM INC.
 LOWER MAINLAND PUBLISHING LTD.
 RIM PUBLISHING INC.
 YELLOW CEDAR PROPERTIES LTD.
 NORTH SHORE FREE PRESS LTD.
 SPECIALTY PUBLISHERS INC.
 ELTY PUBLICATIONS LTD.

COMPETITION TRIBUNAL
 TRIBUNAL DE LA CONCURRENCE

FILED

NOV 4 1997 AB

REGISTRAR - REGISTRARIE

OTTAWA, ONT. #3576

D E P O S E

- and -

Applicants

THE DIRECTOR OF INVESTIGATION AND RESEARCH

Respondent

AFFIDAVIT OF RONALD W. MITCHELL

I. Scope of this Affidavit

1. I was retained by Blake, Cassels & Graydon to prepare an expert affidavit on the viability of Michael Delesalle's plan for the North West Media Group ("NWMG"). This plan includes the acquisition of the *North & West Voice* ("NWV"); acquisition of the *Real*

Estate Weekly - North Shore Edition ("REW-NS"); combining and integrating the operations of *NWV* and *REW-NS*; and the subsequent formation of commercial relationships with third party publishing and marketing service providers. [Expurgated]

2. I will review each of these strategic steps and express my opinion on them. To prepare myself for this task, I have read Delesalle's plan, the transcript from the discovery of Michael Delesalle, the Application, the Statement of Grounds and Material Facts and the Affidavit of Oswald Jurock filed in connection with these proceedings and certain other documents related to Competition Tribunal No. CT-90/1. I have also spoken with representatives of the *REW* and the Voice. Further, I have conducted independent research on Delesalle's plan and prepared analyses of the plan's *proforma* financials. I have called on my strategic planning and related management experience in the newspaper industry to assess the plan.

II. Ronald W. Mitchell - Background & Qualifications

3. I am a senior executive with 10 years experience in the newspaper industry. Most recently I was Chief Executive Officer of Thomson Newspaper's British Columbia and Alberta Group. This \$100 million group was comprised of 15 daily and weekly, community newspapers. I was responsible for creating and executing the strategic plan for this group, including acquisitions, market positioning, combining and consolidating business units and building new distribution systems. The majority of the newspapers in this group faced direct newspaper, niche publishing and other media competition in their respective markets.

4. Over the course of the last 10 years, I have been responsible for some 42 newspapers across Canada, from Cornerbrook, Newfoundland to Campbell River, British Columbia. I have led national start-ups (The Financial Post), major metro dailies (The Edmonton Sun, Victoria Times Colonist) and community weeklies (Taber, Alberta; Nanaimo,

Duncan, Parksville, British Columbia). I have launched many new newspaper products, including the Kelowna and Victoria Home-Finder real estate publications.

5. I was also a Board Member and Vice-Chairman, Marketing Committee of the Canadian Newspaper Association. Prior to my newspaper career, I was a marketing and sales executive with Joseph E. Seagram & Sons, Limited and Benson & Hedges (Canada) Limited. These positions involved the purchase of substantial amounts of print advertising. I received an MBA from the University of Western Ontario, School of Business Administration in 1972. A copy of my C.V. is attached as Schedule 1.

III. Newspaper Industry Overview

6. The Canadian Newspaper industry is currently experiencing its most viable economic period since the late 1980's. A combination of growing advertising revenues, new reader and advertiser marketing initiatives, new technologies and industry consolidation have all contributed to the growth in revenues and profits for the industry. Increased demand for advertising has been fuelled by a strong economy featuring low interest rates, low inflation and job creation. The increased demand has been evident in the retail, automotive, real estate and home furnishing categories. With the economy forecast to grow approximately 36% next year, I expect demand for advertising will continue to increase. Newspapers are especially well positioned to take advantage of the opportunity because of their timeliness, flexibility and ability to carry and change price-oriented ad campaigns.

7. Of particular interest to anyone considering the industry is the price of newsprint. It is a primary cost item for publishers as it ranges between 11-25% of newspaper revenues. From 1991-1995, newsprint pricing experienced violent fluctuations as supply and demand were often out of step. However, prices bottomed in 1997 and analysts expect to see a more stable market for the balance of this decade and beyond. Consolidation in the newsprint industry has resulted in lower cost suppliers and publishers' efforts to more

efficiently manage the resource have brought the supply and demand for newsprint back into balance, with the likelihood of more price stability for the medium term.

