CANADA LANDS COMPANY LIMITED

CORPORATE PLAN SUMMARY
2003-2004 TO 2007-2008

CANADA LANDS COMPANY LIMITED
SOCIÉTÉ IMMOBILIÈRE DU CANADA LIMITÉE

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Executive Summary

Canada Lands Company Limited

Through its subsidiaries, Canada Lands Company Limited (CLCL) continues to work on behalf of the Government of Canada (the government) to produce substantial financial value and community benefits by making unproductive strategic government real estate assets productive again. In doing this, the company acts in line with government policy objectives and acts to ensure overall good stewardship of government resources.

Since its reactivation in 1995, CLCL has met or exceeded most of the expectations initially placed on it, including selling the majority of the portfolio transferred to its Canada Lands Company CLC Limited (CLC) subsidiary.

On September 3, 2003, approval was given by the Governor in Council to make CLCL's wholly-owned subsidiary Parc Downsview Park Inc. (PDP), an agent Crown corporation, and also to have it report to Parliament as a "deemed" parent. As a result, it was also necessary to change CLCL's status from non-agent to agent, as it will hold the shares of PDP in trust for the Crown. This approval now resolves a long-standing concern of the board of directors of CLCL regarding the accountability of PDP to CLCL.

CLCL's consolidated financial results compared with the budget for the year ending March 31, 2003 are presented below.

	$ Millions	
	Actual	Budget
Property sales	89.9	115.3
Income before taxes	14.8	7.5
Expenditures on properties	30.1	70.9
Cash flow before distributions	41.2	2.3
General & administrative expenses	15.1	18.3

Canada Lands Company CLC Limited

The key strategic issue facing CLC in the plan period continues to be the low volume and slow rate of strategic surplus properties transferred to it. The historically slow rate of property transfers to CLC has prevented the government from divesting itself of many of its burdensome unproductive properties. This has not allowed the government to reallocate its assets as necessary to attain maximum efficiency of its overall operations and has resulted in lost opportunities. CLC has proactively been addressing the issue of transfers, and it is hoped that the government will renew its effort to expedite the number and speed of property transfers to CLC.

The company's activities to date, along with estimates for sold properties, will lead to the following benefits for local communities and Canadian taxpayers:

- $286 million distributed to the government as dividends, cash acquisitions and payments for properties;
- $3.3 billion in development expenditures;
- 26,400 person years of direct construction employment;
- $15 million previously paid by CLC in annual property taxes to municipalities at point of sale, now transferred to purchasers;
- $1.5 million in annual operating expenses relieved from government departments, agencies and Crown corporations;
- $35.7 million in environmental remediation investment;
- 14,000 new or refurbished residential units; and
- 12 million ft^2 (1.1 million m^2) of non-residential construction.

During the fiscal year 2002-2003, CLC received approval for transfer of only two properties, indicating a transfer process that continues to be time consuming and cumbersome for both the company and government custodians.

CLC is embarking upon four major strategic directions to guide its future operations. They include:

- increasing Crown property transfers;
- proactively pursuing business development activities;
- enhancing partnership opportunities; and
- acquiring the leasehold interest of the CN Tower.

The company will continue to carry out its mandate as approved by the government on reactivation in 1995, "to ensure the commercially oriented, orderly disposition of selected surplus federal real properties with optimal value to the Canadian taxpayer and the holding of certain properties". It is also equipped to assist the government with a broader role than property disposals as the need may arise. CLC's areas of expertise can provide assistance to help the government meet its changing needs in areas such as environmental remediation and build to suit projects for government office accommodation.

CLC's financial results compared to the budget for the fiscal year ending March 31, 2003 are presented below.

	$ Millions	
	Actual	Budget
Property sales	89.9	115.3
Income before taxes	14.7	8.0
Expenditures on properties	29.8	68.7
Cash flow before distributions	38.5	4.5
General & administrative expenses	12.0	15.2

Parc Downsview Park Inc.

PDP is now reporting as a "deemed" parent effective September 3, 2003. This corporate plan will thus only contain the financial results of that corporation for the period April 1, 2003 to August 31, 2003. All other information on the operation of PDP will be contained in its own separate corporate plan.

1. Canada Lands Company Limited

1.1 Introduction

This corporate plan is structured to reflect the fact that Canada Lands Company Limited (CLCL) is a holding company for its wholly owned subsidiaries, Canada Lands Company CLC Limited (CLC), Parc Downsview Park Inc. (PDP) and the Old Port of Montréal Corporation Inc. (Old Port). These latter two subsidiaries report to the Parliament of Canada through the Minister of Transport (the Minister) as if they were parent Crown corporations. PDP's status as a "deemed" parent became effective on September 3, 2003.

As PDP is now reporting as a "deemed" parent, this corporate plan will only contain the financial results of that corporation for the period April 1, 2003 to August 31, 2003. All other information on the operation of PDP will be contained in its own separate corporate plan.

