Canada Lands Company Limited
Société immobilière du Canada Limitée

CONFIDENTIAL

CANADA LANDS COMPANY LIMITED

CORPORATE PLAN SUMMARY 2014-2015 TO 2018-2019

AND

OPERATING BUDGETS FOR 2014-2015

www.clc.ca

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1. Executive Summary

Profile

Canada Lands Company Limited (CLCL) carries out its core mandate through its real estate subsidiary, Canada Lands Company CLC Limited (CLC). Its mandate was approved by the Government of Canada upon CLCL's reactivation in 1995 "to ensure the commercially oriented, orderly disposition of selected surplus real properties with best value to the Canadian taxpayer and the holding of certain properties".

The mandate also stipulates that other strategic considerations of the Government be taken into account as required, including "the views of affected communities and other levels of government, and heritage and environmental issues".

CLCL is also the sole shareholder of Parc Downsview Park Inc. (Downsview Park), an agent Crown corporation whose mandate is to develop and operate Downsview Park in Toronto, Ontario. Its third subsidiary is the Old Port of Montréal Corporation Inc. (Old Port *or* Old Port of Montréal) whose mandate is the management and development of the Old Port of Montréal, including the Montréal Science Centre (Science Centre).

CLCL's subsidiaries provide innovative solutions to complex real estate challenges, tourism leadership in its management of the Canada's National Tower (CN) Tower in Toronto, Ontario, the Science Centre and the Old Port of Montréal, and value and legacy creation for all of its stakeholders. In doing so, it makes significant contributions to the Government and communities across Canada.

Priorities

CLCL continues to ensure sound governance practices as it oversees the business operations of its three real estate subsidiaries. The key strategic priorities being pursued by CLCL during the planning period are summarized below:

- **Canada Lands Company CLC Limited**: to continue its successful redevelopment activities across Canada, adding value to former Government properties, and maximize returns to local communities and the Government of Canada.
- **Parc Downsview Park Inc.**: to implement a comprehensive development plan for its development sites and create a new and innovative community, while maximizing both financial and non-financial returns.
- **Old Port of Montréal Corporation Inc.**: to operate and manage the site without government appropriations in a financially responsible manner and actively contribute to Montréal's economic development and tourism sector.

Results

CLCL's subsidiaries serve a valuable role in eliminating costs associated with the Government's surplus properties, creating lasting legacies through sustainable communities featuring heritage commemoration and public open spaces while returning a dividend to the Crown. As a leader in tourism management, CLC also plays an important role in promoting Canadian identity and culture, contributing to local economic development and providing for high quality tourism programs.

During the five-year planning period, CLCL anticipates that its projects will result in the following financial benefits for local communities, Canadians and the Government:

- $334.0 million paid to the Government as dividends, up-front payments and note repayments for properties;
- $618.3 million invested in capital expenditures, including environmental remediation;
- $34.0 million paid to the Government in federal income taxes, as well as $22.7 million paid to provinces for income tax; and
- Eliminate $122.5 million in appropriations during the five-year planning period.

CLC continues to be recognized through certifications, such as LEED-ND (Leadership in Energy and Environmental Design for Neighbourhood Development), in particular for integrating principles of smart growth, new urbanism and green building into its major residential developments. For example, its project Les Bassins du Nouveau Havre in Montréal received the LEED-ND Gold certification in 2013.

Where there is a requirement to meet Aboriginal interests, the Government often looks to CLC to implement business arrangements that would fulfill these interests. One example is the successful conclusion of a participation agreement between the Algonquins of Ontario (AOO) and CLC at its Rockcliffe development project in Ottawa. It provides the AOO with a first right to purchase land as well as significant commemoration opportunities.

CLCL maintained a balanced scorecard approach to reporting on its financial and non-financial activities. It was produced in line with industry best practices and performance objectives. Targets and metrics contained within it were developed primarily for CLCL's real estate activities. With the amalgamation of Downsview Park and the Old Port into CLC, the scorecard is being redeveloped into a more appropriate tool that will accurately and effectively capture metrics, targets and results for the amalgamated corporation as a whole. The revised metrics will be defined during 2015.

Amalgamation

The Government announced on November 29, 2012 that the Old Port of Montréal and Downsview Park would be amalgamated with CLC. The objectives were to improve efficiency, clarify governance and leverage CLC's real property management expertise.

The Government approved Orders in Council (OICs) authorizing CLCL to amalgamate the Old Port of Montréal and Downsview Park with CLC, terminating their status as deemed parent Crown corporations and terminating the Governor in Council appointments of Downsview Park's Board of Directors and President. CLCL also terminated the appointments of the Old Port of Montréal's existing Board of Directors, Chairman and President. Further to the Government's decisions, Old Port's appropriations were to end as expeditiously as possible.

The functional amalgamation is now complete. All three subsidiaries are now combined within CLC. In terms of accountability changes, the parent corporation and its subsidiaries have the same members on their Boards of Directors and have the same Chairman, President and Chief Executive Officer (CEO), Chief Financial Officer and Corporate Secretary. The Boards, Chairman and President and CEO of the subsidiaries are appointed by CLCL's Board of Directors.

CLC signed management agreements with Old Port of Montréal and Downsview Park regarding the provision of all internal services, which report to functional heads within CLC. Legal services are provided through CLC.

The new organizational structure is streamlined and efficient. Downsview Park's activities and operations are managed through CLC's Ontario and Atlantic region. CLC manages the Old Port site through its Québec region, which is headed by a CLC manager living in the Montréal area. The Old Port's identity will be maintained distinct from that of CLC. The Science Centre is headed by a Chief Operating Officer (COO) reporting to the CLC President.

Operations are being conducted more efficiently and CLC's real estate management expertise is being leveraged. Stronger financial controls and risk management practices have been implemented and continue to provide cost benefit, as well as realizing cost avoidance, building on CLC's practices. Examples include:

- CLC leveraged its real property management expertise by issuing a national request for proposals which sought third-party service providers to manage CLC's property management and leasing functions for its commercial and residential properties across Canada. A national program with centralized oversight will provide CLC with consistent, quality property management services with some operating efficiencies. CLC chose Arcturus Realty Corporation as its commercial property management and leasing provider. This initiative will impact Downsview Park the most since the majority of functions were managed in-house. The transition to the new provider began in July 2014. In 2014 an additional procurement process was completed for a service provider for CLC's residential properties located in Western Canada.
- CLC implemented many cost containment measures, in particular at the Old Port, while also contributing positively to the community by maintaining quality programming.
- CLCL combined all insurance needs under one umbrella realizing savings of $375,000 per year.

Canada Lands Company CLC Limited

The financial and community benefits generated by CLCL's activities since its inception in 1995 are numerous. To date $561.1 million has been provided to the Government as dividends by CLCL, as well as cash acquisitions and note repayments by CLC.

CLCL's dividend payments have accelerated and increased in comparison with previous years, while at the same time ensuring that sufficient cash on hand is retained to respond to future business requirements. CLCL paid a dividend of $67.2 million in December 2013 in addition to an earlier payment of $20 million for the 2012-2013 fiscal year. For the planning period, total dividends are forecast to be $160 million.

CLCL will continue to be self-funding and pay dividends annually to the shareholder.