IV. *Real Estate Weekly - North Shore Edition*

8. A cornerstone of the NWMG plan is the acquisition of the *REW-NS* and the eventual integration of this business into the combined operation with the *NWV*. A critical issue, therefore, is whether the *REW-NS* can be split away from the *REW* Group and contribute to the new NWMG.

9. To analyze this issue, I reviewed the competitive position of the *REW-NS*, its profitability and its operational links to its current parent group.

Competitive Position

10. The *REW-NS* has the largest share, based on observed page count, of all North Shore real estate publications on the North Shore¹. In 1997, it has averaged approximately 61% of real estate listing pages compared with approximately 20% for both the *North Shore News* ("*NSN*") Homes edition and for all other publications combined.

11. Average 1997 page count of 73 has remained stable for the last 3 years, despite a downturn in the Lower Mainland real estate market in 1995/96; and down from a recent high of 81 pages in 1993.²

¹ Market Share Trends, North Shore Print Real Estate Advertising Page Count - Realtor Listings (See Exhibit #1)

² REW Average Page Count/Issue (See Exhibit #2)

12. At 73 pages, the *REW-NS* is the largest edition in the *REW* group; the lowest is 4 pages and the average is 34 pages³.

13. [Expurgated]⁴

Profitability

14. [Expurgated]⁵ / ⁶

15. [Expurgated]⁷

Operations

16. Sales, production and administration for the *REW-NS* is currently done in-house at the *REW* group. The NWMG plan envisages a ● month transition period during which these operational functions will migrate to the NWMG. This is a reasonable transition period, given that:

- the current sales role is primarily one of order taking. The transition period allows for the new management to obtain a better understanding of the sales role, and also permits the orderly doubling of the NWMG sales force to

³ 1997 REW Profit by Edition Analysis (See Exhibit #3 - Expurgated)

⁴ Multiple REW Edition Advertisements Run in REW North Shore Edition +1 or More Other REW Editions (See Exhibit #4 - Expurgated)

⁵ 1997 REW Profit by Edition Analysis (See Exhibit 3 - Expurgated)

⁶ Ibid.

⁷ Ibid.

accommodate the additional selling activities of the *REW-NS*. Additionally, Messrs. Delesalle and Anderson will provide sales support. Anderson is currently selling the *NWV* and thus brings immediate hands on selling experience to the expanded group.

- the *NWVG* has budgeted ●⁸ for production. This equates to a per page cost of ●. In my experience, this is a reasonable cost per page. For example, in Victoria, B.C., we outsourced page make-up of our real estate guide for \$● per page.
- my experience also shows that there are an ample number of skilled employees available to handle work of this nature on a part-time basis. In addition, the *REW*'s electronic digital page set-up system will be made available to the *NWVG* under the terms of the sale. ● percent of *REW* ads are handled on this system. This facilitates advertising flow during peak production periods and is seen by customers as a value-added service. I have personally been involved in providing this service to customers such as The Bay, Future Shop and Thrifty Foods on Vancouver Island, with resultant share increases amongst those customers. The availability of this technology with the *REW-NS* will, in my view, continue to provide the *NWVG* with a competitive advantage in the real estate advertising business.
- In terms of printing the *REW-NS* post acquisition, the intent is a seamless transition whereby Elty Publications will continue to print at the current rates and contract terms for a transition period of up to ● months. Mr. Delesalle plans to take the combined printing of the *REW-NS* and *NWV* and "shop the

⁸ Voice/*REW Proforma* Financial Projections (See Exhibit #5 - Expurgated)

market" for the best possible rate⁹. The higher volume of printing provided by the weekly *NWV* in combination with the *REW-NS* will certainly provide *NWVG* with more purchasing power to secure the best price. My experience in printing on the Lower Mainland (*Financial Post*, B.C. Edition, Victoria Homefinder) indicated that a very competitive commercial printing market exists. With relatively stable newsprint prices and the significant volume represented by the two products, I believe the plan's proforma printing costs are achievable. **[Expurgated]**

- as for distribution of the *REW-NS* after the purchase, the plan calls for a seamless transaction whereby the *REW-NS* will be delivered as per the existing rates and coverage area. Over time (which the proforma plan estimates to be ● months), the *REW-NS* will migrate to the *NWV* system in those routes where *NWV* service can accommodate it. **[Expurgated]** Once the problems are fixed, the *REW-NS* will be then delivered in all routes with the *NWV*.