CLCL has virtually no assets or corporate resources other than the shares of its subsidiary companies. Furthermore, although the mandate of its subsidiaries are contained within CLCL's mandate, its subsidiaries operate with mandates in very diverse business environments, namely PDP and the Old Port. As the core real estate subsidiary of CLCL, CLC has the same purpose or principal goal in its policy mandate as its parent company. Consequently, this corporate plan will discuss the corporation's performance and its future strategic directions primarily through the section dealing with its core subsidiary.

1.2 Mandate

The objects of CLCL, as contained in its articles of incorporation in 1956, permit the corporation to acquire, purchase, lease, hold, improve, manage, exchange, sell, turn to account or otherwise deal in or dispose of real or personal property or any interest therein.

As laid out in the company's policy mandate, which was approved by the Government of Canada (the government) in 1995, the fundamental purpose or principal goal of CLCL is "to ensure the commercially oriented, orderly disposition of surplus real properties with optimal value to the Canadian taxpayer and the holding of certain properties". At that time, it was also indicated that the government could require that, in addition to financial considerations, other strategic considerations would be taken into account, including the views of affected communities and other levels of government. This mandate was reviewed by the government in June 2001 and was subsequently renewed.

The mandate of CLC is addressed in section 2.1 of this corporate plan. CLCL and its subsidiaries are guided by applicable government policies in the areas of employment equity, official languages, First Nations lands claim issues, heritage and the environment.

1.3 Corporate Profile

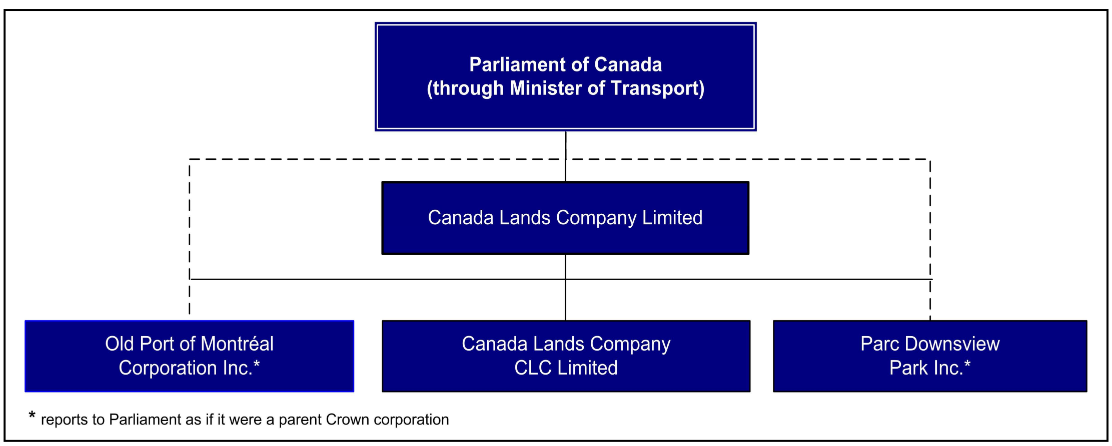
CLCL reports to Parliament through the Minister and is a self-financing, commercial, agent federal Crown corporation. Through its subsidiaries, the company maintains ownership or management of certain strategic properties and its board of directors oversees the realization of both commercial and community enhancement objectives. The company's fiscal year end is March 31.

The three wholly owned subsidiaries of CLCL are:

- CLC, a non-agent Crown corporation, carries out the core real estate business;
- PDP, incorporated in 1998, manages and develops the former Canadian Forces Base (CFB) Toronto lands as Downsview Park and reports to the Parliament of Canada as a "deemed" parent Crown corporation (effective September 3, 2003) and an agent Crown corporation (effective September 16, 2003); and
- Old Port, is responsible for redeveloping the Old Port of Montréal and reports to the Parliament of Canada as an agent and "deemed" parent Crown corporation.

The reporting structure of CLCL and its subsidiaries is illustrated in Exhibit 1.

Exhibit 1: CLCL and Its Subsidiaries



1.4 Analysis of External Business Environment

1.4.1 Economic Outlook

Although global uncertainties have increased in the past year due to the threat of terrorism and resulting military action, the country is expected to continue to lead all G7 countries in economic growth over the next few years. As the Minister of Finance indicated in the

October 2002 Economic and Fiscal Update, the Canadian economy achieved a growth in Gross Domestic Product (GDP) of 5% in the first half of 2002, compared to a figure of 3.1% for the United States, and the country's debt to GDP ratio has fallen from 71% in 1995 to 49% in 2002 – which marks the largest such decline of any G7 country over the same period.

As the most trade sensitive of the G7 countries, Canada has also managed to maintain a trade surplus, despite the general economic weakening in the U.S. economy since 2001. Interest rates continue to hover at relatively low levels due to 'easy money' fiscal policies of the U.S. Federal Reserve and the Bank of Canada. The key drivers for stronger growth are monetary and fiscal stimulants, bolstering domestic demand, and the anticipated recovery of U.S. markets, which should increase sales of manufactured goods and commodities. Provincial housing markets have also performed well in 2002, with average resale housing prices increasing 5% to 10% in most provinces.