Old Port of Montréal Corporation

During CLCL's first full year of oversight, the appropriations for the Old Port were reduced by $7.3 million to $17.2 million. As of April 1, 2014, the Old Port's appropriations have been discontinued. Over the planning period, the annual deficits that were previously funded through appropriations will be reduced from $24.5 million per year to an average of $12 million per year, as the effect of the efficiencies created by CLCL will be realized. This will result in savings for the federal government of $12.5 million per year.

After careful review of Old Port assets, liabilities, and past and current financial performance, CLCL has concluded that the Old Port will continue to experience operating deficits requiring funding support from CLCL. CLCL is cognizant that the assessment and development of alternatives for greater operating efficiencies for the Old Port and Science Centre will require consultation with the shareholder. CLCL will consult with the Minister of Public Works and Government Services (PWGS) and seek appropriate Government approvals before any significant actions with respect to the Old Port are implemented.

With cost controls put in place CLCL has achieved significant reductions in operating deficits for both the Old Port and Science Centre.

Parc Downsview Park Inc.

In early 2014, a final significant restructuring of staff and responsibilities was completed. Downsview Park now operates in a similar fashion to other CLC real estate projects.

It is assumed that Downsview Park's credit facility will be intact over the planning period. The objective is to repay the loans from land sales, which will occur beyond the planning period. The loans will be fully repaid when the sale of land in the remaining neighbourhoods is completed and vendor mortgages on the sale have been received. This is currently anticipated for fiscal year 2019-2020.

CLC is proceeding with implementation of the City of Toronto supported and Ontario Municipal Board approved updated Downsview Area Secondary Plan, which provides a land use and development framework, including a requirement that park land, recreational and other related uses occupy over 50% of the site.

The parkland which is an integral component of the revitalization of this site continues to be maintained and operated in a high-quality manner by a dedicated team.

The development of the neighbourhoods in the Secondary Plan will involve further municipal planning processes. Work to transform the William Baker neighbourhood into an innovative community has already begun with the deconstruction of derelict housing stock.

The eventual land use plan for this site will be created through CLC's consultation program, which began in late 2013 and will continue throughout 2014 and beyond. It will lead to a renewed vision for the site and create plans comparable to CLC's other development projects.

Infrastructure work continues at its Stanley Greene neighbourhood with water management systems and road construction, which should be completed by late fall 2014. This will enable the purchasers of the site to begin construction of their housing products.

2. Canada Lands Company Limited

This corporate plan outlines a roadmap for Canada Lands Company Limited (CLCL) for the planning period from 2014-2015 to 2018-2019. It provides an analysis of the business environment in which CLCL and its subsidiaries operate, and highlights strategic priorities and resources required. It also presents operating and capital budget information.

2.1. Introduction

CLCL is a parent Crown corporation reporting to the Parliament of Canada through the Minister of PWGS.

CLCL is the sole shareholder of three wholly-owned subsidiaries: Canada Lands Company CLC Limited (CLC); Parc Downsview Park; and Old Port of Montréal Corporation. Through Orders in Council issued in November 2012, the Government of Canada entrusted CLCL with the oversight and operational management responsibility of the Old Port of Montréal and Downsview Park, eliminating their deemed parent Crown status. Until the completion of the legal amalgamation, they will remain agent Crown corporations.

2.2. Mandates

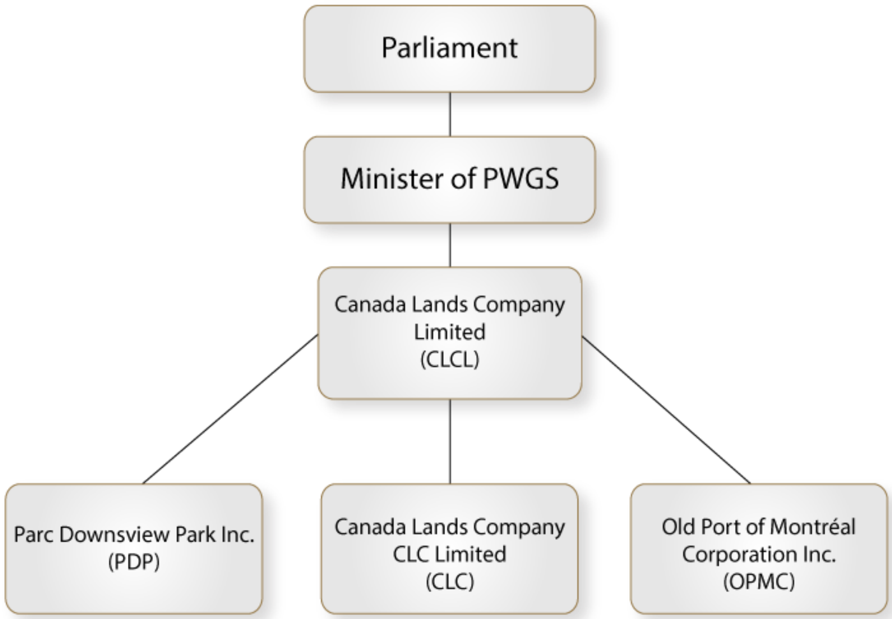
The mandate of CLCL, as approved by the Government in 1995 and renewed in 2001, is "to ensure the commercially oriented, orderly disposition of selected surplus real properties with best value to the Canadian taxpayer and the holding of certain properties". In addition to financial considerations, CLCL's mandate stipulates that other strategic considerations of the Government be taken into account as required, including "the views of affected communities and other levels of Government, and heritage and environmental issues".

Parc Downsview Park Inc. (hereafter referred to Downsview Park) is a 572-acre site located in Toronto, Ontario. It was incorporated on July 17, 1998 under the *Canada Business Corporations Act* (CBCA). This former Canadian Forces Base was declared surplus to Government needs in 1996. Downsview Park's mandate is the operation, management and development of the Downsview Lands. The site includes development lands and an urban park component that over time will become a new and innovative mixed-use community.

The Old Port of Montréal Corporation Inc. was formed on November 26, 1981 under the CBCA. Its mandate was confirmed by the Government in December 2002 and consists of developing and promoting the development of the Old Port of Montréal's territory, and of administering, managing, and maintaining the property as an urban recreational, tourism and cultural site.

2.3. Corporate Governance

Figure 1: CLCL and its Subsidiaries



CLCL Boards of Directors

CLCL, CLC, the Old Port of Montréal and Downsview Park each have their own Board of Directors that hold regularly scheduled meetings. The membership for each Board is the same with the exception of the President and CEO of the subsidiaries, who sits on the Board of CLC, Downsview Park and the Old Port of Montréal but not of CLCL. The Directors of the parent company and subsidiary Boards (with the exception of the President and CEO) are independent of the business. The Board's committees are composed of no less than three Directors, who are neither officers, nor employees, of the corporation or any of its affiliates (except for the President and CEO where applicable).

CLCL's Directors are appointed by the Minister with Governor in Council approval. The Chairman and the President and CEO are appointed by the Governor in Council upon the recommendation of the Minister. CLCL's Board is committed to continually reviewing its policies and practices in order to ensure that these are consistent with current best practices and reflect the needs of the company as a whole. CLCL's Board has a Governance Committee, Human Resources Committee and Audit Committee.

The Boards of Directors for CLC, the Old Port of Montréal and Downsview Park are appointed by CLCL's Board and oversee the operations as carried out by the subsidiaries. The Board of CLC has a Governance, Human Resources, Audit, Investment and Risk Committee. The Old Port of Montréal and Downsview Park Boards each have an audit committee.