In the interim, the *NSN* will deliver the *REW-NS* in tandem on those problem routes. This will ensure the quality of delivery but it will be seen as a separate standalone publication, not as an insert or supplement of the *NSN*. *NWVG* will have to insist on verification of these deliveries.

[Expurgated]

In my view, the foregoing represents a reasonable and thoughtful approach to integrating the distribution.

⁹ Delesalle Examination for Discovery, October 10, 1997, at questions 276-282.

17. The foregoing review of the *REW-NS* shows that it is the market leader, that it is profitable and that operational components which are currently shared within the *REW* group can be moved, under an orderly transition, to the NWMG. In my opinion, the standalone *REW-NS*, can serve as a fundamental building block of the NWMG.

V. *North & West Voice*

18. As a standalone, bi-weekly, free newsprint magazine, the *NWV* has made steady progress since its launch in July 1996:

- It is approaching ● on an operating basis¹⁰, which in my experience is significant considering that it has just entered its second year of operation in an extremely competitive market.
- It has established an editorial position, featuring local lifestyle and entertainment which clearly differentiates it from the *NSN*.
- It operates in one of Canada's most affluent areas with household income¹¹. Per capita income ranges from \$18,700 in the City of North Vancouver, \$28,100 in the District of North Vancouver and \$39,700 on West Vancouver. For the most part, these are substantially higher than both the British Columbia and Canadian average. This further underscores the spending power of this area.

¹⁰ Undertaking addressed to Jeffrey Harder dated October 21, 1997.

¹¹ See Exhibit 6.

- As a measure of that power, I examined average household spending on recreational/reading/education¹², a category that parallels the *NWV'S* editorial direction. In most cases, the spending in the North Shore is much greater than the B.C. and Canadian averages.
- In terms of demographics, the 50 plus age group is the largest in the North Shore and it will continue to grow. These people have the discretionary income and tend to be more avid newspaper readers. This is another positive factor for newspaper publishing in the North Shore.¹³
- It has a management team which understands local or community publishing. This team has recently taken the necessary action to bolster the advertising sales force, with positive revenue results.
- As a bi-weekly, it has the opportunity to increase to a weekly publishing frequency. This provides additional display, classified and advertising flyer revenue potential.
- The North Shore region currently has only 1 weekly newspaper, the *NSN*. The majority of other Lower Mainland areas, including the West End, Richmond, Surrey, Langley, Burnaby, Coquitlan/Port Moody, Maple Ridge/Pitt Meadows, Abbotsford, Mission and Chilliwack all have competitive offerings. There appears to be an opportunity for heightened competition in the North Shore.
- **[Expurgated]**

¹² See Exhibit 7.

¹³ Statistics Canada data.

- It is a quality publication in terms of design, layout and printing, making it an attractive advertising vehicle for both local and national advertisers.

19. Given the foregoing, the *NWV* constitutes another viable building block for NWMG's growth strategy. In my opinion, it is a high quality editorial product which can provide a readership and advertising base for the combined operation.

VI. Combining Operations of the North & West Voice and the Real Estate Weekly-North Shore Edition

20. Upon acquisition of the *NWV* and the *REW-NS*, and after a transition period to facilitate a smooth operational handover and build the distribution system, the NWMG plan envisages a combined and profitable operation of the two publications. The combined operation will include a weekly newsprint magazine (the *NWV*), a weekly real estate publication (the *REW-NS*) and a distribution system which will deliver both products as well as advertising flyers. In reviewing this plan, I have considered the following:

- (i) Plan Concept
- (ii) Market Position
- (iii) Competition
- (iv) Management/Staffing
- (v) Financial Results