In spite of this favourable outlook, the country's debt burden is still significant. The national debt continues to be the largest single expenditure item in the government's budget, costing taxpayers 22 cents in interest payments for every revenue dollar that is brought in. For this reason, the government has committed itself to remain fiscally responsible, and despite new demands on spending, such as health care, it will focus on paying down the debt, instituting tax cuts and reassessing its other spending priorities. Also, given that recent housing and automotive sales trends have been unsustainable, the question is not if, but by how much, the recent frenzy will cool down during the second half of 2002 and into 2003.

The British Columbia provincial economy continues to struggle. The First Nations referendum appears to have done little to resolve related real estate issues and the office markets in the lower Vancouver mainland continue to be very soft. The market has experienced significant negative absorption this past year and new commercial construction in the surrounding communities is limited; however, much of the longer sublease space has been absorbed. Growth is expected to continue at a slow pace for 2003.

The rezoning of CLC's 153 acres (61.9 hectares) of land at former CFB Chilliwack is expected to occur in the spring and the first phase of residential development will be completed to include a mixture of single family retrofits, in-fills, refurbished row homes and high end single family development, providing housing options at a variety of affordability levels.

The Kelowna residential market is experiencing strong demand and it is anticipated that the residential component of CLC's 25 acre (10.1 hectare) Brandt's Creek Crossing project will achieve significant sales at values higher than originally projected.

CLC's Alberta projects continue to generate outstanding value, as the second major area of the former CFB Calgary, the 80 acre (32.3 hectare) Garrison Green, has been rezoned and will see its initial development begin in the spring of 2003. The initial phase of this site, Garrison Woods, is completely sold out.

The 618 acre (250 hectare) CFB Griesbach property in Edmonton has received Master Plan approval. CLC has also completed the refurbishment of 65 permanent married quarters in a manner that has been well received by the occupants and will continue this program of upgrading the residential component occupied by the Department of National Defence (DND) throughout 2003.

Although below the national average, Manitoba's economy is expected to grow by 2.9% in 2003. The reason for the below average performance is attributed to Manitoba's reduced exposure in the oil sector. Manitoba's diversified economy and its strength in the aerospace, pharmaceuticals, biotechnology, financial services and agri-tech sectors will drive economic growth for the province.

After a dismal year in 2001, the Ontario economy is recovering, helped by an abrupt turnaround in automotive manufacturing activity, which in turn has lead to expansion in a number of related supplier goods industries. Homebuilders are moving quickly to satisfy the leap in housing demand, with developers in central Canada enjoying their best year for growth in more than a decade.

The Québec economy has been the positive surprise of 2002, leading the provincial ranks in terms of job creation, which in turn has been fuelled by explosive housing markets, red-hot manufacturing activity and higher government capital spending. Although the pace of job creation in Québec is projected to moderate in the second half of 2002, economic growth in the province is expected to remain relatively strong.

While softness in New Brunswick's resource industries will put somewhat of a damper on its real GDP growth this year, the provincial economy appears to be moving forward after two years of weak economic growth. Most notably, non-residential construction activity is beginning to improve following sharp declines in 2000 and 2001 that were related to the completion of a number of large-scale development projects. With the increase in construction activity expected to last well into 2003, economic growth is projected to continue to improve.

A dramatic slowdown in the pace of natural-gas production at Sable Island will temper the extent of economic recovery experienced by Nova Scotia this year. Nonetheless, this period of relatively lackluster growth in the province is likely to be short-lived. Development work on the second phase of the Sable Island project and at Deep Panuke will gather strength over the next 12 months, and manufacturing activity is expected to surge.

2001 was a disastrous year for Prince Edward Island potato farmers. The expected improvement in the crop in 2002 will support a brisk expansion in the province's agricultural and food-processing industries, and will catapult the province into second place in the growth standings in 2002. The healthy momentum will likely continue into 2003, although a return to a more sustainable rate of growth is most likely for next year as a whole.

The province of Newfoundland and Labrador is expected to remain a growth leader in 2003, given that rising crude oil production in the province's Terra Nova and Hibernia offshore oilfields will likely propel it to a nation-leading 6.3 % increase in GDP for 2002. Developments at both the White Rose offshore oil project and Voisey's Bay nickel project will contribute to this expected robust economic performance.

1.5 Objectives, Strategies and Performance Measures for the Plan Period

CLCL's objectives, strategies and performance measures are outlined in Appendix A.

1.6 Corporate Achievements 2002-2003

CLCL's corporate achievements are summarized in Appendix B.

1.7 Financial Discussion

The consolidated financial results for CLCL's year ending March 31, 2002 are presented in Exhibit 2.

Exhibit 2: CLCL Consolidated Financial Results for the fiscal year 2001-2002

	$ Millions	
	Actual	Budget
Property sales	83.3	70.1
Income before taxes	15.0	6.9
Expenditures on properties	58.0	84.9
Cash inflow (outflow) before distributions	0.5	(33.2)

CLCL's financial highlights for the year ending March 31, 2003 and the five years 2003-2004 to 2007-2008 are presented in Exhibit 3.