Throughout the course of Board deliberations, CLC's senior management team provides briefings on operational issues and reports for the Board's analysis and discussion. This enables effective Board oversight of operations and allows risk to be managed appropriately.

With four newly-appointed Board members, as well as a new President and CEO in place, CLCL took the opportunity to begin an in-depth strategic planning exercise, with the goal to develop the corporation's medium and longer term strategic direction.

CLCL maintains a robust governance framework and an ongoing operational orientation serving as the Government of Canada's strategic real estate development and asset management Crown corporation.

Annual Public Meetings

As a Crown corporation, and in line with best practices and the *Financial Administration Act* (FAA), CLCL provides an annual forum through which the public can offer feedback and engage in a dialogue with CLCL's Board of Directors and management on matters directly relating to its business. Since 2010, CLCL hosted annual public meetings. In 2013, the meeting was held in Toronto where the Chairman of the Board and the Acting President and CEO discussed the operations and financial results. The public was invited to submit questions prior to and during the meeting. The 2014 public meeting took place in Vancouver, British Columbia in September.

Vision, Mission and Values

CLCL's vision, mission and value statements help define its strategic direction.

<u>Vision</u>
To be recognized as the Government of Canada's primary real estate resource and as a developer of great Canadian communities

<u>Mission</u>
To ensure the commercially oriented and orderly disposition of the Government of Canada's surplus real estate properties with best value to Canadians and the holding and management of certain properties

<u>Values</u>
Integrity, Profitability, Social Responsibility

2.4. Organizational Structure

CLCL has three subsidiaries:

- Canada Lands Company CLC Limited (operates across Canada);
- Parc Downsview Park Inc. (operates in Toronto, Ontario); and
- Old Port of Montréal Corporation Inc. (operates in Montréal, Québec).

Within these subsidiaries, CLC has two operating divisions for which financial results are tracked separately:

- the Real Estate division (REC) (operates across Canada); and
- the CN Tower division (operates in Toronto, Ontario).

The Real Estate division comprises of three regions:

- West;
- Ontario/Atlantic; and
- Québec.

The Old Port of Montréal Corporation has two divisions:

- the Old Port of Montréal which operates the quays and the park; and
- the Montréal Science Centre.

2.5. Financial Discussion

Upon reactivation in 1995, the Government contributed assets to CLCL (held by its CLC subsidiary) valued at $250 million. In addition, CLC acquires surplus real property from the Government in exchange, primarily, for non-interest bearing promissory notes.

Since 1995, CLCL has paid $561.1 million to the Government in the form of dividends ($324.6 million), promissory note repayments ($208.3 million) and cash acquisition payments ($28.2 million). In addition, the Government's shareholder equity in CLCL has grown from the original $250 million to $428.9 million as at March 31, 2014.

2.5.1. Dividends

CLCL's dividend policy provides for its Board of Directors to consider the appropriate calculations as guidance for the dividend amount and to decide upon a final dividend payment based on the financial health of CLCL and other economic factors.

These calculations are subject to the following key principles contained in the policy:

- CLCL will strive to pay a dividend every year;
- after the dividend payment, the available funds (comprised of cash on hand and available line of credit) projected for CLCL at the end of the year will not be less than $10 million plus the working capital requirements estimated in that year; and
- in any event, the actual dividend payment in any given year can be different from the budgeted dividend payment estimated in the corporate plan.

The two calculations that are considered by the Board in determining the dividend are:

- the working capital dividend formula, as agreed to by the Treasury Board in December 2001; and
- the market return on shareholder equity at year-end, based on the five-year Bank of Canada bond rate at March 31, or 3%, whichever is less.

Dividends are usually declared and paid the following year, after audited statements for the year in question have been approved by the Board of Directors. CLCL paid a total of $87.2 million for dividends in March and December 2013 for the 2012-2013 fiscal year.

This corporate plan shows no stand-alone financing of capital expenditures, which range from $107 million to nearly $150 million a year during the five year planning period. Instead, capital expenditures are financed from operations in order to best employ resources and minimize interest expenses.

According to the principles outlined in the dividend policy, CLCL will be issuing dividend payments in all five years of this corporate plan. It is anticipated that CLCL will pay total distributions to its shareholder of approximately $160 million during the five year planning period. In addition, financial support will be provided to the Old Port of Montréal of approximately $60 million during the same period.

Future consolidated financial statements will no longer identify CLC's financial support; however, on an individual company basis prior to amalgamation of the subsidiaries, it is important to demonstrate this support. The plan includes the support as revenue in the Old Port of Montréal's income statement and the expense in CLC's income statement, which is eliminated on consolidation.

2.5.2. Note Repayments and Up-Front Payments

This plan assumes that $90.6 million in Government note repayments will be made, which includes $25 million in accelerated note repayment with respect to the Stanley Greene neighbourhood at Downsview Park. Another $83.4 million in cash payments for properties will be made (acquisitions of $362.8 million, less promissory notes issued of $279.4 million).

Note repayments in this plan total $90.6 million compared to $60.7 million in CLCL's previous plan. The $24 million difference is due to the inclusion of Downsview Park's William Baker Neighbourhood note in this five-year planning period. The remaining difference is due to the accelerated note repayment for CFB Griesbach, which assumes improved sales performance.

2.5.3. Borrowing Plan

CLCL has typically been able to fund CLC's capital requirements through CLC's internally generated funds, rather than by obtaining financing from external sources. The proposed $50 million operating line of credit for CLC would be used for letters of credit currently outstanding ($27.5 million), plus future letter of credit requirements as security to municipalities in its development work, as well for infrastructure costs and general operating requirements of CLC.

The $90 million borrowing for Downsview Park would be used to fund infrastructure installation (i.e. utilities, roads, sewers) and commence necessary deconstruction work in preparation for development at the Stanley Greene and William Baker neighbourhoods. It would also fund promissory note repayments to DND for lands purchased in 2013 under an accelerated payment schedule and support Downsview Park's operating needs, plus future letter of credit requirements as security to municipalities in its development work. Downsview Park's outstanding loan balance will be $49.0 million at March 31, 2014. CLCL anticipates that it will be $38 million at March 2019. The objective will be to repay the loans from land sales, which will occur beyond the planning period. CLCL forecasts that Downsview Park's loan will be fully repaid when the sale of land in the remaining neighbourhoods is completed and vendor mortgages on the sale have been received. This is currently anticipated for 2019-2020.

3. CLCL Subsidiaries

3.1. Analysis of External Business Environment

The Bank of Canada reported that the global economy would see modest expansion heading into the beginning of 2014. Growth may prove slightly less favourable for Canada in the near term. The U.S. economy continues to be softer than anticipated; however, as fiscal growth continues to gain momentum and household spending increases, growth should accelerate through the next two years. Overall, the global economy was projected to have grown by 2.8% in 2013, accelerating to 3.4% growth in 2014 and 3.6% in 2015.

In Canada, uncertain global and domestic economic conditions are diminishing expected gains from exports and business investment, resulting in a lower level of economic activity than previously expected. The Bank of Canada has published expectations that a better balance between domestic and foreign demand will be achieved over time, and that the aforementioned growth will become more self-sustaining. Real gross domestic product is projected to increase to 2.3% in 2014 and 2.6% in 2015. The Bank expects that the economy will return gradually to full production capacity around the end of 2015.