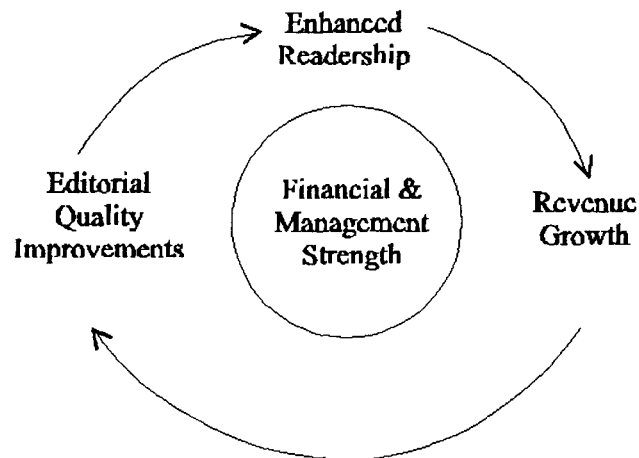
(i) Plan Concept

21. The combining of two publications, one a standalone lifestyle newsprint magazine, and the other, a market leading real estate publication comprises, in my experience, a unique publishing platform. In my opinion, the new platform has a number of advantages:

- it includes two strong and recognizable brand names. Both publications were founded in the North Shore and are integral parts of that region's media and information scene
- including the *REW-NS*, with its financial strength, facilitates weekly publication of the *NWV*, thereby enhancing revenue potential from display, classified and flyer customers
- stronger revenue means the *NWV* can continuously improve its editorial product thereby strengthening its readership and more effectively competing for advertisers against the *NSN*
- the availability of the *REW-NS* along with the *NWV* will enhance readership of the latter; i.e. it will now be viewed in the context of a more regular, frequently published editorial and advertising package
- in essence the combined concept defines a new virtuous circle for publishing on the North Shore of Vancouver (please see Diagram 1).
- management's transition plan for the combined operation is orderly and within reason, based on my experience. The ● month ramp-up to weekly publishing for the *NWV* provides adequate time to build the planned weekly distribution system; and the ● month transition period for transferring the *REW-NS* production process from the *REW* organization to an in-house operation is conservative, given that approximately ● % of the advertising material flows electronically (thereby reducing manual ad handling and page make-up) and full or part-time employees with electronic pre-press skills are widely available

Diagram 1

NWVG Virtuous Circle



(ii) Market Position

- the combined operation will compete in one of Canada's most affluent regions, with a greater than average revenue potential
- the editorial positioning of the *NWV* differs from that of the market leader; this may provide the potential for increased readership and new advertising potential
- the real estate market in the North Shore, combining desirable areas to live with high prices makes for an attractive real estate advertising environment
- at an average of 73 pages of advertising per week, the *REW-NS* is the market leader for print real estate publications in the North Shore. This dominant

position will only serve to underpin the viability of the new, combined operation

(iii) **Competition**

- strong competition for display, classified, flyer and real estate advertising currently exists on the North Shore
- display, classified, flyer and real estate competition is provided by the *NSN*, *Vancouver Sun*, *Province*, *Lifestyles Magazine* and a host of ethnic newspapers
- real estate competition is also provided by the *NSN Homes* section, the *Condo Guide*, *Real Estate Guide*, *Lifestyles Magazine*, *World Journal*, *Realty Digest*, *Property Gold* and *Deep Cove Crier*
- Canada Post has exited the economy ad mail or unaddressed bulk mail business. This has provided an opportunity for newspapers and other private distribution groups to solicit flyer business and increase their range of services for customers
- the combined NWMG operation will face stiff competition. However, its financial and brand name strength associated with the *REW*, along with a quality distribution system, should provide it with an opportunity to compete more effectively than would the *NWV* on its own

(iv) **Management/Staffing**

- Mike Delesalle, in addition to controlling NWMG, will also take an active, hands-on role. His experience with Lumberland positions him to understand

customer advertising needs, especially in the area of quality distribution of flyers. He will be a credible representative of the operation and bring the needed management disciplines to the operation of the *NWV*

- **[Expurgated]**
- Messrs. Anderson and Steele of the *NWV* have proven community newspaper and magazine experience. This will stand the *NWV* in good stead as it increases its publishing frequency to weekly
- The staffing levels of the *NWV*, as outlined in the footnotes to the *proforma* financial statements, are reasonable and within industry norms for an operation of this size. They also show orderly growth in the area of sales and production as revenues increase and the transition to in-house production activities takes place

(v) **Financial Results**

- I have examined and analysed the *proforma* financial results for the *NWV* as provided in the plan document. As part of the analysis, I conducted a review of key operating ratios and compared them to those of a number of other, like-sized community newspaper operations. My views are as follows:

Revenue

- **[Expurgated]**
- Classified advertising, although not specifically highlighted in the *proformas*, constitutes another potential source of revenue growth. Classified can

represent 10-25% of a newspaper's revenue. It requires a minimum weekly publishing frequency and can be developed by means of inside telephone order takers, outbound telemarketing and effective promotion. All of these requirements are within the capabilities of the NWMG. Classified advertising also builds readership, thereby enhancing the value of the product for both readers and advertisers

- further analysis of revenue was conducted based on the following ratios¹⁴:

revenue per page
revenue per revenue page
revenue per column inch
advertising percentage

In all cases, the rates for the *NWV*¹⁵ was well within the range when compared to other community newspapers I analysed.

Expenses

The operating expense projections and underlying assumptions for the *NWV* are reasonable and stand up to scrutiny:

- staffing levels and related expenses for an operation this size are within industry norms (40-50%). This is important as staffing is the single largest newspaper expense

¹⁴ See letter to Harder, footnote 10 above.

¹⁵ See Exhibit 10 - Expurgated.

- newsprint costs, the second largest expense item, are not expected to negatively influence the profitability of this business as per my earlier discussion on this subject.

- in analysing expenses, I considered the following ratios:
 - editorial cost per editorial page
 - printing cost per thousand pages
 - production cost per page
 - distribution cost per thousand copies
 - selling cost as a percentage of sales
 - administration cost per page
 - administration as a percentage of sales

The *proforma* expenses for the *NWV*, when expressed in these terms, fall well within the range for the community newspapers I compared.¹⁶

- [Expurgated]

Operating Profit

- [Expurgated]

- first year profitability is also realistic as this plan combines the operations of two established publications. This is in contrast to a raw start-up of an unknown entity, which in a competitive market would take 2-3 years to reach break even. And as indicated earlier, financial viability allows for continuous product improvement which grows readership and revenue.

¹⁶ See Exhibit 11 - Expurgated.

VII. Conclusion

22. It is my considered opinion that the NWMG plan is viable. It generates an operating margin of ●%; which is conservative given my foregoing comments on flyer revenue and selling expenses. A ●% margin allows for reinvestment for future years' growth in revenue and earnings. I am confident this plan can be achieved given the market dynamics, established publications included in the plan, and the operating strategies and synergies contemplated.

Dated at the City of Toronto, in the Province of Ontario, this 24th day of October, 1997.

SWORN BEFORE ME at the City)
of Toronto, in the Municipality of)
Metropolitan Toronto, this)
24th day of October, 1997.)
)
)
_____)
Commissioner for Taking Affidavits

RONALD W. MITCHELL

TO: THE REGISTRAR
Competition Tribunal
600 - 90 Sparks Street
Ottawa, Ontario
K1P 5B4

AND TO: DAVIS & COMPANY
2800 Park Place
666 Burrard Street
Vancouver, B.C.
V6C 2Z7
Attention: Mr. Stanley Wong
Counsel for the Director of Investigation and Research

RONALD W. MITCHELL

1 PALACE PIER COURT,
SUITE 2911
ETOBICOKE, ONTARIO, CANADA M8V 3W9

PHONE/FAX: 1-416-253-1086

BUSINESS CAREER

November 1995 - August 1997

**EXECUTIVE VICE PRESIDENT, THOMSON NEWSPAPERS CANADA;
CHIEF EXECUTIVE OFFICER - BRITISH COLUMBIA/ALBERTA GROUP** - bottom line responsibility for 15 newspaper, \$100 million group. Major achievements included strategic repositioning and relaunch of daily and weekly newspapers; paid circulation growth; above plan revenue growth; profit turnaround and growth in Southern Alberta and Okanagan Valley/Victoria, British Columbia markets; recruitment of new, senior management team; development of relationships with key local, regional and national customers. Reported to Senior Vice President, Northern Group, Thomson Newspapers.

October 1994 - November 1995

**EXECUTIVE VICE PRESIDENT, THOMSON NEWSPAPERS CANADA;
GROUP PUBLISHER - EASTERN CANADA (ONTARIO/MARITIMES/NEWFOUNDLAND)** - bottom line responsibility for 25 newspaper group with annual revenues of \$125 million and plus 20% profit margins. Achievements included key newspaper property profit improvements and turnarounds; core newspaper and new product revenue growth; paid circulation growth. Reported to President and CEO, Thomson Newspapers Canada.

