FORM 6-K

Current report of foreign issuer pursuant to Rules 13a-16 and 15d-16 Amendments

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of January 2013

POSTMEDIA NETWORK CANADA CORP.

(Translation of registrant's name into English)

1450 Don Mills Road, Don Mills, Ontario Canada M3B 3X7
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F __X__ Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No __X__

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-________

Item 2.02 Results of Operations and Financial Condition.

On January 10, 2013, Postmedia Network Canada Corp. (the "**registrant**") issued a press release announcing its results of operations and financial condition as of and for the three months ended November 30, 2012. A copy of that press release is hereby furnished as Exhibit 99.5 to this report on Form 6-K.

On January 10, 2013, the registrant also issued its Interim Condensed Consolidated Financial Statements and Interim Management's Discussion and Analysis for the three months ended November 30, 2012 and 2011. Those documents are hereby filed as Exhibits 99.1 and 99.2, respectively, to this report on Form 6-K.

Item 9.01 Financial Statements and Exhibits.

The documents listed below as Exhibits to 99.1, 99.2, 99.3 and 99.4 are being filed with this report on Form 6-K and with the Securities and Exchange Commission:

Exhibit 99.1 Interim Condensed Consolidated Financial Statements of the registrant for the three months ended November 30, 2012 and 2011 (unaudited).

Exhibit 99.2 Interim Management's Discussion and Analysis of the registrant for the three months ended November 30, 2012 and 2011.

Exhibit 99.3 Certification of Chief Executive Officer pursuant to Canadian law.

Exhibit 99.4 Certification of Chief Financial Officer pursuant to Canadian law.

The document listed below as Exhibit 99.5 is being furnished, not filed, with this report on Form 6-K and will not be incorporated by reference into any registration statement filed by the registrant under the Securities Act of 1933, as amended.

Exhibit 99.5 Press release dated January 10, 2013.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Postmedia Network Canada Corp.

By: /s/ Douglas Lamb
Douglas Lamb
Chief Financial Officer

Date: January 10, 2013.

EXHIBIT INDEX

Exhibit 99.1	Interim Condensed Consolidated Financial Statements of the registrant for the three months ended November 30, 2012 and 2011 (unaudited).
Exhibit 99.2	Interim Management's Discussion and Analysis of the registrant for the three months ended November 30, 2012 and 2011.
Exhibit 99.3	Certification of Chief Executive Officer pursuant to Canadian law.
Exhibit 99.4	Certification of Chief Financial Officer pursuant to Canadian law.
Exhibit 99.5	Press release dated January 10, 2013.

Exhibit 99.1

POSTMEDIA NETWORK CANADA CORP.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011
(UNAUDITED)

Issued: January 10, 2013

POSTMEDIA NETWORK CANADA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011
(UNAUDITED)

(In thousands of Canadian dollars, except per share amounts)

		2012		2011
Revenues				
Print advertising		132,741		149,368
Print circulation		49,276		54,269
Digital		24,813		22,622
Other		4,842		4,831
Total revenues		211,672		231,090
Expenses				
Compensation		82,948		87,121
Newsprint		12,108		14,634
Distribution		28,192		32,705
Other operating		39,318		41,983
Operating income before depreciation, amortization, and restructuring (note 3)		49,106		54,647
Depreciation		6,890		6,462
Amortization		10,734		11,021
Restructuring and other items (notes 7 and 9)		4,797		2,982
Operating income		26,685		34,182
Interest expense		16,167		16,837
Net financing expense relating to employee benefit plans (note 9)		383		975
Loss on disposal of property and equipment		268		-
(Gain) loss on derivative financial instruments (note 4)		697		(10,040)
Foreign currency exchange losses		866		12,132
Earnings before income taxes		8,304		14,278
Provision for income taxes		-		-
Net earnings from continuing operations		8,304		14,278
Net earnings from discontinued operations, net of tax of nil (note 13)		-		14,053
Net earnings attributable to equity holders of the Company		8,304		28,331
Earnings per share from continuing operations (note 10):				
Basic	$	0.21	$	0.35
Diluted	$	0.20	$	0.35
Earnings per share from discontinued operations (note 10):				
Basic	$	-	$	0.35
Diluted	$	-	$	0.34
Earnings per share attributable to equity holders of the Company (note 10):				
Basic	$	0.21	$	0.70
Diluted	$	0.20	$	0.70

The notes constitute an integral part of the interim condensed consolidated financial statements.

POSTMEDIA NETWORK CANADA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011
(UNAUDITED)

(In thousands of Canadian dollars)

	2012	2011
Net earnings attributable to equity holders of the Company	8,304	28,331
Other comprehensive income (loss) from continuing operations		
Amounts subsequently reclassified to the statement of operations		
Gain (loss) on valuation of derivative financial instruments, net of tax of nil	(2,133)	1,260
Amounts not subsequently reclassified to the statement of operations		
Net actuarial losses on employee benefits, net of tax of nil (note 9)	(7,485)	(9,390)
Other comprehensive loss from discontinued operations		
Amounts not subsequently reclassified to the statement of operations		
Net actuarial losses on employee benefits, net of tax of nil (note 9)	-	(906)
Other comprehensive loss	(9,618)	(9,036)
Comprehensive income (loss) attributable to equity holders of the Company	(1,314)	19,295
Total comprehensive income (loss) attributable to equity holders of the Company:		
Continuing operations	(1,314)	6,148
Discontinued operations	-	13,147
Comprehensive income (loss) attributable to equity holders of the Company	(1,314)	19,295

The notes constitute an integral part of the interim condensed consolidated financial statements.

POSTMEDIA NETWORK CANADA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

(In thousands of Canadian dollars)

	As at November 30, 2012	As at August 31, 2012
ASSETS		
Current Assets		
Cash	33,233	22,189
Accounts receivable	112,902	90,923
Inventory	3,264	3,829
Prepaid expenses and other assets	9,745	10,258
Total current assets	159,144	127,199
Non-Current Assets		
Property and equipment	261,007	267,491
Asset held-for-sale	410	23,139
Derivative financial instruments (note 5)	23,411	24,108
Other assets	1,345	1,549
Intangible assets	368,084	377,862
Goodwill	223,500	223,500
Total assets	1,036,901	1,044,848

The notes constitute an integral part of the interim condensed consolidated financial statements.

POSTMEDIA NETWORK CANADA CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
(UNAUDITED)

(In thousands of Canadian dollars)

	As at November 30, 2012	As at August 31, 2012
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (note 6)	81,676	65,268
Provisions (note 7)	25,890	29,888
Deferred revenue	24,655	25,915
Current portion of derivative financial instruments (note 5)	2,671	6,069
Current portion of long-term debt (note 8)	15,103	32,153
Total current liabilities	149,995	159,293
Non-Current Liabilities		
Long-term debt (note 8)	464,330	467,749
Derivative financial instruments (note 5)	8,061	12,369
Other non-current liabilities (notes 9 and 11)	180,069	169,413
Provisions (note 7)	970	1,588
Deferred income taxes	681	681
Total liabilities	804,106	811,093
Equity		
Capital stock	371,132	371,132
Contributed surplus (note 11)	8,242	7,888
Deficit	(138,538)	(139,357)
Accumulated other comprehensive loss	(8,041)	(5,908)
Total equity	232,795	233,755
Total liabilities and equity	1,036,901	1,044,848

Subsequent event (note 15)

The notes constitute an integral part of the interim condensed consolidated financial statements.

POSTMEDIA NETWORK CANADA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011
(UNAUDITED)

(In thousands of Canadian dollars)

	2012				
	Capital stock	**Contributed surplus**	**Deficit**	**Accumulated other comprehensive loss**	**Total Equity**
Balance as at August 31, 2012	371,132	7,888	(139,357)	(5,908)	233,755
Net earnings attributable to equity holders of the Company	-	-	8,304	-	8,304
Other comprehensive loss	-	-	(7,485)	(2,133)	(9,618)
Comprehensive income (loss) attributable to equity holders of the Company	-	-	819	(2,133)	(1,314)
Share-based compensation plans (note 11)	-	354	-	-	354
Balance as at November 30, 2012	**371,132**	**8,242**	**(138,538)**	**(8,041)**	**232,795**

	2011				
	Capital stock	**Contributed surplus**	**Deficit**	**Accumulated other comprehensive loss**	**Total Equity**
Balance as at August 31, 2011	371,132	5,602	(46,618)	(14,836)	315,280
Net earnings attributable to equity holders of the Company	-	-	28,331	-	28,331
Other comprehensive income (loss)	-	-	(10,296)	1,260	(9,036)
Comprehensive income attributable to equity holders of the Company	-	-	18,035	1,260	19,295
Share-based compensation plans (note 11)	-	405	-	-	405
Balance as at November 30, 2011	**371,132**	**6,007**	**(28,583)**	**(13,576)**	**334,980**

The notes constitute an integral part of the interim condensed consolidated financial statements.

POSTMEDIA NETWORK CANADA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011
(UNAUDITED)

(In thousands of Canadian dollars)

	2012	2011
CASH GENERATED (UTILIZED) BY:		
OPERATING ACTIVITIES		
Net earnings attributable to equity holders of the Company	8,304	28,331
Items not affecting cash:		
Depreciation	6,890	6,625
Amortization	10,734	11,076
(Gain) loss on derivative financial instruments (note 4)	697	(11,029)
Non-cash interest	1,331	8,688
Loss on disposal of property and equipment	268	-
Non-cash foreign currency exchange losses	824	12,007
Gain on sale of discontinued operations (note 13)	-	(17,109)
Share-based compensation plans and other long-term incentive plan expense (recovery) (note 11)	878	(1,250)
Net financing expense relating to employee benefit plans (note 9)	383	982
Non-cash compensation expense of employee benefit plans (note 9)	1,909	-
Employee benefit funding in excess of compensation expense (note 9)	-	(9,440)
Settlement of foreign currency interest rate swap designated as a cash flow hedge (note 5)	(8,976)	-
Net change in non-cash operating accounts	(10,014)	(18,959)
Cash flows from operating activities	13,228	9,922
INVESTING ACTIVITIES		
Net proceeds received on the sale of discontinued operations (note 13)	-	85,890
Net proceeds from the sale of property and equipment and asset held-for-sale	24,691	-
Additions to property and equipment	(2,636)	(1,499)
Additions to intangible assets	(956)	(1,500)
Cash flows from investing activities	21,099	82,891
FINANCING ACTIVITIES		
Repayment of long-term debt (note 8)	(23,187)	(90,825)
Debt issuance costs	(96)	(37)
Cash flows from financing activities	(23,283)	(90,862)
Net change in cash	11,044	1,951
Cash at beginning of period	22,189	10,483
Cash at end of period	**33,233**	**12,434**

	2012	2011
Supplemental disclosure of operating cash flows		
Interest paid	1,222	5,879
Income taxes paid	-	-

The notes constitute an integral part of the interim condensed consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Postmedia Network Canada Corp. ("Postmedia" or the "Company") is a holding company that has a 100% interest in its subsidiary Postmedia Network Inc. ("Postmedia Network"). The Company was incorporated on April 26, 2010, pursuant to the Canada Business Corporations Act, to enable the purchase of the assets and certain liabilities of Canwest Limited Partnership ("Canwest LP") on July 13, 2010. The Company's head office and registered office is 1450 Don Mills Road, Don Mills, Ontario.