Developments in the housing market have been encouraging and are largely consistent with previous projections from the Bank of Canada: resale activity has leveled off after dropping from historically high levels, housing starts have moderated somewhat and house prices have stopped rising in most major urban markets.

According to the Canada Housing and Mortgage Corporation, housing starts in Canada were trending at 195,334 units in October 2013 compared to 191,557 in September 2013. The trend in total housing starts has generally gained momentum since July 2013, which is in line with the expectation that new construction would strengthen over the second half of 2013. Urban starts in particular held steady through September 2013, while in rural areas the estimated seasonally adjusted annual rate of housing starts increased by 12.9% to 20,848 units in October 2013 from 18,466 in the previous month.

In 2012, tourism generated $15.4 billion in revenue from international visitors alone and accounted for approximately 2% of Canada's GDP. The sector directly employs over 600,000 Canadians and, in 2012, generated $22.7 billion in tax revenue. As of September 2013, the Canadian Tourism Commission reported that arrivals from international markets slipped 2.9%, attributable to a slight weakening of the tourism industry in the U.S. and other core markets, but buoyed somewhat by gains from emerging and transition markets. Overall, Canada welcomed approximately 1.62 million international visitors in September 2013, a decline of 2% compared with the same month in 2012.

According to a Deloitte report published in the latter half of 2013, despite a slight slowdown recently, the tourism industry should expect to see continued growth due to rising amounts of travelers from emerging markets, an increase in international immigration and general demographic changes of international travel. In 2011, approximately 30% of foreign travelers to Canada came to visit friends and family. Deloitte also expects that with approximately 41 million more people anticipated to be living and working in foreign countries by 2030, this number should be expected to continually increase.

Deloitte also found that leisure travel was increasing across broad demographics. Between 2000 and 2010, youth (aged 15 to 30) accounted for 20% of all travelers. Travel by this cohort is projected to grow 6.3% per year, reaching 300 million in 2020. Similarly, the percentage of the world's population aged 60 or older is projected to rise to 13% by 2020 from its current level of 11%, and this group is also expected to travel abroad more often.

3.2. Strategic Priorities of the Corporation

CLCL's strategic priorities over the planning period can be summarized as follows:

- **Canada Lands Company CLC Limited**: to continue its successful redevelopment activities across Canada, adding value to former Government properties, and maximize returns to local communities and the Government of Canada.
- **Parc Downsview Park Inc.**: to implement a comprehensive development plan for its development sites and create a new and innovative community, while maximizing both financial and non-financial returns.
- **Old Port of Montréal Corporation Inc.**: to operate and manage the site without government appropriations in a financially responsible manner and actively contribute to Montréal's economic development and tourism sector.

As noted above, with significant changes in its Board membership as well as a new President and CEO in place, CLCL took the opportunity to begin an in-depth strategic planning exercise, with the goal to develop the corporation's medium and longer term strategic direction.

3.3. Parc Downsview Park Inc.

Canada Lands Company will pursue the Government's objectives for Downsview Park as follows:

- Proceed with the implementation of the City of Toronto-supported and Ontario Municipal Board-approved updated Downsview Area Secondary Plan, which provides a land use and development framework, including a requirement that park land, recreational and other related uses occupy over 50% of the site.

- The development of the neighbourhoods in the Secondary Plan will involve further municipal planning processes. Consistent with how CLC proceeds with its development projects across Canada, these planning processes will include extensive consultation with the community and with the City of Toronto.

Since the amalgamation announcement, CLC has taken considerable measures towards achieving these objectives, including:

- Development
  - Since the creation of Downsview Park, many planning and consultation activities involving the community led to a vision, which is articulated in the Downsview Secondary Plan. Updated in 2011 following a review of the original plan adopted in 1999, the plan covers lands beyond the Park. The Secondary Plan provides planning goals/objectives and a land use framework to guide future development. It calls for five separate development sites and a large public space with passive and active components.
  - Prior to November 2012, Downsview Park's plans included the imminent site servicing and sale of its Stanley Greene lands, which are under contract and proceeding as planned. Marketing plans for the bulk land sale of the William Baker neighbourhood have been halted. It was determined that a development approach for this property would have potential for more value added for the corporation than a bulk land sale. These are two of the five neighbourhoods identified for development in the city's secondary plan.
- Site Infrastructure
  - A comprehensive analysis has been conducted to determine the current condition and future viability of the existing real property assets. Life and safety systems have also been evaluated. Deconstruction of the military housing in the William Baker neighbourhood has begun and should be completed by early 2015.

- Greater Efficiency and Financial Controls
  - Robust financial controls have been implemented, which have led to increased risk and financial management, as well as considerable cost savings since amalgamation and more self-sufficiency.
  - A final restructuring of staff took place in July 2014, when CLC executed an agreement resulting from its recently completed request for proposals process seeking a third-party service provider to manage all of its property management and leasing functions. This process included not just Downsview Park, but all of CLC's properties.
  - All corporate functions are fully integrated into CLC.
  - A second request for proposals was launched in June 2014 to engage a third-party provider to manage the Downsview Park events program as well as its Hangar sports complex and sports activities. CLC anticipates having a provider in place by early 2015.
- Community Engagement
  - CLC is well known for the quality of its community consultation processes. The development of the Downsview lands will benefit from a similar process. In late 2013, CLC began its formal consultation process with a wide range of audiences. The objectives will be to gain community feedback into a long-term redevelopment strategy for the overall site.
  - CLC held its first formal consultation meeting in December 2013. It will continue its engagement through 2014, in order to advance to the next development phase, which will likely be the William Baker neighbourhood.

Leasing Strategy

Tenancies in buildings situated within or near future land developments will not be renewed on expiration, nor will Downsview Park be actively marketing the vacant space in these buildings. Downsview Park will continue to manage expenditures on these buildings to meet the needs and expectations of its tenants and in accordance with its lease agreements.

Leasing revenue will be $9.3 million in 2014-2015. Revenues are budgeted to decline to $7.2 million by April 2015 due to lease expiries within 40 and 60 Carl Hall Road; leases will not be renewed as both buildings are scheduled for deconstruction due to their condition and the lack of financial and non-financial value they provide. As a result, the total rentable area is less than in previous years due also to the partial demolition of 75 Carl Hall Road in 2012 to allow for construction of the Buckingham Arena.

Buckingham Sports – Four Pad Hockey Arena

As per approval received from Order in Council P.C. 2011-1253, Downsview Park executed a ground lease with Buckingham Sports Properties Company (Buckingham) for the lease of lands at 57 Carl Hall Road for the construction and operation of a four-pad hockey arena. The terms and conditions are as follows:

- Approximately four acres of land to be leased.
- 25 year term with four options to renew at 5 years each at the tenant's options.
- Rent payments will begin on completion of the construction of the arena, which shall be no later than 18 months from the date the tenant takes possession of the premises.
- Rent is $180,000 per annum with rent increases every five years during the term of the lease by the cumulative percentage increase in the Consumer Price Index for all items for the City of Toronto for the immediately preceding five years.
- In addition to rent, the tenant will pay all taxes assessed against the leased premises.
- Buckingham to construct the ice rink/sports facility.
- Downsview Park will construct and/or provide access roads, utility services to the building, directional signage and environmental remediation.

Construction of the arena began in April 2012 and was completed in December 2013. Downsview Park has invested $5.1 million in utility and parking infrastructure and environmental remediation work in support of its contractual obligations.