June 1992 - October 1994

PUBLISHER & CEO, THE EDMONTON (ALBERTA) SUN - bottom line responsibility for \$45 million newspaper operation. Accomplished business turnaround in 1993 fiscal after four-year decline; 1994 profit achievement was second highest in newspaper's 16-year history. Re-established market position for Sun in highly competitive environment versus Southam's Edmonton Journal. Created positive profile for Edmonton Sun Publisher position in Edmonton and Alberta business and government communities. Reported to President and CEO, The Toronto Sun Publishing Corporation.

April 1988 - June 1992

PRESIDENT AND PUBLISHER, THE FINANCIAL POST COMPANY, TORONTO - a partnership of The Toronto Sun Publishing Corporation, Hollinger Inc. and The Financial Times of London (Pearson PLC). Responsible for development and launch of The Financial Post, Canada's only business and finance newspaper. Transformed this Toronto-based daily into a highly respected, award-winning, national newspaper. Created the basis of a strong management team which today leads the Post. Represented the Post at the highest corporate and many senior government levels in the drive to market credibility and acceptance. Bottom line responsibilities included the Financial Post newspaper as well as F.P. Magazine, Information Services and Conference divisions. The Financial Post Company, from start-up in 1988, is now profitable, having withstood the early 1990's recession and major competitive threat, The Globe and Mail. Reported to Chairman and CEO, The Toronto Sun Publishing Corporation.

August 1987 - April 1988

**EXECUTIVE ASSISTANT TO THE PRESIDENT & CEO,
THE TORONTO SUN PUBLISHING CORPORATION** - involved in corporate planning and expansion analysis. Activities included the The Financial Post and Bowes Publishers acquisitions and Sky Dome partnership.

May 1980 - August 1987

**EXECUTIVE VICE PRESIDENT, SEAGRAM DISTILLERS LIMITED
(DIVISION OF JOSEPH E. SEAGRAM & SONS LIMITED)** - responsible for bottom line of this Canadian marketing affiliate with annual revenue of \$25 million. Created and executed marketing plans for major national brands, including Crown Royal, which grew from 70k to 400k cases per year. Represented Seagram with provincial liquor boards and national industry associations. Reported to Executive Vice President, J.E.S.

May 1972 - May 1980

Successive product management, senior marketing and sales management positions with Benson and Hedges (Canada) Limited, Canadian affiliate of Philip Morris Companies. Managed national brands, redirected national sales force role.

EDUCATION BACKGROUND

MBA, The University of Western Ontario, London, Canada, 1972

BA, The University of Toronto, Canada, 1970

Ontario High School Diploma, Richview Collegiate, Islington, Ontario, 1967

OTHER AFFILIATIONS

Board member, Canadian Newspaper Association; Co-Chair, CNA Marketing Committee

Board member, Cnila Plastic Industries Limited, Toronto

Board member, Creighton & Company Insurance Brokers, Toronto

Past board member, Capital City Events Foundation, Edmonton

Past board member, Economic Development Edmonton Marketing Committee

Past member, Advisory Board, The Financial Post Company

Past member, Fundraising Committee, Runnymede Chronic Care Hospital, Toronto

REFERENCES

Available upon request

R.W. Mitchell

EXHIBIT 1

Market Share Trends North Shore Print Real Estate Advertising Page Count - Realtor Listings				
	1991	%	1997	%
HOMES	36.575	42.9%	20.275	17.9%
REW-NS	48.625	57.1%	69.050	61.0%
	85.200	100.0%	89.325	78.9%
Real Estate Guide			8.000	7.1%
Lifestyles			3.375	3.0%
Sing Tao			5.583	4.9%
Ming Pao			4.583	4.0%
World Journal			0.875	0.8%
The North & West Voice			1.500	1.3%
	-	0.0%	23.917	21.1%
Total	85.200	100.0%	113.242	100.0%