Exhibit 3: CLCL Financial Highlights for the Year Ending March 31,2003 and the Five Years 2003-2004 to 2007-2008

$ Millions

	CLC			PDP			CONSOLIDATED		
	2002-2003	2003-2004	2003-2008	2002-2003	2003-2004	2003-2008	2002-2003	2003-2004	2003-2008
Property sales	89.9	46.4	606.6	0.0	0.0	0.0	89.9	46.4	606.6
Other revenue	13.1	34.5	264.3	14.2	4.1	4.1	27.3	38.6	268.4
Income before taxes	14.7	19.8	144.0	0.1	(1.2)	(1.2)	14.8	18.6	142.8
Expenditures on properties	29.8	56.0	377.2	0.3	2.9	2.9	30.1	58.9	380.1
Income taxes	1.9	5.4	39.6	0.0	0.0	0.0	1.9	5.4	39.6
Cash inflow (outflow)	38.5	(18.1)	203.9	2.7	(2.9)	(2.9)	41.2	(21.0)	201.0
Distribution to Shareholder									
CMHC notes repayment	8.2	0.0	0.0				8.2	0.0	0.0
Government notes repayment	17.3	8.3	64.5				17.3	8.3	64.5
Dividends / shares redeemed	4.6	0.0	131.7				4.6	0.0	131.7
Total	30.1	8.3	196.2	0.0	0.0	0.0	30.1	8.3	196.2
As at 31 March									
Assets	315.5	373.6	306.3	26.4	0.0	0.0	341.9	373.6	306.3
Bank borrowings	0.0	0.0	33.7	0.0	0.0	0.0	0.0	0.0	33.7
Government / CMHC notes	33.6	50.3	47.8				33.6	50.3	47.8
Government notes (PDP)				19.0	0.0	0.0	19.0	0.0	0.0
Equity	220.2	231.2	189.6	1.1	0.0	0.0	221.3	231.2	189.6
Number of employees [1]	93	400	400	14	0	0	107	400	400

Note:

[1] When the CN Tower is acquired, it will add an another 214 full time, 93 part time and 168 seasonal employees.

1.7.1 Dividend Program

CLCL's dividend program will continue as established in the 2002-2003 to 2006-2007 Corporate Plan and operation of the CN Tower will not change this.
Consistent with the government's direction, it was agreed that working capital requirements would generally be determined by the cash demands on CLC to carry out its business activities and would be based on its projected cash flow from operations for the next three years, less note repayments during the same period.

The dividend program allows CLC to carry on business as a commercially viable entity. It permits CLC and the government to get the most efficient use of any cash generated from operations.

The following principles are built into the dividend program.

- Dividends are made when the year ending cash balance is greater than the working capital requirement. The working capital requirement is the cash flow from normal business for the ensuing three years less any note repayments.
- The actual dividend payment in a given year can be different from the budgeted dividend estimated in the previous year.
- The amount of the dividend payment will never be of such amount that CLC will have to borrow funds to pay it; but the corporation will, in the normal course of its business operations, fund major capital projects to be retained by the corporation, through appropriate external financing, following acceptable industry practice.

The dividend paid in fiscal year 2002-2003 (for fiscal year 2001-2002) was $4.6 million. In year one of the plan (fiscal year 2003-2004), the dividend to be paid will be based on CLC's dividend program. Over the plan period, dividends are expected to total $131.7 million.

2. Canada Lands Company CLC Limited

2.1 Mandate

As the core real estate subsidiary of CLCL, CLC has the same purpose or principal goal in its policy mandate as its parent company, "to ensure the commercially oriented, orderly disposition of selected surplus federal real properties with optimal value to the Canadian taxpayer and the holding of certain properties". This was laid out by the government in 1995 and reconfirmed in 2001. The realization of optimal value recognizes financial value, economic stimulation, and a contribution to the quality of life in communities where the company operates.

In carrying out its mandate, CLC ensures that it remains sensitive to local real estate market conditions and follows transparent processes. The company deals primarily with strategic properties possessing significant development potential, innovative planning, rezoning, servicing, environmental remediation, and community sensitivities or sensitivities at other levels of government.

In selling its properties, CLC ensures broad market exposure and competitive bidding whenever possible. It also maintains a commitment to environmental sustainability in its projects, respects heritage considerations and remains sensitive to First Nations land claims issues.

2.1.1 Vision Statement

The following vision statement has been adopted by CLC:

Canada Lands builds innovative property solutions to create financial value and community legacies for Canadians.

The following tag line was chosen to reflect the company's vision and is being used as part of the company's visual identity program.

Innovation • Value • Legacy

2.2 Corporate Profile

In carrying out its mandate in a self-financing manner, CLC purchases properties at fair market value from the government, then implements innovative property solutions, while contributing to an enhancement of the quality of life in the communities in which it operates. It collaborates regularly with federal, provincial and municipal stakeholders, pays taxes at all levels of government, and abides by all municipal development processes.