Centennial College

The Centennial College of Applied Arts expressed an interest in locating a satellite campus for a number of programs within Downsview Park, including its aerospace technology program. CLC is currently negotiating a long-term lease agreement; one in which the college would make a significant investment in the repurposing of the building at 65 Carl Hall Road. CLC is of the view that this arrangement would fit in well with the overall development of the site as a public amenity and employment use as well as facilitating the renovation and preservation of an existing building.

The property to be leased is located at the 65 Carl Hall Road and is a 108,000 square foot building constructed in a series of additions from 1929 to 1944. It would be used for institutional purposes. The agreement includes the restoration of 65 Carl Hall Road at the College's cost, including outdoor work areas on tarmac and surface parking.

Downsview Park obtained the Government's approval (OIC P.C. 2012-0792 and OIC P.C. 2014-822) to enter into a lease agreement with Centennial College under certain terms and conditions.

Development at the Stanley Greene Neighbourhood

In October 2013, Downsview Park received final approval for the rezoning and draft plan of subdivision for its Stanley Greene neighbourhood. CLC is now moving forward with the registration of the subdivision which is expected by the end of 2014.

Prior to registration, a number of conditions must be met, and as is typical of the subdivision registration process, these conditions refer to the conveyance of certain lands to the municipality to provide for public infrastructure including roads, utilities and parkland. Downsview Park will convey a number of blocks and lots to accommodate these municipal requirements.

The Agreement of Purchase and Sale (APS) with the private sector builder Urbancorp Downsview Park Development Inc. (Toronto, Ontario) is scheduled to close in fall 2014. Downsview Park will receive 20% of the sale value on closing with the remaining 80% anticipated to be received 15 months, at the latest, after closing.

In accordance with the conditions of the draft plan approval, a sale agreement has been negotiated with the City of Toronto for their purchase of a block for a fire hall. This $3.7 million sale was completed in March 2014.

Proceeds of the sale for the Stanley Greene site are expected to total $86.6 million. An amount of $55.4 million will be received from the sale to the current purchaser Urbancorp, $3.7 million for the fire hall block, and the remaining $28 million for the remainder of the site to an as yet undefined purchaser.

Development at the William Baker Neighbourhood

During the planning period, CLC will develop a plan that will maximize value as per CLCL's mandate. This plan will identify phases of development and it is likely that the William Baker neighbourhood will follow the Stanley Greene development.

Deconstruction of the former military housing in the William Baker neighbourhood has been deemed as a priority since it presents increased safety liability and risk to CLCL. Deconstruction activity has begun and expected to be completed by early 2015. It will continue during the planning period for many buildings on site that have exceeded their useful life, as leases expire. Currently, maintenance, operating and repair costs exceed rental revenues.

In summary, over the planning period CLCL will focus on the following key activities:

- Manage land development in a manner consistent with other CLC projects.
- Operate and maintain the park component in a cost-effective manner.
- Rationalize real property asset inventory.
- Develop and implement a long-term strategy for the development lands.
- Continue to review and modify park programming as needed.

3.4. Old Port of Montréal Corporation Inc.

The Government's objectives for the Old Port of Montréal can be summarized as follows:

- Protect and promote Canadian cultural heritage.
- Improve urban living conditions and facilitate public access to the river, within the limits dictated by the presence of the port.
- Contribute to economic development efforts.
- Maintain certain port operations appropriate to an urban and historical setting.
- Display the presence of the federal government in a dynamic fashion.

Old Port operations are headed by a CLC manager based in Montréal. The Montréal Science Centre operates as a separate division within the Old Port of Montréal Corporation with a Vice President and COO who also reports directly to the CLC's CEO. By combining the human resources of its real estate and Old Port teams CLCL benefits from shared synergies, at both the local and corporate levels.

Since the amalgamation announcement, CLC has taken considerable measures towards achieving the Government's objectives:

Capital Expenditures

- Key to achieving a reduction in operating deficits is the effective management of capital expenditures at the Old Port. CLCL has spent a considerable amount of resources and time studying and analyzing Old Port's capital expenditure requirements. Analysis determined the current condition and future viability of the existing real property assets. Life and safety systems have also been evaluated. An asset management plan is currently being developed, that is both cost-effective and will enhance the overall condition of the site. Past reports and corporate plans submitted by the previous Board detailed necessary infrastructure work and associated timelines. CLCL's analysis concludes that certain modifications are necessary to these plans, as it offers a different view of current and future asset management requirements.

- Repairs to existing buildings will be evaluated not on future potential needs, but rather on life and safety requirements as well as proven return on investment analysis. Necessary repairs will continue; however, non-essential repairs have been halted in order to develop a fulsome cost-benefit analysis.

Operating Deficits

- CLCL will place greater emphasis on fiscal management and stringent budgetary planning in order to minimize operating deficits.
- With cost controls already put in place, significant reductions in operating deficits have been achieved for both the Old Port and Science Centre.

Montréal Science Centre

- CLCL is committed to the success of the Science Centre. CLCL studied various options and scenarios that would enhance its success while also broadening its appeal. In 2013, CLCL appointed former astronaut Julie Payette as the new COO of the centre. By appointing a world-renowned Canadian, CLCL is putting in place the appropriate mechanism to build on and enhance its private-sector partnerships.
- Over the planning period, the Science Centre will be tasked with exploring new revenue streams, supporting the Science Centre Foundation with new fundraising initiatives involving the private sector, increasing the number of visitors and continuing to reduce the need for financial support. Options such as a new complementary attraction will be explored, as well as enhanced marketing efforts to attract a broader clientele.
- Contrary to the business-model pre-amalgamation, a new major permanent exhibit will be deployed yearly. Temporary displays will consist of traveling exhibits, offered on loan from other museums. With these measures the Science Centre will continue to offer quality programs at manageable cost, in the hopes of attracting a return local clientele. With the discontinuance of appropriations, CLCL will continue to review how best to reduce and/or eliminate operating deficits.
- The Science Centre has been structured in a manner that will enable it to continue receiving funding from the Montréal Science Centre Foundation for its exhibits. Through this major source of funding, CLCL will endeavour to continue to offer the quality programming it is known for.

Programming, Activities and other Areas of Interest

- Greater Efficiencies and Financial Controls
  - Robust financial controls have been implemented which have led to better risk and financial management, as well as considerable cost savings and more self-sufficiency.
- Programming and Leasing Activities
  - CLCL reviews programming activities, leasing and concession programs with a view to streamline operations, and increase revenues while still maintaining a high degree of community benefit and quality customer service.
  - Going forward, the Old Port is changing its marketing strategy from one that offers its own in-house programming to one where promoters and tourism operators can come on site to deliver their own programs and events, subject to the Old Port's guidelines and approvals. It will offer an unparalleled location/venue and amenities in Old Montréal, and a private-sector operator will offer the programs. It is anticipated that this model will create significant cost savings, while still providing visitors and tourists with quality programming from which to choose from. A recent example of this model is Pêche Blanche, an urban fishing village operating from the Old Port marina. In its first season last year it attracted 10,000 clients and schoolchildren along with approximately 50,000 spectators and visitors.. As one of the most visited sites in Québec, the Old Port is able to attract quality sponsorships from private-sector partners. These would align well with the mandate and objectives and help offset operational expenses. CLCL will endeavour to maintain these relationships and work with sponsors on new and innovative ways to develop a meaningful alignment.