The Company's operations consist of news and information gathering and dissemination operations, with products offered in major Canadian markets and a number of regional and local markets in Canada through a variety of print, web, tablet and smartphone platforms. Additionally, the Company operates digital media and online assets including the *canada.com* network, each newspaper's online website and Infomart, the Company's media monitoring website. The Company supports these operations through a variety of centralized shared services. The Company's advertising revenue is seasonal. Historically, advertising revenue and accounts receivable are typically highest in the first and third fiscal quarters, while expenses are typically relatively constant throughout the fiscal year.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Accounting Standard ("IAS") 34 – Interim Financial Reporting. The accounting policies applied in the preparation of these interim condensed consolidated financial statements are the same as those used in the Company's annual audited consolidated financial statements. In addition, these interim condensed consolidated financial statements do not include all the information and disclosures required in the annual audited consolidated financial statements and accordingly should be read in conjunction with the Company's audited consolidated financial statements for the years ended August 31, 2012 and 2011.

These interim condensed consolidated financial statements were approved by the Board of Directors (the "Board") on January 10, 2013.

3. OPERATING INCOME BEFORE DEPRECIATION, AMORTIZATION AND RESTRUCTURING

The Company presents operating income before depreciation, amortization and restructuring, in the condensed consolidated statement of operations, to assist users in assessing financial performance. The Company's management and Board use this measure to evaluate consolidated operating results as well as the results of its segments and to assess the ability of the Company to incur and service debt. In addition, this measure is used to make operating decisions as it is an indicator of how much cash is being generated by the Company and assists in determining the need for additional cost reductions, evaluation of personnel and resource allocation decisions. Operating income before depreciation, amortization and restructuring is referred to as an additional IFRS measure and may not be comparable to similar measures presented by other companies.

4. (GAIN) LOSS ON DERIVATIVE FINANCIAL INSTRUMENTS

The Company's (gain) loss on derivative financial instruments for the three months ended November 30, 2012 and 2011 is comprised of the following:

	2012	2011
Gain on fair value swap not designated as a hedge	-	(7,686)
Contractual cash interest settlement on fair value swap not designated as a hedge	-	989
(Gain) loss on embedded derivatives	697	(3,343)
(Gain) loss on derivative financial instruments	697	(10,040)

During the three months ended November 30, 2012 and 2011, no ineffectiveness was recognized in the condensed consolidated statement of operations related to the Company's cash flow hedges.

5. DERIVATIVE FINANCIAL INSTRUMENTS

	As at November 30, 2012	As at August 31, 2012
Assets		
Embedded derivatives	23,411	24,108
Portion receivable within one year	-	-
Non-current derivative financial instruments	23,411	24,108
Liabilities		
Foreign currency interest rate swap - designated as a cash flow hedge (1)	10,732	18,438
Portion due within one year	(2,671)	(6,069)
Non-current derivative financial instruments	8,061	12,369

(1) The notional principal amount outstanding on the foreign currency interest rate swap designated as a cash flow hedge as at November 30, 2012 was US$167.5 million (August 31, 2012 - US$265.0). During September 2012, the Company settled a notional amount of US$97.5 million of the foreign currency interest rate swap designated as a cash flow hedge for a cash payment of $9.6 million, including $0.6 million of accrued interest. During the three months ended November 30, 2012, foreign currency exchange gains of $1.3 million (2011 – $13.1 million) were reclassified to the condensed consolidated statement of operations from accumulated other comprehensive loss, representing foreign currency exchange gains on the notional amount of the cash flow hedging derivatives. These amounts were offset by foreign currency exchange losses recognized on the US dollar denominated 12.50% Senior Secured Notes due 2018 ("Second-Lien Notes") and for the three months ended November 30, 2011 the hedged portion of the Senior Secured Term Loan Credit Facility. During the three months ended November 30, 2012, a loss of $1.8 million (2011 - $2.0 million) was reclassified from accumulated other comprehensive loss to interest expense in the condensed consolidated statement of operations related to the effect of the derivative financial instruments on the Company's interest expense. The unrealized loss on valuation of derivative financial instruments that will be reclassified from accumulated other comprehensive loss to interest expense in the consolidated statement of operations over the next twelve months is $7.0 million.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at November 30, 2012	As at August 31, 2012
Trade accounts payable	11,598	9,973
Accrued liabilities	50,158	49,065
Accrued interest on long-term debt	19,920	6,230
Accounts payable and accrued liabilities	81,676	65,268

7. PROVISIONS

	Restructuring [(a)]	Other provisions [(b)]	Total
Provisions as at August 31, 2012	27,753	3,723	31,476
Net charges	923	(434)	489
Payments	(4,705)	(400)	(5,105)
Provisions as at November 30, 2012	23,971	2,889	26,860
Portion due within one year	(23,971)	(1,919)	(25,890)
Non-current provisions	-	970	970

(a) Restructuring

During the year ended August 31, 2012, the Company began implementing the initial phase of a three year business transformation project aimed at significantly reducing legacy newspaper infrastructure costs. The restructuring initiatives, consisting of a series of involuntary and voluntary terminations, are primarily in the Newspaper segment.

(b) Other provisions

Other provisions include unfavorable lease contracts, equipment removal costs, as well as provisions for certain claims and grievances which have been asserted against the Company.

8. LONG-TERM DEBT

	Maturity	Principal	Financing fees, discounts and other	As at November 30, 2012 Carrying value of debt	As at August 31, 2012 Carrying value of debt
8.25% Senior Secured Notes [1]	August 2017	226,813	5,525	221,288	244,134
12.5% Senior Secured Notes (US$268.6M) [**]	July 2018	266,916	8,771	258,145	255,768
Senior Secured Asset-Based Revolving Credit Facility [2]	July 2014	-	-	-	-
Total long-term debt				479,433	499,902
Portion due within one year				(15,103)	(32,153)
Non-current long-term debt				464,330	467,749

(**) - US$ principal translated at November 30, 2012 exchange rates.

The terms and conditions of long-term debt are the same as disclosed in the audited consolidated financial statements for the years ending August 31, 2012 and 2011, except as disclosed below:

(1) On November 12, 2012, the Company redeemed $23.2 million aggregate principal amount of 8.25% Senior Secured Notes due 2017 ("First-lien Notes") at par in accordance with the terms and conditions of the First-lien Notes indenture with the net proceeds from the disposition of the land and building located at 1450 Don Mills Road in Don Mills, Ontario.

(2) As at November 30, 2012, the Company had no amounts drawn (August 31, 2012 – nil) and had availability of $45.0 million (August 31, 2012 – $23.3 million) under this facility.

9. EMPLOYEE BENEFIT PLANS

The Company has a number of funded and unfunded defined benefit plans that include pension benefits, post-retirement benefits, and other long-term employee benefits. The net employee benefit plan costs related to the Company's pension benefit plans, post-retirement benefit plans and other long-term employee benefit plans reported in net earnings from continuing operations in the condensed consolidated statement of operations for the three months ended November 30, 2012 and 2011 are as follows:

	Pension benefits		Post-retirement benefits		Other long-term employee benefits		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Current service cost	3,024	2,526	448	438	582	578	4,054	3,542
Past service costs	-	-	62	62	1,423	-	1,485	62
Net actuarial losses	-	-	-	-	2,339	-	2,339	-
Interest cost	4,962	5,089	667	761	150	176	5,779	6,026
Expected return on plan assets	(5,396)	(5,051)	-	-	-	-	(5,396)	(5,051)
Net defined benefit plan expense [1]	2,590	2,564	1,177	1,261	4,494	754	8,261	4,579

[1] During the three months ended November 30, 2012, an arbitrators ruling against the Company will result in a change to benefits provided under an other long-term employee benefit plan. As a result the Company has estimated an expense for past service costs of $1.4 million, net actuarial losses of $2.1 million and cash costs of $0.4 million which are included in restructuring and other items in the condensed consolidated statement of operations. Current service cost, past service costs and net actuarial losses related to other long-term employee benefits are included in compensation expense in the condensed consolidated statement of operations. Interest cost and expected return on plan assets are included in net financing expense relating to employee benefit plans in the condensed consolidated statement of operations.

Actuarial losses related to the Company's pension benefit plans and post-retirement benefit plans recognized in the condensed consolidated statement of comprehensive income (loss) for the three months ended November 30, 2012 and 2011 are as follows:

	Pension benefits		Post-retirement benefits		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Other comprehensive loss from continuing operations						
Net actuarial losses on employee benefits	(6,666)	(9,390)	(819)	-	(7,485)	(9,390)
Other comprehensive loss from discontinued operations						
Net actuarial losses on employee benefits	-	(906)	-	-	-	(906)
Net actuarial losses recognized in other comprehensive loss	(6,666)	(10,296)	(819)	-	(7,485)	(10,296)

The cumulative actuarial losses related to the Company's pension benefit plans and post-retirement benefit plans recognized in the condensed consolidated statement of financial position as at November 30, 2012 are as follows:

	2012
Cumulative actuarial losses recognized directly in deficit, August 31, 2012	(61,715)
Net actuarial losses recognized in other comprehensive loss and deficit	(7,485)
Cumulative actuarial losses recognized directly in deficit, November 30, 2012	(69,200)

Changes to the net defined benefit plan obligations related to the Company's pension benefit plans, post-retirement benefit plans and other long-term employee benefit plans reported in the condensed consolidated statement of financial position for the three months ended November 30, 2012 are as follows:

	Pension benefits	**Post-retirement benefits**	**Other long-term employee benefits**	**Total [1]**
Net defined benefit plan obligation as at August 31, 2012	91,243	59,552	17,207	168,002
Amounts recognized in the statement of operations	2,590	1,177	4,494	8,261
Amounts recognized in other comprehensive loss	6,666	819	-	7,485
Contributions to the plans	(4,922)	(573)	(474)	(5,969)
Net defined benefit plan obligation as at November 30, 2012	95,577	60,975	21,227	177,779

[1] As at August 31, 2012 and November 30, 2012, the net defined benefit plan obligations are recorded in other non-current liabilities on the condensed consolidated statement of financial position.