Source: REW

EXHIBIT 2

REW Average Page Count/Issue					
	1993	1994	1995	1996	1997
Mission	22	25	22	25	24
Chilliwack	42	53	53	31	30
Abbotsford	61	67	37	26	23
Maple Ridge	36	41	32	28	26
Langley	63	66	48	35	38
White Rock					18
Coquitlam	76	74	52	42	39
Tsawwassen	60	63	57	53	50
Richmond	74	82	58	48	44
Surrey	97	93	57	49	50
West Side	91	77	67	60	58
Burnaby	70	67	48	38	35
North Shore	81	78	72	73	73
East Vancouver	47	45	32	26	24
New Westminister	6	6	5	4	4
	826	837	640	538	535

Source: REW

EXHIBIT 6

PER CAPITA INCOME COMPARISONS

	<u>N. Van. (City)</u>	<u>N. Van. (District)</u>	<u>W-Van.</u>	<u>B.C.</u>	<u>Canada</u>
Per Capita Income	\$18,700	\$28,100	\$39,700	\$19,900	\$18,300
vs. B.C.	-6.0%	+41.2	+99.5%		
vs. Canada	+2.2%	+53.4	+116.9%		

Source: Financial Post Survey of Markets, 1996

EXHIBIT 7

AVERAGE HOUSEHOLD EXPENDITURES

RECREATION, READING & EDUCATION

	<u>N. Van. (City)</u>	<u>N. Van. (District)</u>	<u>W-Van.</u>	<u>B.C.</u>	<u>Canada</u>
Per H.H	\$2,812	\$4,411	\$5,208	\$3,299	\$3,054
vs. B.C.	-12.5%	+33.7%	+57.9%		
vs. Canada	-7.9%	+44.4	+70.5%		

Source: Financial Post Survey of Markets, 1996

THE NORTH WEST VOICE

THE NORTH SHORE'S COMMUNITY MAGAZINE

phone: (604) 987-5300
 fax: (604) 987-5322
 email: voice@featureline.com
 213 West 1st Street, North Vancouver, BC V7M 1B5

Display Ad Rate
 \$27.95 per column inch

Columns	Width in inches
1	1.5"
2	3.25"
3	5"
4	6.75"
5	8.5"
6	10.25"

Advertising Frequency Discounts

Insertions	Discount
3	10%
6	12%
8	14%
10	16%
12	18%
16	20%
20	22%
24	25%

10% Surcharge for specified locations
 15% Discount for agency placed ads
Classified Ads
 \$19.00 per column inch

2c x 3"
 \$167.70

1c x 2"
 \$55.90

1c x 3"
 \$83.85

2c x 5"
 \$279.50

Affordable Advertising On the North Shore

The North & West Voice is an independently owned and operated community newspaper created to provide Vancouver's North Shore with a fresh alternative to existing publications.

With a circulation of up to 80,000 distributed across the North Shore, Whistler, Squamish, Yaletown, Gastown and the West End.

As an effective advertising medium, The North and West Voice provides businesses with an affordable means to increase exposure within the affluent market of the North Shore.

If you are looking for a new and exciting medium that is designed to meet the advertising needs of the 90's, call The North & West Voice at 987-5300 today!

Cover Toe
 (bottom left corner of cover)
 \$425.00
 2.25" x 1.75"

12
 m.w. Detfsette
 Oct 10/97

Display Advertising

RETAIL RATE CARD 39

Audited Circulation 55,724

OPEN RATE \$41.30/ci \$2.95/line

Effective September 1, 1996

Total Space	1 page	3 pages	6 pages	12 pages	18 pages	24 pages	48 pages
Discount	7%	10%	16%	22%	26%	34%	41%

FREQUENCY DISCOUNT			
	9 or less	10 to 17	18 to 34
3-12 insertions	10%	15%	20%
13-26 insertions	15%	20%	25%
27-51 insertions	20%	25%	30%
52+ insertions	25%	30%	35%

ADVERTISER AGREEMENT

In consideration of the retail rate advertising available under this agreement, the undersigned agrees to use a minimum of _____ insertions or pages of display advertising in the

North Shore News during the next twelve months. It is agreed that if the Advertiser fails to use the space as shown here, the Advertiser shall pay for the space already used at the applicable rate.



DISPLAY ADVERTISING
980-0511

Display Advertising Fax
(604) 985-1435
1139 Lonsdale Ave
North Vancouver, B.C. V7M 2B4

Name of Business _____
 Legal Company Name _____
 Address _____
 City _____ Province _____ Postal Code _____
 Telephone _____ Effective Date _____ Expiry Date _____
 Signed _____ Accepted by _____