Labour Negotiations at the Old Port of Montréal

The Old Port's two collective agreements with the Public Service Alliance of Canada (PSAC) and the International Alliance of Theatrical Stage Employees (IATSE) terminated on March 31, 2014. In January 2014, management of the Old Port began negotiations with PSAC toward new collective agreements. The Old Port will adhere to the Government's direction in Budget 2013 pertaining to pension plan reform.

Leasing Strategy

The Old Port's commercial offering is oriented toward goods and services to meet the specific needs of visitors and tourists. The existing commercial offering can be divided into five main categories: food, entertainment, boat cruises and tours, retail kiosks and services.

The Old Port of Montréal currently manages 55 commercial leases totaling approximately 17 000 square meters of leased space. This total includes 12 commercial leases for tenant owned kiosks and/or portable structures totaling less than 500 square meters of leased space. Most of the lease terms vary between one and five years, with a few that are longer term.

In summary, over the planning period CLCL will focus on the following key activities:

- Continue to maintain the operations of the site as a recreational, tourism and leisure destination.
- Develop new revenue streams for the Old Port and Science Centre.
- Continue to rationalize operations enabling a change from a program and activities development mandate to a facilitation role for private sector involvement.
- Increase the Science Centre's reach beyond its current capacity.
- Explore scenarios for a complementary attraction at the Science Centre.
- Continue to attract and provide quality third-party sponsorship opportunities.
- Explore limited development opportunities with other CLC harbourfront properties.

3.5. CN Tower Business Outlook

The CN Tower's key issues for the coming planning period identify that the marketplace is changing: tourism is in flux; travel and booking patterns are changing; and the CN Tower structure is aging and therefore will require ongoing capital for preservation.

The Tower is a mature business, so the need to create continued appeal is required. To address these issues, the CN Tower will focus on the following objectives:

- Increased Revenue and Attendance:
    - Refining the new ticket strategy established in 2013-2014 to maximize revenue opportunities through improved yield management.
    - Continuing to build on the appeal of EdgeWalk.
    - Encourage increased visitor purchasing wherever possible to drive the overall average of per visitor spending.
- Brand and Reputation Development:
    - Improving perceptions on value for money through guest experience enhancements.
    - Continuing to build on an improved service culture with additional service training and development.
- Business Development:
    - Exploring additional attraction opportunities to create new visits or re-visits.
    - Leveraging opportunities with Ripley's Aquarium Canada.
    - Managing capital expenditures to ensure continued building and business integrity, aligning building upgrades and capital projects to maximize product value and revenue opportunities.

2014 begins the journey toward the CN Tower's 40th anniversary in 2016, with major international events and audience draws in 2014 and 2015, including the Pan Am/Parapan Games in Toronto. The Tower will therefore focus on the next three years as providing significant business building opportunities.

Throughout 2013-2014, there was continued indication that the brand strength of EdgeWalk contributed to motivating other Tower business. Marketing new packages such as EdgeWalk "weddings" and team building in the coming year will provide new revenue opportunities.

The newly renovated outdoor Plaza and exteriors has provided improvements to guest arrival. Ticketing opportunities will be explored for third-party events and activities and additional sources of revenue. Rising costs will require continued focus to maintain margins for the Tower's food and beverage offerings.

Addressing the life expectancy of the existing simulator attraction needs to be a priority in order to maintain the general admission ticket integrity. Any new attraction must generate incremental revenues to augment and not replace existing revenues.

Major citywide events in 2014 such as World Pride, Lions Club International, and the Student Youth Travel Association brought many international visitors to Toronto. However, major city-wide conventions are completely contained in the summer months, potentially contributing to corporate hospitality business vulnerability in the fall and winter in large part due to declining number of visitors to the city during this time.

Information Technology will support the business efforts through day-to-day operations, as well as through driving business system and technology solutions contributing to maximize business growth and value strategies at the Tower.

3.6. Assessment of Corporate Resources

3.6.1. Financial Resources

The corporate plan shows acquisitions of $362.8 million, of which notes will be issued for $279.4 million, and capital expenditures of $618.3 million during the planning period. More specifically, even though CLC is projecting continued residential sales in the Western Region redevelopment projects such as the former CFB Chilliwack, CFB Calgary, CFB Griesbach as well as CFB Rockcliffe in Ottawa will require sizeable capital expenditures over the next few years related to construction. At the end of fiscal year 2013-2014, CLCL's value of its properties was $422.8 million.

3.6.2. Human Resources

CLCL's subsidiaries benefit from the expertise of strong and dynamic teams of highly qualified and dedicated professionals and staff. Striving for excellence in people management and development is a priority and integral to CLCL's objective of retaining employees.

CLCL's subsidiaries foster a culture where employees are engaged, productive and empowered to contribute to organizational success. They are aligned with the federal government's objectives in the areas of governance, employee relations and official languages. They continue to promote a safe and healthy work place for employees, including the provision of wellness initiatives, such as on-site influenza vaccination clinics at its head office and ergonomic assessments. Continuing education and training ensures a productive and cooperative work environment.

As part of its good human resources management practices, CLCL periodically reviews its operational requirements to ensure effectiveness and cost efficiency. CLCL uses the results of its reviews to implement necessary changes in order to ensure organizational sustainability, efficiency and effectiveness. In 2013-2014, CLC, on behalf of all three subsidiaries, began a review and analysis of all compensation programs. The goal is to develop one enterprise-wide program post-amalgamation to ensure that staff is provided with appropriate working environments, compensation and performance management programs compared with public and private sector benchmarks as appropriate.

Negotiations of the collective agreement for the CN Tower were successfully completed in June 2013; the new contract is in effect for the next three years. The Old Port of Montréal Corporation's collective agreement expired on March 31, 2014. In November 2014 a new two-year contract was successfully negotiated.

Consistent with direction from the 2013 Budget and Speech from the Throne, CLC, Downsview Park and Old Port are in the process of modifying their pension plans to achieve compliance with the 50% cost sharing formula with employees by December 2017. None of the plans are defined benefit plans and there are no unfunded liabilities. CLC has a defined contribution plan, Downsview Park contributed to employee RRSPs while the Old Port had a group RRSP. With the exception of the Old Port, all of the plans required contributions from employees. In all cases, the contributions will achieve a 50% employee/employer ratio by 2018 on a phased-in basis as collective agreements are negotiated.

No additional costs will be incurred to comply with the required contribution formula.

3.6.3. Enterprise Risk Management and Internal Controls

CLCL places emphasis on its enterprise risk management (ERM) objectives and internal controls environment. CLCL's risk register and resulting action plans are updated twice per year as part of CLCL's risk reporting process to the Audit Committee of the Board. They ensure a disciplined and organized risk management approach so that policies, guidelines, processes and practices are defined, formalized and communicated across the organization.

The risk management function addresses the following three broad types of risk relevant for the real estate, CN Tower, Old Port of Montréal, and Science Centre divisions and appropriate risk mitigation strategies are developed accordingly:

- Business/strategic risks (changes in legislation, regulations, compliance, people risks, organizational structure and business processes);
- Operational and hazard risks (business continuity, people risks, insurance, project management, documentation and records, security and IT); and
- Financial risks (financial targets, budgets, financial monitoring and internal controls).