During the three months ended November 30, 2012, the Company filed an actuarial funding valuation dated December 31, 2011 for the most significant of the pension benefit plans. The Company's most recent valuations for all of the pension benefit plans indicated that they had an aggregate going concern unfunded liability of $18.1 million and a wind up deficiency (which assumes that the pension plans terminate on their actuarial valuation date) of $130.3 million. After taking into account the December 31, 2011 valuation and solvency relief provided to all Ontario registered pension plans by the Ontario government, the Company expects to contribute $12.4 million to its defined benefit pension plans for the year ended August 31, 2013.

10. EARNINGS PER SHARE

The following table provides a reconciliation of the denominators, which are presented in whole numbers, used in computing basic and diluted earnings per share for the three months ended November 30, 2012 and 2011. No reconciling items in the computation of net earnings exist.

	2012	2011
Basic weighted average shares outstanding during the period	40,323,170	40,323,170
Dilutive effect of RSUs	600,000	415,141
Diluted weighted average shares outstanding during the period	40,923,170	40,738,311
Options outstanding which are anti-dilutive	696,000	560,000

11. SHARE-BASED COMPENSATION PLANS AND OTHER LONG-TERM INCENTIVE PLAN

Share option plan

The Company has a share option plan (the “Option Plan”) for its employees and officers to assist in attracting, retaining and motivating officers and employees. The Option Plan is administered by the Board.

During the three months ended November 30, 2012 and 2011, the Company granted no options under the Option Plan. In addition, during the three months ended November 30, 2012, there were no options cancelled or forfeited. During the three months ended November 30, 2012, the Company recorded compensation expense relating to the Option Plan of $0.2 million (2011 - $0.1 million), with an offsetting credit to contributed surplus.

Restricted share unit plan

The Company has a restricted share unit plan (the “RSU Plan”). The RSU Plan provides for the grant of restricted share units (“RSUs”) to participants, being current, part-time or full-time officers, employees or consultants of the Company. The RSU Plan is administered by the Board.

During the three months ended November 30, 2012 and 2011, the Company granted no RSUs under the RSU Plan. During the three months ended November 30, 2012, the Company recorded compensation expense relating to the RSU Plan of $0.2 million (2011 – $0.3 million), with an offsetting credit to contributed surplus.

Deferred share unit plan

The Company has a deferred share unit plan (the “DSU Plan”) for the benefit of its non-employee directors. The DSU Plan is administered by the Board.

During the three months ended November 30, 2012 and 2011, the Company issued no deferred share units (“DSUs”) under the DSU Plan. During the three months ended November 30, 2012, the Company recorded compensation expense relating to the DSU Plan of $0.5 million (2011 – recovery of $1.7 million), with an offset to other non-current liabilities. The expense and recovery is due to the fluctuation in the share price of the Class C voting shares of the Company which are used to compute the fair value per DSU. Any changes in the fair value per DSU will be reflected in the future through adjustments to compensation expense until such a date as the DSUs are settled in cash. No payments were made related to the DSU Plan during the three months ended November 30, 2012 and 2011.

The aggregate carrying value of the DSU Plan liability was $0.8 million as at November 30, 2012 (August 31, 2012 - $0.3 million) and is recorded in other non-current liabilities on the condensed consolidated statement of financial position.

12. SEGMENT INFORMATION

The Company has one reportable segment for financial reporting purposes, the Newspaper segment. The Newspaper segment publishes daily and non-daily newspapers and operates the related newspaper websites. Its revenue is primarily from advertising and circulation. The Company has other business activities and an operating segment which is not separately reportable and is referred to as the All other category. Revenue in the All other category primarily consists of subscription revenue from Infomart and advertising revenue from the website *canada.com*.

Each operating segment operates as a strategic business unit with separate management. Segment performance is measured primarily upon the basis of segment operating income. The Company accounts for intersegment sales as if the sales were to third parties.

Included within digital revenue in the condensed consolidated statement of operations is advertising revenue of $17.6 million for the three months ended November 30, 2012 (2011 - $16.0 million), and circulation/subscription revenue of $7.2 million for the three months ended November 30, 2012 (2011 - $6.6 million). Accordingly, aggregate print and digital revenue from advertising was $150.3 million for the three months ended November 30, 2012 (2011 - $165.4 million) and aggregate print and digital revenue from circulation/subscription was $56.5 million for the three months ended November 30, 2012 (2011 - $60.9 million).

Segmented information and a reconciliation of segment operating income to earnings before income taxes for the three months ended November 30, 2012 and 2011 are as follows:

	2012	2011
Revenue		
Newspaper	204,058	223,075
All other	8,921	8,994
Intersegment elimination [1]	(1,307)	(979)
Total revenue	211,672	231,090
Operating income before depreciation, amortization and restructuring		
Newspaper	52,133	54,793
All other	3,778	3,500
Corporate	(6,805)	(3,646)
Total operating income before depreciation, amortization and restructuring	49,106	54,647
Reconciliation of segment operating income to earnings before taxes		
Depreciation	6,890	6,462
Amortization	10,734	11,021
Restructuring and other items	4,797	2,982
Operating income	26,685	34,182
Interest expense	16,167	16,837
Net financing expense relating to employee benefit plans	383	975
Loss on disposal of property and equipment	268	-
(Gain) loss on derivative financial instruments	697	(10,040)
Foreign currency exchange losses	866	12,132
Earnings before income taxes	8,304	14,278

[1] The Newspaper segment recorded intersegment revenue for the three months ended November 30, 2012 of $1.2 million (2011 - $0.9 million) and the All other category recorded intersegment revenue for the three months ended November 30, 2012 of $0.1 million (2011 - $0.1 million).

13. DIVESTITURES AND DISCONTINUED OPERATIONS

On October 18, 2011, the Company entered into an asset purchase agreement with affiliates of Glacier Media Inc. (the "Transaction") to sell substantially all of the assets and liabilities of the Lower Mainland Publishing Group, the Victoria Times Colonist and the Vancouver Island Newspaper Group, collectively herein referred to as the Disposed Properties. The Disposed Properties were all within the Newspaper segment. On November 30, 2011, the Company completed the Transaction. As a result of the Transaction, the Company has presented the results of the Disposed Properties as discontinued operations.

Details of the Transaction and the gain on sale of discontinued operations are as follows:

Consideration [1]	
Purchase price	86,500
Working capital adjustment and other items	1,450
Transaction costs	(610)
Net proceeds	87,340

Carrying value of net assets disposed	
Current Assets	
Accounts receivable	17,023
Inventory	568
Prepaid expenses and other assets	428
Non-Current Assets	
Property and equipment	27,333
Other assets	804
Intangible assets	25,231
Goodwill	12,593
Total assets	83,980
Current Liabilities	
Accounts payable and accrued liabilities	9,485
Deferred revenue	2,202
Non-Current Liabilities	
Other non-current liabilities	2,062
Total liabilities	13,749
Carrying value of net assets disposed	70,231

Gain on sale of discontinued operations, net of tax of nil	17,109

[1] In accordance with the terms and conditions of the Senior Secured Term Loan Credit Facility (the "Term Loan Facility") on November 30, 2011, the Company was required to repay amounts outstanding with the net proceeds of the Transaction.

Net earnings from discontinued operations for the three months ended November 30, 2011 are summarized as follows:

	2011
Revenues	
Print advertising	27,090
Print circulation	3,495
Digital	956
Other	535
Total revenues	32,076
Expenses	
Compensation	12,756
Newsprint	1,218
Distribution	5,117
Other operating	7,611
Operating income before depreciation, amortization and restructuring	5,374
Depreciation	163
Amortization	55
Restructuring and other items	57
Operating income	5,099
Interest expense (1)	8,148
Net financing expense related to employee benefit plans	7
Gain on sale of discontinued operations	(17,109)
Earnings before income taxes	14,053
Provision for income taxes	-
Net earnings from discontinued operations	14,053

(1) The Company had allocated interest expense to discontinued operations representing the portion of interest expense related to the Term Loan Facility that was repaid as a result of the Transaction. During the three months ended November 30, 2011, the Company allocated interest expense of $1.8 million to discontinued operations. In addition, during the three months ended November 30, 2011, the repayment of the Term Loan Facility with the proceeds of the Transaction resulted in additional interest expense representing an acceleration of unamortized financing fees and discounts of which $6.4 million had been allocated to discontinued operations.

Cash flows from discontinued operations for the three months ended November 30, 2011 are summarized as follows:

	2011
Cash flows from operating activities	2,275
Cash flows from investing activities (1)	(2,275)
Cash flows from financing activities	-
Cash flows from discontinued operations	-

(1) The cash flows from discontinued operations were transferred to the Company through a centralized cash management system resulting in cash flows from discontinued operations for the three months ended November 30, 2011 of nil.

14. UNITED STATES ACCOUNTING PRINCIPLES

These interim condensed consolidated financial statements have been prepared in accordance with IFRS. In certain aspects GAAP as applied in the United States ("US GAAP") differs from IFRS. The following information is being presented to comply with the US GAAP reconciliation requirements of the Second-Lien Notes indenture. The reconciliations have been prepared based on the same principle differences explained in the audited consolidated financial statements for the years ending August 31, 2012 and 2011, and as described below. All amounts are expressed in thousands of Canadian dollars unless otherwise noted.

Principle differences affecting the Company

(a) Employee benefits – actuarial gains and losses

Under IFRS, the Company recognizes actuarial gains and losses related to its defined benefit pension and post-retirement plans in other comprehensive income and deficit. Such actuarial gains and losses are not subsequently recycled to the statement of operations. Under US GAAP, the Company recognizes the funded status of defined benefit pension and post-retirement plans and recognizes changes in the funded status in the year in which the changes occur through other comprehensive income and accumulated other comprehensive income. Actuarial gains and losses previously recognized in other comprehensive income are recycled to the statement of operations using the corridor method of amortization. Under the corridor method the net actuarial gain or loss over 10% of the greater of the defined benefit obligation and the fair value of plan assets at the beginning of the year is amortized over the average remaining service period of active employees. The effect on US GAAP net earnings for the three months ended November 30, 2012, was to decrease net earnings $0.4 million (2011 – nil), with a corresponding decrease to comprehensive loss, net of a deferred income tax provision of nil. During the three months ended November 30, 2011, due to the sale of substantially all of the assets and liabilities of the Lower Mainland Publishing Group, the Victoria Times Colonist and the Vancouver Island Newspaper Group under US GAAP, the cumulative net actuarial loss in equity was recycled to the statement of operations. The effect on US GAAP net earnings for the three months ended November 30, 2011, was to decrease net earnings $0.4 million with a corresponding increase to comprehensive income, net of a deferred income tax provision of nil.