CLC currently has 93 employees (with the addition of the CN Tower, the company will have an additional 214 full time, 93 part time and 168 seasonal employees). CLC's head office is in Toronto, it has two regional offices in Ottawa and Vancouver, and it maintains ten additional offices across Canada in cities where major projects are located. The company's current land portfolio totals approximately 2,900 acres (1,170 hectares), located in 24 municipalities across Canada.

With the addition of the CN Tower, CLC's three operating divisions will be:

- Western Region — British Columbia, Alberta, Saskatchewan, Manitoba;
- Eastern Region — Ontario, Québec, New Brunswick, Nova Scotia, PEI, Newfoundland and Labrador; and
- CN Tower — located in Toronto, Ontario.

The company has no operations or properties in the Yukon Territory, Northwest Territories, or Nunavut.

Central to the company's operating philosophy is its commitment to the principle of corporate social responsibility. This acknowledges the company's pursuit of financial value optimization, but also ensures its activities are carried out in a way that also benefits its major stakeholders, including the local community. To integrate this balanced approach into its operations, the company uses a balanced scorecard measurement tool to document, measure and report on performance in five key result areas. These interests are:

- business/financial;
- community/legacy;
- human resources;
- municipal/provincial; and
- shareholder/board of directors.

Appendices D and C are the company's balanced scorecards for the fiscal years 2002-2003 and 2003-2004 respectively. The former highlights the company's achievements on the objectives set for the past fiscal year, while the latter sets out the company's objectives for the coming fiscal year. These balanced scorecards capture all of the priorities established through the company's annual strategic planning exercise.

2.3 Strategic Issues for the Plan Period

2.3.1 Property Transfers

The low volume and slow rate of strategic surplus properties transferred to CLC continue to be the greatest challenges to the future success of the company. There is a recognition by government departments, agencies and Crown corporations that the large number of remaining surplus real estate assets represent a substantial financial burden for the government, yet a number of hurdles inhibit the timely transfer of these properties to CLC. As a result of these hurdles, the majority of surplus properties are not identified and dealt with in a timely manner. It typically takes from three to five years for a surplus property to be transferred to CLC. The company received Treasury Board approval for transfer of two properties (Trafalgar and Chiliwack remainder) and actual title to 21 properties from the government during the 2002-2003 fiscal year; however, 20 of these 21 properties were part of Transport Canada's St. Lawrence Seaway portfolio. The remaining property was Greisbach.

The company is taking immediate steps in the area of business development, within its mandate, to work with the government to increase the volume and rate of transfers to it and also explore areas of work permitted within its mandate other than straight development and disposal of individual properties, as will be discussed in section 2.3.2.

The main challenge for CLC will be to assist custodians when requested in identifying their surplus strategic properties, and also help prepare their divestiture strategies to meet operational needs, while respecting government policy objectives of good stewardship for real property assets. In view of the complexity of the transfer process and the individual real estate challenges faced by each custodian, CLC can play a role in providing solutions and expediting transfers. Once the company increases its inventory of properties for disposal, it will be able to achieve greater economies of scale, which will financially benefit all involved parties.

2.3.2 Business Development

To date, CLC has demonstrated core competencies in a number of areas of expertise related to properties under its ownership. These include:

- sale of properties (401 Burrard in Vancouver, BC);
- build to suit construction projects (Glenlyon Business Park in Burnaby, BC);
- property development (former CFB Calgary, AB);
- environmental remediation of contaminated sites (former Moncton Shops, NB); and
- property management of CLC properties (Metro Toronto Convention Centre, ON).

The company has met with many of its department, agency and Crown corporation customers to determine their needs and assess the company's capacity to assist in resolution of their specific strategic real property challenges.

Bulk transfer and lease back opportunities are approaches to surplus property disposal that CLC will continue to pursue proactively with key government departments, in support of their overall real estate strategies and capital plans, and as a means to reduce operating expenditures. The company has already demonstrated the success and mutual benefit to be gained from these approaches through its acquisition of the Transport Canada St. Lawrence Seaway portfolio and the acquisition and leaseback of permanent married quarters on DND's CFB Griesbach property.

CLC has also focused renewed energy on creating dialogue with Crown corporations, in order to help them identify and deal with surplus properties for transfer.

Another priority for the company throughout the five year planning period will be to maintain its recognition across Canada as an innovative property solution provider that creates value for the government and communities.

2.3.3 Partnership Opportunities

CLC develops successful, cooperative working arrangements with its government department, agencies and Crown corporation customers when developing its innovative real property solutions. It also engages in extensive and transparent consultations with all stakeholders when determining the optimal use for its properties. These operating values are well recognized and appreciated by project stakeholders and the company's private sector partners.

The company is committed to seeking and initiating new partnership opportunities in both the public and private sector towards a common purpose.

For example, in February of 2002, the company signed a memorandum of understanding (MOU) with the Real Property Services Group of PWGSC to jointly focus on more effectively meeting the needs of their government custodian customers. The MOU builds on a number of joint initiatives that have taken place between the two parties and emphasizes the complementary use of the different skill sets and expertise of the two organizations towards meeting the government's operational requirements.

