

Balmur Corus Music

Effective July 20, 2000, the Company paid \$3,500,000 for its 50% interest in Balmur Corus Music ("BCM"), a joint venture. BCM will focus on developing opportunities in the country music entertainment business in Canada and the United States.

Metromedia CMR Broadcasting Inc.

Effective August 30, 2000, the Company acquired 29.9% of the outstanding shares of Belcand Mount Royal Holdings Inc., the parent holding company of Metromedia CMR Broadcasting Inc. ("Metromedia"), for \$39,474,000 in cash, and entered into an agreement to acquire the remaining 70.1% for approximately \$125,500,000 in cash plus the assumption of \$20,000,000 in debt subject to a number of conditions, including obtaining CRTC approval.

6. CAPITAL ASSETS

(thousands of Canadian dollars)	2000		1999	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Broadcasting head-end equipment	18,324	7,837	16,937	5,908
Production equipment	24,444	10,635	16,342	5,783
Leasehold improvements	9,252	2,223	2,308	1,452
Buildings	11,249	2,607	3,195	927
Other	23,756	4,791	9,161	5,028
	87,025	28,093	47,943	19,098
Land	8,469	—	1,685	—
	95,494	28,093	49,628	19,098
Net book value	67,401		30,530	

Depreciation provided in the accounts on capital assets amounted to \$8,995,000 (1999 – \$6,023,000; 1998 – \$5,203,000).