(b) Employee benefits – past service costs

Under IFRS, for defined benefit pension and post-retirement plans the Company is required to recognize on the statement of financial position the difference between the defined benefit obligation and the fair value of plan assets, plus or minus any unrecognized past service costs, if any. Under US GAAP, the Company recognizes the funded status of defined benefit plans and recognizes changes in the funded status in the period in which the changes occur through other comprehensive income and accumulated other comprehensive income. The funded status represents the difference between the fair value of the plans assets and the defined benefit obligation. The effect on US GAAP comprehensive loss for the three months ended November 30, 2012, was to decrease comprehensive loss $0.1 million (2011 – increase comprehensive income $0.1 million), net of a deferred income tax provision of nil. The effect on the condensed consolidated statement of financial position as at November 30, 2012, was to increase other non-current liabilities $1.9 million with a corresponding increase to deficit (August 31, 2012 - $1.9 million).

(c) Employee benefits – curtailment

Under IFRS, the Company recognizes a curtailment when it is demonstrably committed to make a significant reduction in the number of employees covered by an employee benefit plan. Under US GAAP, a curtailment is recognized at the date of the curtailment. As a result of the termination of employees under the restructuring initiatives implemented during the year ended August 31, 2012, which will be completed in the year ended August 31, 2013, the Company recognized a curtailment under IFRS but not under US GAAP. The effect on the related employee benefit plan expense under US GAAP for the three months ended November 30, 2012, was to decrease net earnings $0.1 million (2011 – nil)), net of a deferred income tax provision of nil. The effect on the condensed consolidated statement of financial position as at November 30, 2012, was to increase other non-current liabilities $4.2 million with a corresponding increase to deficit (August 31, 2012 - $4.1 million).

(d) Employee benefits – presentation of expense

Under IFRS, the Company recognizes the components of the defined benefit expense within different line items in the statement of operations. The current service cost, recognized element of any past service costs and actuarial gains and losses related to other long-term employee benefits are recorded in compensation expense in the statement of operations. The expected return on plan assets and interest cost on the benefit obligations are presented in net financing expense relating to employee benefit plans in the statement of operations. Under US GAAP, the components of the defined benefit expense must be aggregated and presented as a net amount in the statement of operations. During the three months ended November 30, 2012, net financing expense relating to employee benefit plans was $0.4 million (2011 - $1.0 million).

(e) Long-term debt – debt issuance costs

Under IFRS, transaction costs related to the issuance of debt are deducted from the carrying value of the financial liability and are amortized using the effective interest method. Under US GAAP, debt issuance costs, other than debt discounts or premiums, are deferred as an asset and recognized over the contractual life using the constant interest method. There is no earnings difference related to the amortization of debt issuance costs in the three months ended November 30, 2012 and 2011. The effect on the condensed consolidated statement of financial position as at November 30, 2012, would be to increase other assets $15.7 (August 31, 2012 - $16.4 million) with an offsetting increase to long-term debt.

(f) Impairment of indefinite life intangible assets

Under IFRS, indefinite life intangible assets are tested for impairment as part of a cash-generating unit ("CGU") because they do not generate cash flows independently of other assets. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Under US GAAP, impairments of indefinite life intangible assets are measured on an individual basis by directly comparing the fair value to the carrying amount. During the year ended August 31, 2012, under US GAAP the Company concluded that certain indefinite life intangible assets were impaired. The effect on the condensed consolidated statement of financial position as at November 30, 2012 is to decrease intangible assets $30.0 million with a corresponding increase to deficit (August 31, 2012 – $30.0 million).

Comparative reconciliation of net earnings

The following is a reconciliation of net earnings for the three months ended November 30, 2012 and 2011, reflecting the differences between IFRS and US GAAP:

	2012	2011
Net earnings in accordance with IFRS	8,304	28,331
Employee benefits - actuarial gains and losses (a)	(355)	(397)
Employee benefits - curtailment (c)	(125)	-
Net earnings in accordance with US GAAP	7,824	27,934

Comparative reconciliation of comprehensive income (loss)

The following is a reconciliation of comprehensive income (loss) for the three months ended November 30, 2012 and 2011, reflecting the differences between IFRS and US GAAP:

	2012	2011
Comprehensive income (loss) in accordance with IFRS	(1,314)	19,295
Impact of US GAAP differences on net earnings	(480)	(397)
	(1,794)	18,898
Employee benefits - actuarial gains and losses (a)	355	397
Employee benefits - past service costs (b)	62	62
Comprehensive income (loss) in accordance with US GAAP	(1,377)	19,357

Comparative reconciliation of equity

A reconciliation of equity as at November 30, 2012 and August 31, 2012 reflecting the differences between IFRS and US GAAP is set out below:

	As at November 30, 2012	As at August 31, 2012
Equity in accordance with IFRS	232,795	233,755
Employee benefits - past service costs (b)	(1,861)	(1,923)
Employee benefits - curtailment (c)	(4,233)	(4,108)
Impairment of indefinite life intangible assets (f)	(30,000)	(30,000)
Equity in accordance with US GAAP	196,701	197,724

Other US GAAP disclosures

Operating expenses in the condensed consolidated statement of operations for the three months ended November 30, 2012 include $90.3 million of selling, general and administrative expenses (2011 - $94.8 million) and $3.5 million of rent expense (2011 - $3.2 million). Accounts payable and accrued liabilities and the current portion of provisions on the condensed consolidated statement of financial position as at November 30, 2012 include $53.6 million of payroll related accruals (August 31, 2012 - $55.6 million).

15. SUBSEQUENT EVENT

On December 7, 2012 the Company cancelled, for no consideration, 93,871 Class C voting shares and 19,680 Class NC variable voting shares that were held in trust by the court appointed monitor of the Canwest LP Companies Creditors Arrangement Act filing.

Exhibit 99.2

POSTMEDIA NETWORK CANADA CORP.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011

Issued: January 10, 2013

JANUARY 10, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of financial condition and results of operations of Postmedia Network Canada Corp. and its subsidiary Postmedia Network Inc. (collectively, "we", "our", "us", or "Postmedia") should be read in conjunction with the interim condensed consolidated financial statements and related notes of Postmedia for the three months ended November 30, 2012 and 2011 and the annual audited consolidated financial statements and related notes of Postmedia for the years ended August 31, 2012 and 2011. The interim condensed consolidated financial statements of Postmedia for the three months ended November 30, 2012 and 2011 and the annual audited consolidated financial statements of Postmedia for the years ended August 31, 2012 and 2011 are available on SEDAR at ***www.sedar.com*** *and on the EDGAR system maintained by the U.S. Securities and Exchange Commission at* ***www.sec.gov****.*

This discussion contains statements that are not historical facts and are forward-looking statements. These statements are subject to a number of risks described in the section entitled "Risk Factors" contained in our annual management's discussion and analysis for the years ended August 31, 2012 and 2011. Risks and uncertainties may cause actual results to differ materially from those contained in such forward-looking statements. Such statements reflect management's current views and are based on certain assumptions. They are only estimates of future developments, and actual developments may differ materially from these statements due to a number of factors. Investors are cautioned not to place undue reliance on such forward-looking statements. No forward-looking statement is a guarantee of future results. We have tried, where possible, to identify such statements by using words such as "believe", "expect", "estimate", "anticipate", "will", "could" and similar expressions in connection with any discussion of future operating or financial performance. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

All amounts are expressed in Canadian dollars unless otherwise noted. The interim condensed consolidated financial statements of Postmedia for the three months ended November 30, 2012 and 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34 – Interim Financial Reporting. In certain aspects US Generally Accepted Accounting Principles as applied in the United States ("US GAAP") differ from IFRS. See "Differences between IFRS and US GAAP".

This management's discussion and analysis is dated January 10, 2013 and does not reflect changes or information subsequent to this date. Additional information in respect of Postmedia is available on SEDAR at ***www.sedar.com*** *and EDGAR at* ***www.sec.gov****.*

Additional IFRS Measures

We use operating income before depreciation, amortization and restructuring, as presented in the interim condensed consolidated statement of operations for the three months ended November 30, 2012 and 2011 and described in note 3 thereto, to assist in assessing our financial performance. Management and the Board of Directors of Postmedia use this measure to evaluate consolidated operating results as well as the results of its segments and to assess Postmedia's ability to incur and service debt. In addition, this measure is used to make operating decisions as it is an indicator of how much cash is being generated by Postmedia and assists in determining the need for additional cost reductions, evaluation of personnel and resource allocation decisions. Operating income before depreciation, amortization and restructuring is referred to as an additional IFRS measure and may not be comparable to similar measures presented by other companies.

Overview and Background

We are the largest publisher of paid daily newspapers by circulation in Canada, according to the Newspapers Canada 2011 Circulation Data Report. Our English-language paid daily newspapers have, in total, the highest weekly print readership when compared to the total weekly print readership of English-language paid dailies belonging to each of the other media organizations in Canada, based on the NADbank 2011 survey data. Our business consists of news and information gathering and dissemination operations, with products offered in major Canadian markets and a number of regional and local markets in Canada through a variety of print, web, tablet and smartphone platforms. The combination of these distribution platforms provides readers with a variety of mediums through which to access and interact with our content. The breadth of our reach and the diversity of our content enable advertisers to reach their target audiences on a local, regional or national scale through the convenience of a single provider.

We have one reportable segment for financial reporting purposes, the Newspaper segment. The Newspaper segment publishes daily and non-daily newspapers and operates the related newspaper websites. Its revenue is primarily from advertising and circulation. Postmedia has other business activities and an operating segment which is not separately reportable and are referred to collectively as the All other category. Revenue in the All other category primarily consists of subscription revenue from Infomart and advertising revenue from the website *canada.com*.