CLC will also continue to develop a wide variety of cooperative working relationships with the private sector such as it has developed with Options for Homes in Toronto in the construction of an affordable housing development at 650 Lawrence Avenue.

As the company undertakes new opportunities, it will continue to reach out to new partners in a spirit of cooperation and mutual benefit.

2.3.4 CN Tower

Upon reactivation of CLCL in 1995, the ownership and operation of the CN Tower became the responsibility of the company, through a wholly owned subsidiary, CN Tower Limited (CNTL). After an extensive public process, a public-private partnership was formed with TrizecHahn Corporation, transferring the employees and operational responsibility to TrizecHahn by way of a lease agreement. In 1997, CNTL was amalgamated into CLCL's other wholly owned subsidiary, CLC. The ownership of the asset and surrounding lands remained with CLC, consistent with the amalgamation. A key objective for entering into the partnership was to obtain private capital and expertise for an expansion of the base of the CN Tower.

Early in 2001, TrizecHahn advised CLC that the base development requirements would not be met and requested that the termination provisions be waived. Subsequently, TrizecHahn announced a significant corporate restructuring, which indicated that TrizecHahn would divest itself of its Canadian assets, including the operation of the CN Tower, despite having invested significantly in the CN Tower to date.

In January 2004, CLC intends to acquire TrizecHahn's leasehold interest in the CN Tower. CLC's mandate provides for the corporation to hold certain properties; the CN Tower has always been considered as one of these properties.

CLC intends to create a new operating division, reporting to the President, and to assume current CN Tower staff and all operating and administrative systems. This will ensure continuity and retention of corporate knowledge and management expertise. The 307 full and part time and 168 seasonal employees would become CLC employees in accordance with the existing terms and conditions of employment upon termination of the lease for the CN Tower.

2.4 Objectives, Strategies and Performance Measures for the Plan Period

CLC's objectives, strategies and performance measures for the planning period 2003-2004 to 2007-2008 are outlined in Appendix C.

2.5 Assessment of Corporate Resources

2.5.1 Human Resources

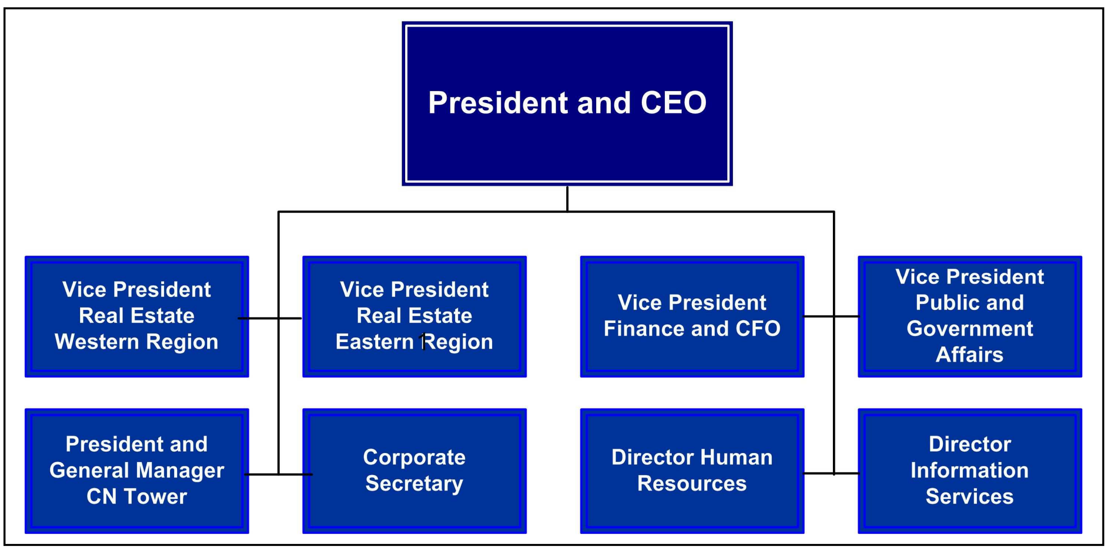
The company has evolved significantly from an organizational perspective over the past year. The organizational structure was rendered more streamlined and functional, while morale and employee commitment was at an all time high. The total compensation program was again reviewed to satisfy the board and management that the program was competitive and appropriate for a Crown corporation. In keeping with the recent recommendations of the Auditor General, the company also included a pay policy disclosure statement in its 2002-2003 Annual Report.

For the upcoming plan period, the company will work to smoothly transition the CN Tower employees to CLC's workforce, and will continue to focus on ensuring a positive work environment that is optimally conducive to high morale and performance. With many changes having occurred in the area of human resource management over the past year, the plan period will be a time for greater stability and project specific growth. The company is fortunate to have some of the top resources in the industry and employee retention will continue to be a high priority for continued corporate success.

When the CN Tower is acquired by CLC, the company will become a successor employer and the 307 full and part time and 168 seasonal employees will become CLC employees upon the termination of the lease for the Tower in accordance with the existing terms and conditions of employment. Approximately 170 employees in the Food and Beverage operations are unionized members under a collective agreement with the Canadian Auto Workers Union. There would be no change to the mix of unionized and non-unionized employees. CLC will maintain the existing culture of the Tower while capitalizing on their expertise. The President and General Manager of the CN Tower will report to the President and CEO of CLC.