Risk management activities ensure that key business, operational and hazard risks are identified, defined and managed, and where feasible and cost-effective, insured, particularly for severe and catastrophic operational and hazard exposures. Managing and monitoring risk at the project level is a key objective over the next few years and ERM is being extended to cover major projects and program delivery risk.

The risk management plan for the development projects is to conduct at least two such risk exposure surveys at CLC's major projects at least every 18 months over the next two to three years. On smaller projects, the objective is to conduct inspection surveys at least every 36 months.

Other risk management and internal control initiatives include the following:

- CLC's Head Office and the CN Tower continue to be very involved members of the South Area Facilities and Entertainment (SAFE) Group formed in 2006, to be part of an integrated business disaster and continuity recovery plan and tabletop exercise. The SAFE Group is comprised of 11 organizations, representing entertainment and hospitality businesses in downtown Toronto who share a commitment to public safety. Every year, the SAFE Group along with Toronto Police Services, Toronto Fire, the Office of Emergency Management and PathCom, create scenarios for our businesses which test our individual Business Continuity Plans, Communication teams and responses. In the summer of 2013, the SAFE Group officially became a sub-committee of the Toronto Business Improvement Area.

- Annual property risk exposure assessments of insurable values, form of valuation (replacement cost, actual cash value or deconstruction) for property assets, business interruption/rental income insurance, vacant land and liability insurance program to ensure it meets the needs of the organization in a cost effective manner.
- Increased review of monitoring environmental risk management systems and practices associated with the lands to be transferred and development projects in conjunction with CLC's environmental specialists, and an improved integrated risk reporting framework including total environmental liability exposure forecast for impacted assets.
- CLCL engaged the services of Ernst and Young to conduct a thorough risk assessment review at Downsview Park, the Old Port and CLC. CLCL is incorporating findings into its risk review and mitigation processes.

Internal Audit activities

During 2013-2014, the following internal audits have been completed or will be conducted in 2014-2015:

- Parking revenue and management – Completed as planned. Recommendations are being implemented.
- Downsview Park project management – Completed as planned. Recommendations are being implemented.
- Griesbach and Currie Barracks project management. To be completed in 2014-2015.
- Old Port of Montréal payroll. To be completed in 2014-2015.

Auditor General's Special Examinations

In 2012, the Old Port underwent a special examination for the period of May to December 2011. Additionally, the Auditor General looked reported on certain practices and expenses at the Old Port for the 2006-2007 to 2012-2013 fiscal years. In his report, the Auditor General made several recommendations pertaining to risk management, contracting, lease and asset management, proper documentation, and travel and hospitality expenses. All recommendations have been implemented as agreed with the exception of the risk simulation exercises, the implementation of which will require further evaluation.

The Auditor General has concluded the special examination of CLCL and its subsidiaries; the report was provided to the Board of Directors in July 2014. The report was released to the public in the fall 2014. The recommendations and management action plan will be reported in the 2015-2016 corporate plan.

3.7. Performance Assessment

CLCL maintained a balanced scorecard approach to reporting on its financial and non-financial activities. With the amalgamation of Downsview Park and the Old Port with CLC, the scorecard is being redeveloped into a more appropriate tool that will accurately and effectively capture metrics, targets and results for the amalgamated corporation as a whole. Completion of the revised performance measurement tool is anticipated in 2015.

4. Canada Lands Company Limited: Consolidated Statements of Comprehensive Income and Retained Earnings

$ Millions	Actual 2012/13	Actual 2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 Year TOTAL
REVENUES								
Real estate sales	118.3	122.2	182.6	140.0	182.5	191.8	139.8	**836.7**
Attractions, food, beverage and other	65.8	76.0	78.1	80.2	81.8	84.0	86.0	**410.1**
Rental operations	26.3	41.3	39.3	36.1	38.1	34.6	35.8	**183.9**
Gain on sale of investment property	-	-	-	18.8	13.2	3.6	12.6	**48.2**
Interest and other	5.5	6.0	3.6	3.7	2.3	2.9	3.4	**15.9**
Gov't funding & approp/financial support from CLC	8.2	11.5	13.1	11.6	11.3	12.3	11.7	**60.0**
	224.1	**257.0**	**316.7**	**290.4**	**329.2**	**329.2**	**289.3**	**1,554.8**
EXPENSES								
Real estate cost of sales	53.5	84.4	133.3	107.4	122.8	144.0	97.9	**605.4**
Attractions, food, beverage and other	46.3	54.6	63.5	64.9	66.4	68.0	69.6	**332.4**
Rental operating costs	23.9	22.6	38.7	38.3	39.3	35.0	33.5	**184.8**
General and administrative	26.8	38.1	25.7	25.0	25.6	26.2	26.8	**129.3**
Write down, reversals and pre-acq costs	9.3	2.0	0.2	-	-	-	-	**0.2**
Interest and other financing costs	1.1	2.3	1.1	1.2	1.2	1.1	1.3	**5.9**
Impairment of OPMC capital expenditures		-	4.0	1.7	1.6	1.6	1.6	**10.5**
OPMC unfunded operating deficit	-	-	13.1	11.6	11.3	12.3	11.7	**60.0**
Other Expenses								
Restructuring cost	1.0	-	-	-	-	-	-	**-**
	161.9	**204.0**	**279.6**	**250.1**	**268.2**	**288.2**	**242.4**	**1,328.5**
INCOME BEFORE TAXES	**62.2**	**53.0**	**37.1**	**40.3**	**61.0**	**41.0**	**46.9**	**226.3**
Income taxes	13.6	13.2	9.3	10.1	15.2	10.3	11.8	**56.7**
INCOME FROM CONTINUING OPERATIONS	**48.6**	**39.8**	**27.8**	**30.2**	**45.8**	**30.7**	**35.1**	**169.6**
Income from Discountinued Operations	-	-	-	-	-	-	-	**-**
NET INCOME	**48.6**	**39.8**	**27.8**	**30.2**	**45.8**	**30.7**	**35.1**	**169.6**
Other comprehensive income								**-**
COMPREHENSIVE INCOME	**48.6**	**39.8**	**27.8**	**30.2**	**45.8**	**30.7**	**35.1**	**169.6**
Retained earnings, beginning of year	246.6	275.2	247.8	265.6	285.8	291.6	282.3	**247.8**
Dividend	(20.0)	(67.2)	(10.0)	(10.0)	(40.0)	(40.0)	(60.0)	**(160.0)**
RETAINED EARNINGS, END OF YEAR	**275.2**	**247.8**	**265.6**	**285.8**	**291.6**	**282.3**	**257.4**	**257.4**