Recent developments

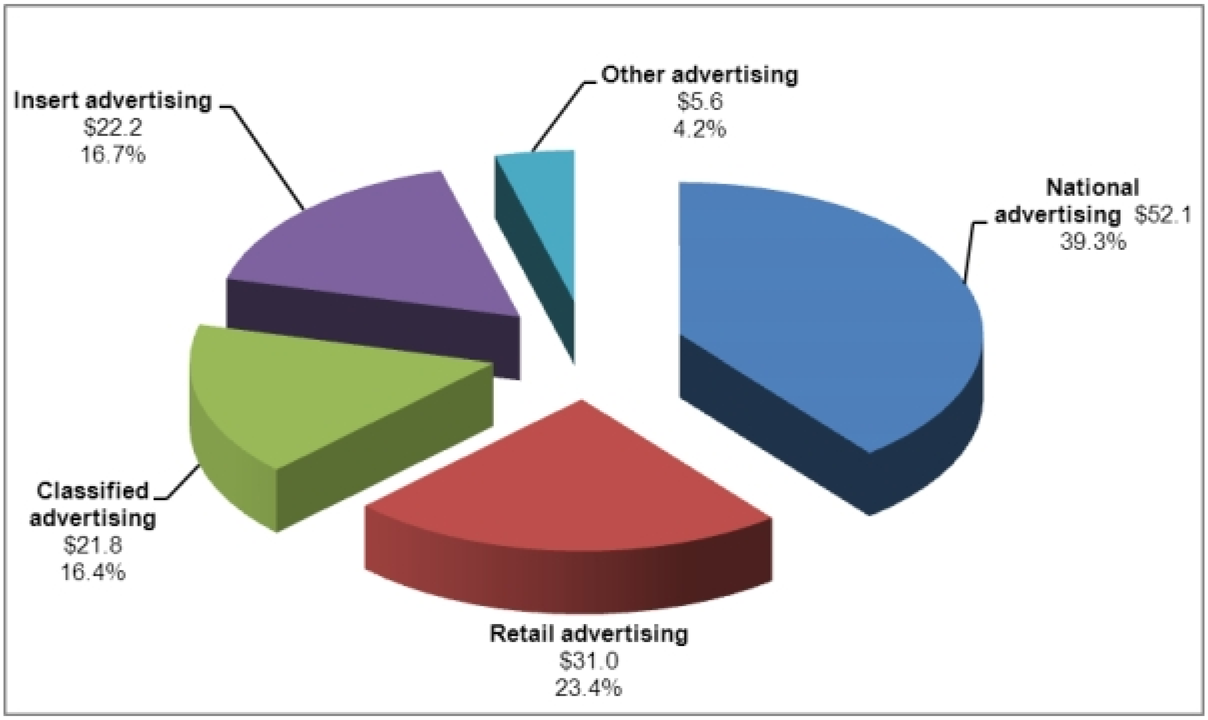
On June 26, 2012, we entered into an agreement of purchase and sale to sell the land and building located at 1450 Don Mills Road in Don Mills, Ontario for gross proceeds of $24 million. The sale closed on October 12, 2012. On November 12, 2012, the net proceeds from the sale were used for a mandatory redemption of $23.2 million aggregate principal amount of 8.25% Senior Secured Notes due 2017 ("First-Lien Notes") at par in accordance with the terms and conditions of the First-Lien Notes indenture.

The issuance of the First-Lien Notes in August 2012 and subsequent repayment of the then outstanding Senior Secured Term Loan Credit Facility ("Term Loan Facility"), gave rise to a potential termination event under our existing foreign currency interest rate swap associated with the 12.5% Senior Secured Notes due 2017 ("Second-Lien Notes"). As a result, in September 2012, we settled a notional amount of US$97.5 million of the foreign currency interest rate swap for a cash payment of $9.6 million.

Key Factors Affecting Operating Results

Revenue is earned primarily from advertising, circulation and digital sources. Print advertising revenue is a function of the volume, or linage, of advertising sold and rates charged. Print circulation revenue is derived from home-delivery subscriptions for newspapers, single copy sales at retail outlets and vending machines and is a function of the number of newspapers sold and the price per copy. Digital revenue is comprised of revenue from national and local display advertising on our newspaper and other websites, including *canada.com*, revenue from e-Papers and digital access subscriptions and subscription revenue generated through Infomart, our media monitoring website.

Print advertising revenue was $132.7 million for the three months ended November 30, 2012, representing 62.7% of total revenue. The following chart summarizes our print advertising revenue by category for the three months ended November 30, 2012 ($ in millions):



Print advertising is influenced by the overall strength of the economy. In recent years and continuing to date, the economic uncertainty and structural changes in the industry have resulted in significant declines in print advertising as well as a continuing shift in advertising dollars from print advertising to advertising in other formats, particularly online and other digital platforms such as search and social media websites. This shift may continue and may be permanent. We expect the print advertising market to remain challenging in fiscal 2013. As a result we are in the process of implementing a three year business transformation project that is expected to significantly reduce operating costs and focus on the development of our digital products. During the three months ended November 30, 2012, we experienced print advertising revenue declines of 11.1%, as compared to the same period in the prior year. The decline in print advertising revenue in the three months ended November 30, 2012 primarily relates to weakness in the classified and national advertising categories which decreased 19.8% and 11.0%, respectively, as compared to the same period in the prior year.

Print circulation revenue was $49.3 million for the three months ended November 30, 2012, representing 23.3% of total revenue. Declines in circulation volumes have been experienced over the last few years and this trend continued in the three months ended November 30, 2012. Circulation volume decreases have been partially offset by price increases. We expect these trends to continue throughout the remainder of fiscal 2013. A portion of the print circulation volume decrease relates to the implementation of initiatives which include the elimination of publishing days and unprofitable circulation.

Digital revenue was $24.8 million for the three months ended November 30, 2012, representing 11.7% of total revenue. Digital revenues increased 9.7% in the three months ended November 30, 2012 as compared to the same period in the prior year. Increases in digital revenue are primarily a result of increases in local digital advertising revenue and digital revenue associated with Infomart, partially offset by declines in digital classified revenue. We continue to believe digital revenue represents a future growth opportunity for Postmedia and as a result are focused on various new products and initiatives in this area.

Our principal expenses consist of compensation, newsprint, and distribution. These comprised 51.0%, 7.4% and 17.3%, respectively, of total expenses for the three months ended November 30, 2012. We experienced declines in compensation, newsprint and distribution expenses of 4.8%, 17.3% and 13.8%, respectively, for the three months ended November 30, 2012, as compared to the same period in the prior year.

Restructuring and other items expense was $4.8 million for the three months ended November 30, 2012 and consists primarily of an expense related to changes made to an employee benefit plan as a result of an arbitrators ruling (the "Ruling"). Our estimate of the expenses related to the Ruling consist of a $3.5 million increase to the employee benefit plan liability and cash expenses of $0.4 million which are expected to be paid in fiscal 2013. As a result of the Ruling, we expect future cash contributions to this employee benefit plan to increase by approximately $0.2 million per year. Additionally, included in restructuring and other items are $0.9 million of severance costs, which include both involuntary terminations and voluntary buyouts. During the third quarter of fiscal 2012, we began implementing the initial phase of a three year business transformation project aimed at significantly reducing legacy newspaper infrastructure costs. As of November 30, 2012 we have implemented initiatives which will result in net annualized cost savings of approximately $42 million. Initiatives include the shutdown of Postmedia News, our former breaking news service, the centralization of editorial production services through Postmedia Editorial Services in Hamilton, Ontario, the streamlining of advertiser flyer insert operations, the cancellation of unprofitable Sunday editions, general staff reductions through voluntary and involuntary buyouts and the elimination of unprofitable circulation. These cost savings represent the initial phase of a three year business transformation program that, in total, is expected to result in net operating cost savings of 15% to 20%.

Our operating results are impacted by variations in the cost and availability of newsprint. Newsprint is the principal raw material used in the production of our daily newspapers and other print publications. It is a commodity that is generally subject to price volatility. We take advantage of the purchasing power that comes with the large volume of newsprint we purchase, as well as our proximity to paper mills across Canada, to minimize our total newsprint expense. Changes in newsprint prices can significantly affect our operating results. A $50 per tonne increase or decrease in the price of newsprint would be expected to affect our newsprint expense by approximately $4.0 million on an annualized basis. We don't expect a material change in newsprint prices throughout the first half of fiscal 2013.

Our distribution is primarily outsourced to third party suppliers. The key drivers of our distribution costs are fuel costs and circulation and insert volumes. Our distribution costs have decreased during the three months ended November 30, 2012 as a result of decreased circulation and insert volumes.

Other Factors

Seasonality

Revenue has experienced, and is expected to continue to experience, significant seasonality due to seasonal advertising patterns and seasonal influences on media consumption habits. Typically, our advertising revenue is highest in the first and third fiscal quarters, while expenses are relatively constant throughout the fiscal year. These seasonal variations may lead to increased borrowing needs at certain points within the fiscal year.

Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires our management to make estimates and assumptions that affect the reported amounts of our assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Our management bases its estimates and judgements on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. There are no significant changes in our accounting estimates since August 31, 2012 as described in our annual management's discussion and analysis and annual audited consolidated financial statements for the years ended August 31, 2012 and 2011.

Operating Results

Postmedia's operating results for the three months ended November 30, 2012 as compared to the three months ended November 30, 2011

	2012	2011
Revenues		
Print advertising	132,741	149,368
Print circulation	49,276	54,269
Digital	24,813	22,622
Other	4,842	4,831
Total revenues	211,672	231,090
Expenses		
Compensation	82,948	87,121
Newsprint	12,108	14,634
Distribution	28,192	32,705
Other operating	39,318	41,983
Operating income before depreciation, amortization, and restructuring	49,106	54,647
Depreciation	6,890	6,462
Amortization	10,734	11,021
Restructuring and other items	4,797	2,982
Operating income	26,685	34,182
Interest expense	16,167	16,837
Net financing expense relating to employee benefit plans	383	975
Loss on disposal of property and equipment	268	-
(Gain) loss on derivative financial instruments	697	(10,040)
Foreign currency exchange losses	866	12,132
Earnings before income taxes	8,304	14,278
Provision for income taxes	-	-
Net earnings from continuing operations	8,304	14,278
Net earnings from discontinued operations, net of tax of nil	-	14,053
Net earnings attributable to equity holders of the Company	8,304	28,331

Revenue

Print advertising

Print advertising revenue decreased $16.6 million, or 11.1%, to $132.7 million for the three months ended November 30, 2012, as compared to the same period in the prior year. This decrease relates to most of our major categories of print advertising revenue, including decreases from national advertising of 11.0%, retail advertising of 7.7%, classified advertising of 19.8%, and insert advertising of 6.9%. The total print advertising linage and average line rate related to national, retail and classified advertising decreased 8.0% and 4.5% during the three months ended November 30, 2012, respectively, as compared to the same period in the prior year. Insert revenue decreases are primarily related to volume decreases of 5.9% during the three months ended November 30, 2012, as compared to the same period in the prior year.

Print circulation

Print circulation revenue decreased $5.0 million, or 9.2%, to $49.3 million for the three months ended November 30, 2012, as compared to the same period in the prior year. Net paid circulation decreased 10.5% for the three months ended November 30, 2012, as compared to the same period in the prior year and was partially offset by price increases. A portion of the print circulation revenue decrease relates to the implementation of initiatives which include the elimination of publishing days and unprofitable circulation.

Digital

Digital revenue increased $2.2 million, or 9.7%, to $24.8 million for the three months ended November 30, 2012, as compared to the same period in the prior year. Growth in digital revenue is primarily a result of increases in local digital advertising revenue of $2.4 million and digital revenue associated with Infomart of $0.5 million, partially offset by declines of $0.9 million in digital classified revenue.