CLC's senior management team has been restructured as illustrated in Exhibit 4, with desired significant positive outcomes already apparent.

Exhibit 4: CLC Senior Management Team Organizational Structure



CLC is committed to ensuring that employees have a safe and healthy environment in which to work. This includes full compliance with relevant Occupational Health and Safety legislation.

2.5.2 Information Resources

During the next five years, CLC's Information Services (IS) department will deliver initiatives as laid out in its strategic plan for the period 2003-2004 to 2007-2008. The department is committed to utilizing its capacity to support CLC by delivering initiatives that support business objectives, help bring the company along its technological maturity path, and remove obstacles that impede productivity.

The focus for IS for the fiscal year 2003-2004 is to continue implementing business solutions to gain key efficiencies, assist departments to evaluate business processes in order to enable better practices, implement end-to-end solutions that increase effectiveness, and provide tools to promote internal and external communication. In December 2002, the company launched its new Web site at www.clc.ca.

While the department will continue to direct its attention to system availability and reliability, it will also continue to maintain and secure the company's data and information integrity. It will concentrate on the business needs of CLC by evaluating application software, and measuring customer satisfaction and system performance. IS will also focus on developing and implementing technology solutions to mitigate risk for the company, as well as addressing current risk exposures in the area of business resumption planning.

2.5.3 Financial Resources

With the implementation of the new CLC dividend policy, all excess cash other than working capital requirements will be distributed to the government. CLC will finance major transactions from external sources, while minor transactions will be financed from its line of credit. The company has a $50 million short-term line of credit with a major bank, which is approved yearly by the Minister of Finance. This line is presently used for letters of credit totaling $15 million.

In addition to the existing line of credit, CLC is proposing to finance the majority of the acquisition costs of the CN Tower. This additional long-term borrowing, estimated to be $47 million, will also require Minister of Finance approval.

During fiscal year 2002-2003, CLC conducted a high-level risk assessment process in order to identify key areas of risk that need to be eliminated, mitigated or, if neither possible, insured. This assessment considered financial, operational and reputation risks, as well as those processes that support the creation of financial information that is used by management. The areas of risk identified during the assessment process and the related internal control gap issues will be validated as part of a three-year internal audit plan.

2.6 Corporate Achievements 2002-2003

An assessment of CLC's achievements to date on objectives from fiscal year 2002-2003, as expressed in the 2002-2003 to 2006-2007 Corporate Plan, is summarized in Appendix D.

3. Financial Schedules

3.1.1 Statement of Operations and Cash Flow for 2002-2003 to 2007-2008

	Actual 2002	Actual 2003	2004	2005	2006	2007	2008	Total
			$ Millions					
REVENUE								
Property sales	83.3	89.9	46.4	104.5	152.1	145.0	158.6	606.6
Cost of properties sold	63.6	69.8	35.7	84.0	121.3	114.3	123.6	478.9
Net property sales revenue	19.7	20.1	10.7	20.5	30.8	30.7	35.0	127.7
Net Attractions, Food and Beverage	0.0	0.0	2.8	28.4	28.8	29.4	30.0	119.4
Property rental	21.2	6.5	24.2	6.8	7.2	5.1	3.9	47.2
Interest and other income	10.4	6.6	5.8	6.1	6.9	8.1	9.3	36.2
	51.3	33.2	43.5	61.8	73.7	73.3	78.2	330.5
EXPENSES								
General and administrative	13.2	12.0	16.5	28.6	29.9	30.6	31.9	137.5
Provisions	1.2	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Interest	0.7	0.0	0.9	3.1	2.8	2.5	2.2	11.5
Land holding costs	15.5	2.5	2.8	2.5	2.0	1.7	1.1	10.1
Depreciation	2.6	2.4	3.1	5.5	5.8	5.5	5.5	25.4
Capital taxes	2.9	0.3	0.4	0.4	0.4	0.4	0.4	2.0
	36.1	18.5	23.7	40.1	40.9	40.7	41.1	186.5
INCOME BEFORE TAXES	**15.2**	**14.7**	**19.8**	**21.7**	**32.8**	**32.6**	**37.1**	**144.0**
Income taxes	4.0	1.9	5.4	6.0	9.0	9.0	10.2	39.6
NET INCOME	**11.2**	**12.8**	**14.4**	**15.7**	**23.8**	**23.6**	**26.9**	**104.4**
Recovery of cost of properties sold	63.6	69.8	35.7	84.0	121.3	114.3	123.6	478.9
Depreciation	2.6	2.5	3.1	5.5	5.8	5.5	5.5	25.4
Provisions	1.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Expenditures on properties	(55.2)	(29.8)	(56.0)	(76.8)	(77.8)	(82.7)	(83.9)	(377.2)
Acquisitions	(17.8)	(14.2)	(77.4)	(37.2)	(5.1)	(5.5)	(5.9)	(131.1)
Debt repayment	0.0	0.0	(0.9)	(3.9)	(4.2)	(4.5)	(4.8)	(18.3)
Vendor mortgages	(13.8)	3.9	12.1	7.3	2.5	7.0	(9.2)	19.7
Government notes issued	14.5	12.2	23.6	37.2	5.1	5.5	5.9	77.3
Long term financing		0.0	52.0	0.0	0.0	0.0	0.0	52.0
Changes in working capital	(1.7)	(18.8)	(24.7)	(0.9)	(0.8)	(0.6)	(0.3)	(27.3)
CASH INFLOW (OUTFLOW)	**4.6**	**38.5**	**(18.1)**	**30.9**	**70.6**	**62.6**	**57.8**	**203.8**
CMHC notes repayment	20.0	8.2	0.0	0.0	0.0	0.0	0.0	0.0
Government notes repayment	18.9	17.3	8.3	8.6	11.1	21.3	15.2	64.5
Dividends	15.5	4.6	0.0	0.0	30.7	59.6	41.4	131.7
DISTRIBUTIONS	**54.4**	**30.1**	**8.3**	**8.6**	**41.8**	**80.9**	**56.6**	**196.2**
ACCUMULATED DISTRIBUTIONS	**230.5**	**260.6**	**268.9**	**277.5**	**319.3**	**400.2**	**456.8**	**456.8**