5. Canada Lands Company CLC Limited: Statements of Comprehensive Income and Retained Earnings

$ Millions	Actual 2012/13	Actual 2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 Year TOTAL
REVENUES								
Real estate sales	118.3	118.5	127.2	109.3	130.0	139.3	139.8	**645.6**
Attractions, food, beverage and other	61.1	64.2	65.0	66.8	68.5	70.4	72.2	**342.9**
Rental operations	22.1	24.1	20.0	19.5	20.6	19.2	19.4	**98.7**
Gain on sale of investment property	-	-	-	18.8	13.2	3.6	12.6	**48.2**
Interest and other	4.0	3.8	2.6	2.8	1.4	2.0	2.5	**11.3**
	205.5	**210.6**	**214.8**	**217.2**	**233.7**	**234.5**	**246.5**	**1,146.7**
EXPENSES								
Real estate cost of sales	53.5	81.4	88.6	81.9	86.0	107.2	97.9	**461.6**
Attractions, food, beverage and other	40.3	38.5	42.7	43.9	45.0	46.3	47.5	**225.4**
Rental operating costs	17.7	16.2	18.6	16.7	17.5	13.3	12.7	**78.8**
General and administrative	18.0	20.2	22.8	23.4	23.9	24.5	25.1	**119.7**
Write down, reversals and pre-acq costs	9.3	0.6	0.2	-	-	-	-	**0.2**
Interest and other financing costs	0.7	1.7	0.5	0.7	0.7	0.7	1.0	**3.6**
OPMC unfunded operating deficit	-	-	13.1	11.6	11.3	12.3	11.7	**60.0**
Other Expenses								
Restructuring cost								**-**
	139.5	**158.6**	**186.5**	**178.2**	**184.4**	**204.3**	**195.9**	**949.3**
INCOME BEFORE TAXES	**66.0**	**52.0**	**28.3**	**39.0**	**49.3**	**30.2**	**50.6**	**197.4**
Income taxes	14.6	12.9	7.1	9.8	12.3	7.6	12.7	**49.5**
INCOME FROM CONTINUING OPS	51.4	39.1	21.2	29.2	37.0	22.6	37.9	147.9
INCOME FROM DISC OPS (net of tax)	-	-	-	-	-	-	-	-
NET INCOME	**51.4**	**39.1**	**21.2**	**29.2**	**37.0**	**22.6**	**37.9**	**147.9**
Other comprehensive income								-
COMPREHENSIVE INCOME	**51.4**	**39.1**	**21.2**	**29.2**	**37.0**	**22.6**	**37.9**	**147.9**
Retained earnings, beginning of period	246.6	238.0	209.9	221.1	240.3	237.3	219.9	**209.9**
Repayment of PDP debt	(40.0)	-	-	-	-	-	-	**-**
Dividends	(20.0)	(67.2)	(10.0)	(10.0)	(40.0)	(40.0)	(60.0)	(160.0)
RETAINED EARNINGS , END OF PERIOD	**238.0**	**209.9**	**221.1**	**240.3**	**237.3**	**219.9**	**197.8**	**197.8**

Note:
1) The above is an operating statement

6. Parc Downsview Park Inc.: Statements of Comprehensive Income and Retained Earnings

$ Millions	Actual 2012/13	Actual 2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 Year TOTAL
REVENUES								
Real estate sales	-	3.7	55.4	28.0	52.5	52.5	-	**188.4**
Rental	8.8	8.9	9.3	7.2	7.0	5.4	5.4	**34.3**
Attractions, food & beverage	8.5	0.4	0.5	0.5	0.5	0.6	0.6	**2.7**
Sports facility revenues	-	3.4	3.3	3.4	3.5	3.6	3.6	**17.4**
Program and event revenues	-	1.0	1.1	1.2	1.2	1.2	1.2	**5.9**
	17.3	**17.4**	**69.6**	**40.3**	**64.7**	**63.3**	**10.8**	**248.7**
EXPENSES								
Real estate cost of sales	-	3.0	44.7	22.8	36.8	36.8	-	**141.1**
Attractions, food & beverage	6.4	6.0	0.5	0.5	0.5	0.5	0.5	**2.5**
Rental operating costs	10.4	3.4	7.0	8.4	8.3	7.9	6.7	**38.3**
General and administrative	4.4	1.8	1.6	0.3	0.3	0.3	0.3	**2.8**
Interest and other financing costs	1.2	0.6	0.6	0.5	0.5	0.4	0.3	**2.3**
Sports facility expenses	-	-	3.2	3.2	3.3	3.3	3.4	**16.4**
Park operations	-	-	2.0	2.1	2.1	2.1	2.1	**10.4**
Program and event expenses	-	-	0.8	0.8	0.8	0.8	0.8	**4.0**
Development - park maintenance	-	-	0.4	0.4	0.4	0.4	0.4	**2.0**
Write down, reversals and pre-acq costs		1.4						**-**
	22.4	**16.2**	**60.8**	**39.0**	**53.0**	**52.5**	**14.5**	**219.8**
INCOME BEFORE TAXES	**(5.1)**	**1.2**	**8.8**	**1.3**	**11.7**	**10.8**	**(3.7)**	**28.9**
Income taxes	(1.3)	0.4	2.2	0.3	2.9	2.7	(0.9)	**7.2**
COMPREHENSIVE INCOME	**(3.8)**	**0.8**	**6.6**	**1.0**	**8.8**	**8.1**	**(2.8)**	**21.7**
Retained earnings, beginning of period	(27.8)	26.9	27.7	34.3	35.3	44.1	52.2	**27.7**
Reclass of contributed deficit	58.5							-
RETAINED EARNINGS , END OF PERIOD	**26.9**	**27.7**	**34.3**	**35.3**	**44.1**	**52.2**	**49.4**	**49.4**

Note:
1) The above is an operating statement

7. Old Port of Montréal Corporation Inc.: Statements of Comprehensive Income and Retained Earnings

$ Millions	Actual 2012/13	Actual 2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	5 Year TOTAL
REVENUES								
Real estate sales	-	-	-	2.7	-	-	-	**2.7**
Attractions, food & beverage (MSC)	7.2	7.0	8.2	8.3	8.1	8.2	8.4	**41.2**
Rental (Quays)	7.1	8.3	10.0	9.4	10.5	10.0	11.0	**50.9**
Gov't funding & approp/financial support from CLC	24.5	11.5	13.1	11.6	11.3	12.3	11.7	**60.0**
Donations & sponsorships	0.5	-	1.0	0.9	0.9	0.9	0.9	**4.6**
Interest and other	0.1	2.2	-	-	-	-	-	**-**
	39.4	**29.0**	**32.3**	**32.9**	**30.8**	**31.4**	**32.0**	**159.4**
EXPENSES								
Real estate cost of sales	-	-	-	2.7	-	-	-	**2.7**
Attractions, food & beverage (MSC)	15.6	10.1	13.9	14.0	14.3	14.6	14.9	**71.7**
Rental (Quays)	12.1	3.0	13.1	13.2	13.5	13.8	14.1	**67.7**
Targeted savings		-		-	-	-	-	**-**
General & administrative	5.5	16.1	1.3	1.3	1.4	1.4	1.4	**6.8**
Foundation	0.5							
Impairment of capital expenditures	17.5	-	4.0	1.7	1.6	1.6	1.6	**10.5**
	51.2	**29.2**	**32.3**	**32.9**	**30.8**	**31.4**	**32.0**	**159.4**
INCOME BEFORE TAXES	**(11.8)**	**(0.2)**	**-**	**-**	**-**	**-**	**-**	**-**
Income taxes	0.2	(0.1)						**-**
COMPREHENSIVE INCOME	(12.0)	(0.1)	-	-	-	-	-	-
Accumulated Surplus/Retained Earnings beginning of period	398.8	6.0	5.9	5.9	5.9	5.9	5.9	**5.9**
Change in Accounting Policy	(380.8)							
RETAINED EARNINGS, END OF PERIOD	**6.0**	**5.9**	**5.9**	**5.9**	**5.9**	**5.9**	**5.9**	**5.9**

Note:
1) The above is an operating statement