Other

Other revenue increased nominally for the three months ended November 30, 2012, as compared to the same period in the prior year.

Expenses

Compensation

Compensation expenses decreased $4.2 million, or 4.8%, to $82.9 million for the three months ended November 30, 2012, as compared to the same period in the prior year. The decrease is primarily due to lower salary costs of $6.7 million, partially offset by increased share-based and other long-term incentive plans compensation expense of $2.1 million primarily as a result of an increase in the share price of our Class C voting shares which are used to compute the fair value of our other long-term incentive plan.

Newsprint

Newsprint expenses decreased $2.5 million, or 17.3%, to $12.1 million for the three months ended November 30, 2012, as compared to the same period in the prior year. Newsprint expense decreases are primarily a result of consumption decreases of 15.6% due to continued usage reduction efforts and lower newspaper circulation volumes, combined with a decrease in newsprint cost per tonne of 1.9%.

Distribution

Distribution expenses decreased $4.5 million, or 13.8%, to $28.2 million for the three months ended November 30, 2012, as compared to the same period in the prior year. Decreases in distribution expenses are primarily a result of a reduction in newspaper circulation volumes and the elimination of publishing days and unprofitable circulation.

Other operating

Other operating expenses decreased $2.7 million, or 6.3%, to $39.3 million for the three months ended November 30, 2012, as compared to the same period in the prior year. Decreases in other operating expenses are primarily a result of ongoing cost savings initiatives and include decreases in marketing and promotion costs, travel and entertainment costs and legal and audit related fees. Partially offsetting these decreases are increased news service costs as a result of the shutdown of Postmedia News and increases in rent and occupancy costs associated with new property operating leases.

Operating income before depreciation, amortization and restructuring

Operating income before depreciation, amortization and restructuring decreased $5.5 million, or 10.1%, to $49.1 million for the three months ended November 30, 2012, as compared to the same period in the prior year. The decrease relates primarily to decreases in revenue, partially offset by decreases in expenses as discussed above.

Depreciation

Depreciation increased $0.4 million, or 6.6%, to $6.9 million for the three months ended November 30, 2012, as compared to the same period in the prior year.

Amortization

Amortization decreased $0.3 million, or 2.6%, to $10.7 million for the three months ended November 30, 2012, as compared to the same period in the prior year.

Restructuring and other items

Restructuring and other items expense for the three months ended November 30, 2012 increased $1.8 million to $4.8 million as compared to the same period in the prior year. Restructuring and other items expense for the three months ended November 30, 2012 consists primarily of an expense related to changes made to an employee benefit plan as a result of a recent Ruling. Our estimate of the expenses related to the Ruling consist of a $3.5 million increase to the employee benefit plan liability and cash expenses of $0.4 million which are expected to be paid in fiscal 2013. As a result of the Ruling, we expect future cash contributions to this employee benefit plan to increase by approximately $0.2 million per year. Additionally, included in restructuring and other items are $0.9 million of severance costs, which include both involuntary terminations and voluntary buyouts. Restructuring and other items expense for the three months ended November 30, 2011 included $3.0 million related to severance costs, which include both involuntary terminations and voluntary buyouts.

Operating income

Operating income was $26.7 million for the three months ended November 30, 2012, compared to operating income of $34.2 million for the same period in the prior year, as a result of the factors described above.

Interest expense

Interest expense decreased $0.7 million, or 4.0%, to $16.2 million for the three months ended November 30, 2012, as compared to same period in the prior year. The decrease relates to an overall reduction in long-term debt as well as an acceleration of non-cash interest expense in the three months ended November 30, 2011 related to unamortized debt issuance costs due to a revised estimate of the expected future cash flows on the Term Loan Facility. Partially offsetting these decreases was an increase in interest expense due to an increase in the effective interest rate as a result of the refinancing on August 16, 2012.

Net financing expense relating to employee benefit plans

Net financing expense relating to employee benefit plans decreased $0.6 million to $0.4 million for the three months ended November 30, 2012, as compared to the same period in the prior year.

Loss on disposal of property and equipment

During the three months ended November 30, 2012, we disposed of property and equipment and realized a loss of $0.3 million.

(Gain) loss on derivative financial instruments

Loss on derivative financial instruments for the three months ended November 30, 2012 was $0.7 million as compared to a gain of $10.0 million during the same period in the prior year. The loss for the three months ended November 30, 2012 relates to the change in fair value of our variable prepayment option embedded derivatives on the First-Lien Notes and Second-Lien Notes. The gain for the three months ended November 30, 2011 included a gain of $3.3 million related to the change in fair value of our variable prepayment option embedded derivative on the Second-Lien Notes and a gain of $6.7 million related to the change in fair value of a fair value swap not designated as a hedge. There was no expense related to this fair value swap not designated as a hedge during the three months ended November 30, 2012 as it was settled in conjunction with the refinancing on August 16, 2012 described previously.

Foreign currency exchange losses

Foreign currency exchange losses for the three months ended November 30, 2012 were $0.9 million as compared to foreign exchange losses of $12.1 million during the same period in the prior year. On August 16, 2012 we repaid our Term Loan Facility in its entirety, which was denominated in US dollars, and replaced it with the First-Lien Notes which are denominated in Canadian dollars, thereby permanently reducing our exposure to foreign currency changes on approximately half of our long-term debt. For the three months ended November 30, 2012 foreign currency exchange losses consist primarily of unrealized losses of $0.8 million related to the outstanding principal amount of the Second-Lien Notes which is not subject to hedge accounting. For the three months ended November 30, 2011 foreign currency exchange losses consisted primarily of net realized losses of $3.8 million related to repayments of the Term Loan Facility as well as unrealized losses of $8.4 million related to the outstanding principal amount of the Term Loan Facility which was not subject to hedge accounting and realized losses of $0.2 million on a contractual principal settlement on the foreign currency interest rate swap not designated as a hedge.

Earnings before income taxes

Earnings before income taxes was $8.3 million for the three months ended November 30, 2012, as compared to $14.3 million for the same period in the prior year. The decrease in earnings before income taxes is primarily the result of decreased operating income and increased losses on derivative financial instruments partially offset by decreased foreign currency exchange losses, all as discussed above.

Provision for income taxes

We have not recorded a current or deferred tax expense or recovery for the three months ended November 30, 2012 and 2011. Current taxes payable result in a decrease to our tax loss carryforward balances. The cumulative tax loss carryforward balances have not been recognized as a net deferred tax asset on the statement of financial position.

Net earnings from continuing operations

Net earnings from continuing operations was $8.3 million for the three months ended November 30, 2012, as compared to $14.3 million for the same period in the prior year, as a result of the factors described above in earnings before income taxes.

Net earnings from discontinued operations

We completed the sale of substantially all of the assets and liabilities of the Lower Mainland Publishing Group, the Victoria Times Colonist and the Vancouver Island Newspaper Group on November 30, 2011, as a result there were no discontinued operations for the three months ended November 30, 2012. Net earnings from discontinued operations for the three months ended November 30, 2011 was $14.1 million and included a $17.1 million gain on sale of discontinued operations and an allocation of $6.4 million of interest expense representing an acceleration of debt issuance costs related to the debt repayment made with the net proceeds from the sale. Additional information on this transaction is available in note 13 of the interim condensed consolidated financial statements for the three months ended November 30, 2012 and 2011.

Net earnings attributable to equity holders of the Company

Net earnings for the three months ended November 30, 2012 was $8.3 million as compared to $28.3 million for the same period in the prior year. The decrease is due to a decrease in net earnings from continuing operations and a decrease in net earnings from discontinued operations, both as discussed above.

Postmedia's segment operations for the three months ended November 30, 2012 as compared to the three months ended November 30, 2011

	2012	2011
Revenues		
Newspaper	204,058	223,075
All other	8,921	8,994
Intersegment elimination	(1,307)	(979)
	211,672	231,090
Expenses		
Newspaper	151,925	168,283
All other	5,143	5,494
Corporate	6,805	3,646
Intersegment elimination	(1,307)	(979)
	162,566	176,444
Operating income before depreciation, amortization, and restructuring		
Newspaper	52,133	54,793
All other	3,778	3,500
Corporate	(6,805)	(3,646)
	49,106	54,647

Newspaper

Revenue for the Newspaper segment decreased $19.0 million, or 8.5%, during the three months ended November 30, 2012, as compared to the same period in the prior year. The decrease in revenue is due to decreases in print advertising revenue of $16.6 million and print circulation revenue of $5.0 million for the three months ended November 30, 2012, as compared to the same period in the prior year, both as discussed previously, partially offset by an increase in digital revenue which was primarily a result of increased newspaper digital advertising revenue. Newspaper digital advertising revenue increased $2.4 million, or 16.9%, during the three months ended November 30, 2012, as compared to the same period in the prior year, due to an increase in local digital advertising revenue partially offset by a decrease in digital classified revenue.

Expenses for the Newspaper segment decreased $16.4 million, or 9.7%, during the three months ended November 30, 2012, as compared to the same period in the prior year. The $16.4 million decrease in expenses is primarily due to the impact of restructuring and cost reduction initiatives implemented during the year ended August 31, 2012. In particular, compensation expense decreased $8.0 million, newsprint expense decreased $2.5 million, distribution expense decreased $4.5 million and marketing and promotion expenses decreased $1.4 million.

Operating income before depreciation, amortization and restructuring for the Newspaper segment decreased $2.7 million, or 4.9%, to $52.1 million for the three months ended November 30, 2012, as compared to the same period in the prior year. The decrease is due to the decrease in revenue, partially offset by reduced expenses, both as described above.

All other

Operating income before depreciation, amortization and restructuring for the All other category increased $0.3 million, or 7.9%, to $3.8 million for the three months ended November 30, 2012, as compared to the same period in the prior year.

Corporate

Corporate expenses increased $3.2 million to $6.8 million for the three months ended November 30, 2012, as compared to the same period in the prior year. The increase is primarily due to increased share-based and other long-term incentive plans compensation expense of $2.1 million primarily as a result of an increase in the share price of our Class C voting shares which are used to compute the fair value of our other long-term incentive plan.

Consolidated quarterly financial information

($ in thousands of Canadian dollars, except per share information)	Fiscal 2013	Fiscal 2012				Fiscal 2011		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Revenue	211,672	190,124	212,021	198,642	231,090	202,151	227,628	215,010
Net earnings (loss) from continuing operations	8,304	(28,351)	(12,137)	(11,065)	14,278	(838)	(5,162)	(10,728)
Net earnings (loss) per share from continuing operations								
Basic	$ 0.21	$ (0.70)	$ (0.30)	$ (0.27)	$ 0.35	$ (0.02)	$ (0.13)	$ (0.27)
Diluted	$ 0.20	$ (0.70)	$ (0.30)	$ (0.27)	$ 0.35	$ (0.02)	$ (0.13)	$ (0.27)
Net earnings (loss) attributible to equity holders of the Company	8,304	(28,351)	(12,137)	(11,065)	28,331	(351)	(2,725)	(12,518)
Net earnings (loss) per share attributible to equity holders of the Company								
Basic	$ 0.21	$ (0.70)	$ (0.30)	$ (0.27)	$ 0.70	$ (0.01)	$ (0.07)	$ (0.31)
Diluted	$ 0.20	$ (0.70)	$ (0.30)	$ (0.27)	$ 0.70	$ (0.01)	$ (0.07)	$ (0.31)
Cash flows from operating activities	13,228	(7,472)	24,046	16,045	9,922	(5,187)	39,236	9,185

Liquidity and capital resources

Our principal uses of funds are for working capital requirements, debt servicing and capital expenditures. Based on our current and anticipated level of operations, we believe that our cash on hand, cash flows from operations and available borrowings under our asset-based revolving credit facility (“ABL Facility”) will enable us to meet our working capital, capital expenditure, debt servicing and other funding requirements for the foreseeable future. However, our ability to fund our working capital needs, debt servicing and other obligations depends on our future operating performance and cash flows. There are a number of factors which may adversely affect our operating performance and our ability to meet these obligations. See “Key Factors Affecting Operating Results”. Our cash flows from operating activities may be impacted by, among other things, the overall strength of the economy, competition from other newspapers and alternative forms of media and competition from alternative emerging technologies. In addition, in recent years there has been a growing shift in advertising dollars from newspaper advertising to other advertising formats, particularly online and other digital platforms such as search and social media websites. Although we expect to fund our capital needs with our available cash, cash generated from operations and available borrowings under the ABL Facility, our indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under our debt agreements. As at November 30, 2012, no amounts were drawn under the ABL Facility.

Sources of Cash

Cash flows from operating activities

Our principal sources of liquidity are cash flows from operating activities. For the three months ended November 30, 2012, our cash flows from operating activities were inflows of $13.2 million (2011 – $9.9 million). Cash flows from operating activities increased $3.3 million for the three months ended November 30, 2012, as compared to the same period in the prior year, due to a decrease in non-cash working capital and lower funding obligations on our employee benefit plans, partially offset by declines in operating income before depreciation, amortization and restructuring and the settlement of the foreign currency interest rate swap designated as a cash flow hedge.

As at November 30, 2012 we had cash of $33.2 million (August 31, 2012 - $22.2 million) and our ABL facility was undrawn (August 31, 2012 – nil). Availability under the ABL facility as at November 30, 2012 was $45.0 million (August 31, 2012 - $23.3 million).

Cash flows from investing activities

For the three months ended November 30, 2012, our cash flows from investing activities were inflows of $21.1 million (2011 – $82.9 million). The net cash inflows from investing activities during the three months ended November 30, 2012 include the net proceeds received on the sale of property and equipment and an asset held-for-sale of $24.7 million, offset by outflows on capital expenditures related to property and equipment of $2.6 million and intangible assets of $1.0 million. The net cash inflows from investing activities during the three months ended November 30, 2011 included the net proceeds from the sale of discontinued operations of $85.9 million, offset by outflows on capital expenditures related to property and equipment of $1.5 million and intangible assets of $1.5 million.

Uses of Cash

Cash flows from financing activities

Cash flows from financing activities for the three months ended November 30, 2012, were outflows of $23.3 million (2011 – $90.9 million), and were related to our indebtedness as discussed below.

Indebtedness

As of November 30, 2012, we have $226.8 million First-Lien Notes and US$268.6 million Second-Lien Notes outstanding (August 31, 2012 - $250.0 million and US$268.6 million, respectively).

During the three months ended November 30, 2012, we redeemed $23.2 million aggregate principal amount of First-Lien Notes at par in accordance with the terms and conditions of the First-Lien Notes indenture. During the three months ended November 30, 2011, we made mandatory principal repayments on the Term Loan Facility of $90.8 million (US$88.9 million), which included the required repayment due to the sale of discontinued operations, as discussed previously.

The following tables set out the principal and carrying amount of our long-term debt outstanding as at November 30, 2012 and August 31, 2012. The first column of the table translates, where applicable, our US dollar debt to the Canadian equivalent based on foreign exchange rates specified in our foreign currency swap agreements for swapped debt and at the closing foreign exchange rate on November 30, 2012 and August 31, 2012, respectively, for our non-swapped debt.

	November 30, 2012			
($ in thousands of Canadian dollars)	**Principal Outstanding** (US$ Debt translated at swapped or period end rates)	**Principal Outstanding** (US$ Debt translated at period end exchange rates)	**Financing fees, discounts and other**	**Carrying Value**
First-Lien Notes (CDN$226.8M)	226,813	226,813	5,525	221,288
Second-Lien Notes (swapped) (US$167.5M)	173,362	166,428	5,469	160,959
Second-Lien Notes (non-swapped) (US$101.1M)	100,488	100,488	3,302	97,186
	500,663	493,729	14,296	479,433

	August 31, 2012			
($ in thousands of Canadian dollars)	**Principal Outstanding** (US$ Debt translated at swapped or period end rates)	**Principal Outstanding** (US$ Debt translated at period end exchange rates)	**Financing fees, discounts and other**	**Carrying Value**
First-Lien Notes (CDN$250.0M)	250,000	250,000	5,866	244,134
Second-Lien Notes (swapped) (US$265.0M)	274,275	261,211	8,904	252,307
Second-Lien Notes (non-swapped) (US$3.6M)	3,583	3,583	122	3,461
	527,858	514,794	14,892	499,902

Financial position as at November 30, 2012 compared to August 31, 2012

($ in thousands of Canadian dollars)	**November 30, 2012**	**August 31, 2012**
Current assets	159,144	127,199
Total assets	1,036,901	1,044,848
Current liabilities	149,995	159,293
Total liabilities	804,106	811,093
Equity	232,795	233,755

The increase in our current assets at November 30, 2012 as compared to August 31, 2012 is due to an increase in cash as well as an increase in accounts receivable primarily due to the seasonality of our business. Total assets at November 30, 2012 decreased compared to August 31, 2012, due to the decrease in the carrying value of property and equipment and asset held-for-sale as a result of disposals and depreciation as well as a decrease in the carrying value of intangible assets as a result of amortization in the three months ended November 30, 2012, partially offset by the increase in current assets previously described. Current liabilities have decreased due to decreased provisions as a result of payments made to the restructuring provision during the three months ended November 30, 2012 and decreased current portion of long term-debt due to the mandatory redemption of First-Lien Notes, partially offset by increased accrued interest payable on long-term debt. The decrease in total liabilities is due to the decrease in current liabilities previously described, a reduction in the carrying value of long-term debt, the settlement of and decreases in the fair value of derivative financial instruments liabilities, partially offset by increases in other non-current liabilities due to an increase in the carrying value of our employee benefit plans.

Financial Instruments and Financial Instruments Risk Management

The financial instruments and financial risk management policies are the same as disclosed in the audited consolidated financial statements for the years ended August 31, 2012 and 2011, except as disclosed below.

Derivative financial instruments

During the three months ended November 30, 2012 we settled a notional amount of US$97.5 million of the foreign currency interest rate swap designated as a cash flow hedge for a cash payment of $9.6 million, including accrued interest of $0.6 million, and as a result have a notional amount of US$167.5 million outstanding as of November 30, 2012 (August 31, 2012 – US$265.0 million).

Foreign currency risk

As at November 30, 2012, approximately 54% of the outstanding principal and related interest payable on our long-term debt is payable in US dollars (August 31, 2012 – 51%). We have entered into transactions to reduce foreign currency risk exposure on our US dollar denominated long-term debt. As at November 30, 2012, through our foreign currency interest rate swap we had hedged foreign currency risk on 62% of our US dollar denominated debt, (August 31, 2012 - 99%). As at November 30, 2012, we were exposed to foreign currency risk on the non-swapped portion of the Second-Lien Notes of US$101.1 million (August 31, 2012 - US$3.6 million). As at November 30, 2012, a $0.01 change in the period end exchange rate of a Canadian dollar per one US dollar, holding all other variables constant, would have resulted in a $1.0 million increase or decrease to foreign currency exchange losses in the statement of operations.

Guarantees and Off-Balance Sheet Arrangements

We do not have any significant guarantees or off-balance sheet arrangements.

Contractual obligations and commitments

Our obligations under firm contractual arrangements, including commitments for future payments under finance lease arrangements, operating lease arrangements, debt agreements and swap agreements, are not materially different from those discussed in our annual management's discussion and analysis for the years ended August 31, 2012 and 2011, other than the effects of foreign exchange on our US dollar debt and swap agreements. Our obligations under firm contractual arrangements related to minimum required employee benefit plan funding has been decreased due to solvency relief provided to all Ontario registered pension plans by the Ontario government. After taking into account the solvency relief, we expect to contribute $12.4 million to our defined benefit pension plans for the year ended August 31, 2013.

Future Accounting Standards

Future accounting standards that are issued but not yet effective are described in our annual management's discussion and analysis and annual consolidated financial statements for the years ended August 31, 2012 and 2011. We have not yet assessed the impact of the standards or determined whether we will adopt any of the standards earlier than their current effective date, but it is possible that some of these standards could have a material impact on our consolidated financial statements.

Differences between IFRS and US GAAP

The preceding discussion and analysis has been based upon financial statements prepared in accordance with IFRS, which differs in certain respects from US GAAP. The significant differences are discussed in detail in note 14 of our interim condensed consolidated financial statements for the three months ended November 30, 2012 and 2011.

Risk Factors

The risks relating to our business are described in the section entitled "Risk Factors" included in our annual management's discussion and analysis for the years ended August 31, 2012 and 2011, which section is incorporated by reference herein.

Internal Controls

Disclosure controls and procedures within Postmedia have been designed to provide reasonable assurance that all relevant information is identified to its management, including the President and Chief Executive Officer ("CEO") and the Executive Vice President and Chief Financial Officer ("CFO"), as appropriate, to allow required disclosures to be made in a timely fashion.

Internal controls over financial reporting have been designed by management, under the supervision of and with the participation of the CEO and CFO, to provide reasonable assurance regarding the reliability of Postmedia's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and CFO have evaluated whether there were changes to Postmedia's internal control over financial reporting during the three months ended November 30, 2012 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. There were no changes identified during their evaluation.

Share Capital

As at January 7, 2013 we had the following number of shares and options outstanding:

Class C voting shares	1,204,959
Class NC variable voting shares	39,004,660
Total shares outstanding	40,209,619
Total options and restricted share units outstanding [1]	2,080,000

[1] The total options and restricted share units outstanding are convertible into 2.0 million Class C voting shares and 0.1 million Class NC variable voting shares. The total options and restricted share units outstanding include 1.1 million options that are vested and 1.0 million options that are unvested.

Exhibit 99.3

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

FULL CERTIFICATE

I, Paul Godfrey, President and Chief Executive Officer of Postmedia Network Canada Corp., certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Postmedia Network Canada Corp. (the "issuer") for the interim period ended November 30, 2012.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

(a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

(i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

(ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on September 1, 2012 and ended on November 30, 2012 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: January 10, 2013

/s/ Paul Godfrey
Paul Godfrey
President and Chief Executive Officer

Exhibit 99.4

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS

FULL CERTIFICATE

I, Doug Lamb, Executive Vice President and Chief Financial Officer of Postmedia Network Canada Corp., certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Postmedia Network Canada Corp. (the "issuer") for the interim period ended November 30, 2012.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

(a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

(i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

(ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on September 1, 2012 and ended on November 30, 2012 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: January 10, 2013

/s/ Doug Lamb
Doug Lamb
Executive Vice President and Chief Financial Officer

Exhibit 99.5

Postmedia Network Reports First Quarter Results

January 10, 2013 (TORONTO) – Postmedia Network Canada Corp. ("Postmedia" or the "Company") today released financial information for the three months ended November 30, 2012.

First Quarter Operating Results

Net earnings in the quarter ended November 30, 2012 were $8.3 million compared to net earnings of $28.3 million in the same period in the prior year. The decrease in net earnings is primarily due to lower revenue partially offset by operating cost reductions and the gain on sale of the Times Colonist in Victoria and British Columbia based community newspaper assets in the same period in the prior year.

Operating income of $26.7 million in the quarter decreased $7.5 million compared to operating income of $34.2 million in the same period in the prior year.

Operating income before depreciation, amortization and restructuring of $49.1 million in the quarter represents a decrease of $5.5 million, relative to the same period in the prior year.

Revenue for the quarter totaled $211.7 million, a decrease of $19.4 million (8.4%) relative to the same period in the prior year. This decrease was primarily due to a decrease in print advertising revenue of $16.6 million (11.1%) with declines occurring in classified, national, retail and insert advertising categories. Print circulation revenue decreased $5.0 million (9.2%) due to declines in circulation volumes. Digital revenue increased $2.2 million (9.7%) relative to the same period in the prior year.

Total operating expenses excluding depreciation, amortization and restructuring decreased $13.9 million (7.9%) relative to the same period in the prior year. Expense reductions occurred in all operating expense categories including compensation, newsprint, distribution and other operating expenses.

Business Transformation Initiatives

As previously announced, the Company is implementing a three-year transformation program that is targeted to result in operating cost savings of 15%-20%. As of November 30, 2012 the Company has implemented initiatives which will result in net annualized cost savings of approximately $42 million.

Redemption of Notes

On October 12, 2012, the Company completed the sale of 1450 Don Mills Road in Don Mills, Ontario for gross proceeds of approximately $24 million. On November 12, 2012, the net proceeds from the sale were used for a mandatory redemption of $23.2 million aggregate principal amount of 8.25% Senior Secured Notes due 2017 ("First-Lien Notes") at par in accordance with the terms and conditions of the First-Lien Notes indenture.

Management Commentary

"We are pleased with the progress of our transformation program and continued cost reductions remain a top priority," said Paul Godfrey, President and Chief Executive Officer. "Our revenue outlook remains challenging; however, we are confident we can continue to evolve as an industry leader in multi-platform product and audience development and continue to deliver solid results and innovative programs for advertisers and marketers."

Note: All dollar amounts are expressed in Canadian dollars unless otherwise specified.

Additional Information

Additional information, including financial statements and management's discussion and analysis can be found on the Company's website at ***www.postmedia.com/investors/financial-reports***, on SEDAR at **www.sedar.com** or on the website maintained by the U.S. Securities and Exchange Commission (the "SEC") at **www.sec.gov**.

About Postmedia Network Canada Corp.
Postmedia Network Canada Corp. (TSX:PNC.A, PNC.B), is the holding company that owns Postmedia Network Inc., the largest publisher by circulation of paid English-language daily newspapers in Canada, representing some of the country's oldest and best known media brands. Reaching millions of Canadians every week, Postmedia engages readers and offers advertisers and marketers integrated solutions to effectively reach target audiences through a variety of print, online, digital, and mobile platforms.

Forward-Looking Information
This news release may include information that is "forward-looking information" under applicable Canadian securities laws and "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. By their nature, forward-looking information and statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, among others, statements regarding the implementation and results of the Company's transformation initiatives, including the realization of anticipated cost savings; competition from other newspapers and alternative forms of media; the effect of economic conditions on advertising revenue; the ability of the Company to build out its digital media and online businesses; the failure to maintain current print and online newspaper readership and circulation levels; possible damage to the reputation of the Company's brands or trademarks; possible labor disruptions; possible environmental liabilities, litigation and pension plan obligations; fluctuations in foreign exchange rates and the prices of newsprint and other commodities. For a complete list of our risk factors please refer to the section entitled "Risk Factors" contained in our annual management's discussion and analysis for the years ended August 31, 2012 and 2011. Although the Company bases such information and statements on assumptions believed to be reasonable when made, they are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry in which the Company operates, may differ materially from any such information and statements in this press release. Given these risks and uncertainties, undue reliance should not be placed on any forward-looking information or forward-looking statements, which speak only as of the date of such information or statements. Other than as required by law, the Company does not undertake, and specifically declines, any obligation to update such information or statements or to publicly announce the results of any revisions to any such information or statements.

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Postmedia Network Canada Corp.
Consolidated Statements of Operations
For the three months ended November 30, 2012 and 2011
(UNAUDITED)

(In thousands of Canadian dollars, except per share amounts)	2012	2011
Revenues		
Print advertising	132,741	149,368
Print circulation	49,276	54,269
Digital	24,813	22,622
Other	4,842	4,831
Total revenues	**211,672**	**231,090**
Expenses		
Compensation	82,948	87,121
Newsprint	12,108	14,634
Distribution	28,192	32,705
Other operating	39,318	41,983
Operating income before depreciation, amortization and restructuring	**49,106**	**54,647**
Depreciation	6,890	6,462
Amortization	10,734	11,021
Restructuring and other items	4,797	2,982
Operating income	**26,685**	**34,182**
Interest expense	16,167	16,837
Net financing expense related to employee benefit plans	383	975
Loss on disposal of property and equipment	268	-
(Gain) loss on derivative financial instruments	697	(10,040)
Foreign currency exchange losses	866	12,132
Earnings before income taxes	**8,304**	**14,278**
Provision for income taxes	-	-
Net earnings from continuing operations	**8,304**	**14,278**
Net earnings from discontinued operations, net of tax of nil	-	14,053
Net earnings attributable to equity holders of the Company	**8,304**	**28,331**

	2012	2011
Earnings per share from continuing operations		
Basic	$ 0.21	$ 0.35
Diluted	$ 0.20	$ 0.34
Earnings per share from discontinued operations		
Basic	$ -	$ 0.35
Diluted	$ -	$ 0.34
Earnings per share attributable to equity holders of the Company		
Basic	$ 0.21	$ 0.70
Diluted	$ 0.20	$ 0.70

Postmedia Network Canada Corp.
Consolidated Statements of Financial Position
(UNAUDITED)

(In thousands of Canadian dollars)	As at November 30, 2012	As at August 31, 2012
Assets		
Current Assets		
Cash	33,233	22,189
Accounts receivable	112,902	90,923
Inventory	3,264	3,829
Prepaid expenses and other assets	9,745	10,258
Total current assets	**159,144**	**127,199**
Non-Current Assets		
Property and equipment	261,007	267,491
Asset held-for-sale	410	23,139
Derivative financial instruments	23,411	24,108
Other assets	1,345	1,549
Intangible assets	368,084	377,862
Goodwill	223,500	223,500
Total assets	**1,036,901**	**1,044,848**
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	81,676	65,268
Provisions	25,890	29,888
Deferred revenue	24,655	25,915
Current portion of derivative financial instruments	2,671	6,069
Current portion of long-term debt	15,103	32,153
Total current liabilities	**149,995**	**159,293**
Non-Current Liabilities		
Long-term debt	464,330	467,749
Derivative financial instruments	8,061	12,369
Other non-current liabilities	180,069	169,413
Provisions	970	1,588
Deferred income taxes	681	681
Total liabilities	**804,106**	**811,093**
Equity		
Capital stock	371,132	371,132
Contributed surplus	8,242	7,888
Deficit	(138,538)	(139,357)
Accumulated other comprehensive loss	(8,041)	(5,908)
Total equity	**232,795**	**233,755**
Total liabilities and equity	**1,036,901**	**1,044,848**

Postmedia Network Canada Corp.
Consolidated Statements of Cash Flows
For the three months ended November 30, 2012 and 2011
(UNAUDITED)

(In thousands of Canadian dollars)	**2012**	**2011**
Cash Generated (Utilized) by:		
Operating Activities		
Net earnings attributable to equity holders of the Company	8,304	28,331
Items not affecting cash:		
Depreciation	6,890	6,625
Amortization	10,734	11,076
(Gain) loss on derivative financial instruments	697	(11,029)
Non-cash interest	1,331	8,688
Loss on disposal of property and equipment	268	-
Non-cash foreign currency exchange losses	824	12,007
Gain on sale of discontinued operations	-	(17,109)
Share-based compensation plans and other long-term incentive plan expense (recovery)	878	(1,250)
Net financing expense relating to employee benefit plans	383	982
Non-cash compensation expense of employee benefit plans	1,909	-
Employee benefit funding in excess of compensation expense	-	(9,440)
Settlement of foreign currency interest rate swap designated as a cash flow hedge	(8,976)	-
Net change in non-cash operating accounts	(10,014)	(18,959)
Cash flows from operating activities	**13,228**	**9,922**
Investing Activities		
Net proceeds received on the sale of discontinued operations	-	85,890
Net proceeds from the sale of property and equipment and asset held-for-sale	24,691	-
Additions to property and equipment	(2,636)	(1,499)
Additions to intangible assets	(956)	(1,500)
Cash flows from investing activities	**21,099**	**82,891**
Financing activities		
Repayment of long-term debt	(23,187)	(90,825)
Debt issuance costs	(96)	(37)
Cash flows from financing activities	**(23,283)**	**(90,862)**
Net change in cash	11,044	1,951
Cash at beginning of period	22,189	10,483
Cash at end of period	**33,233**	**12,434**
Supplemental disclosure of operating cash flows		
Interest paid	1,222	5,879
Income taxes paid	-	-