Appendices

A CLCL Objectives, Initiatives and Performance Indicators for the Plan Period

INITIATIVES	KEY PERFORMANCE INDICATORS	*TIME HORIZON
GOVERNANCE		
Seek to further enhance governance practices	Further assess and refine corporate governance practices	Budget Year and Strategic Plan Years
Continue Board of Director self assessment process	Continue third phase of Board assessment	Budget Year and Strategic Plan Years

***Note:** *In the Time Horizon column of the chart above, Budget Year refers to the objective being achieved during the company's detailed business plan for the fiscal year 2003-2004. Strategic Plan Years refers to the objective being achieved during the period covered by the company's strategic plan for the subsequent four fiscal years, from 2004-2005 until 2007-2008.*

B CLCL Achievements 2002-2003

2001-2002 INITIATIVE	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
IMPROVE AND RESOLVE GOVERNANCE ISSUES WITH SUBSIDIARIES		
Support PDP in resolution of governance issues, title and financing impediments	Implement government-approved governance structure for PDP and monitor performance	Recommendations made to the government on the appropriate governance structure for PDP. Government has responded to the Auditor General's report that they will act to resolve the issue.
	Achieve resolution of PDP's title and financing impediments	Significant progress was made and these issues will be resolved after PDP's governance issues have been addressed.
STRENGTHEN CURRENT GOVERNANCE PRACTICES		
Explore and seek to further enhance governance practices	Work with the Minister's office to fill board positions vacated by members whose terms expire in 2002-2003	Recommendations made to the Minister on board appointments, along with board profile and skills matrix.
	Further assess and refine corporation governance practices	Independent, outside governance expert contracted to review and report on governance at CLCL. Report indicating that CLCL's practices are sound and appropriate presented to board, the Minister, and the Auditor General in December 2002. Phase II of board assessment undertaken by same expert, including self-assessment by board and assessment by

2001-2002 INITIATIVE	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
		outside stakeholders. Disclosure statement on governance practices prepared for inclusion in 2002-2003 annual report

C CLC Objectives, Initiatives and Performance Indicators for the Plan Period

INITIATIVES	KEY PERFORMANCE INDICATORS	*TIME HORIZON
BUSINESS / FINANCIAL		
FINANCIAL PERFORMANCE		
Enhance financial value and returns	Achieve full year impact of cost efficiencies in general and administrative expenses to deliver $1.7 million in savings over 2001-2002 actuals	Budget Year and Strategic Plan Years
Improve efficiencies in financial information system	Implement new operating practices, evaluate use of JD Edwards as an automation tool and implement solution as necessary	Budget Year and Strategic Plan Years
Ensure that 'market value' appropriately measures the financial success of the company	Assess appropriateness of 'market value' indicator	Budget Year and Strategic Plan Years
BUSINESS DEVELOPMENT		
Increase property transfers	Gain approvals for eight property transfers	Budget Year
	Receive title transfer for six properties plus an additional 50 Seaway properties	Budget Year
CUSTOMER RELATIONS		
Continue to improve customer satisfaction	Minimum overall customer satisfaction score of 75% for new target groups or increase in satisfaction score for repeat surveys	Budget Year and Strategic Plan Years
COMMUNITY / LEGACY		

INITIATIVES	KEY PERFORMANCE INDICATORS	*TIME HORIZON
LEGACY CREATION		
Implement legacy initiatives	Commemoration of former uses with legacy initiatives for major projects	Budget Year and Strategic Plan Years
PARTNERSHIPS		
Partner with local organizations / service providers in innovative ways	New partnerships forged over the course of the fiscal year in support of development plans	Budget Year and Strategic Plan Years
CORPORATE PHILANTHROPY AND IN-KIND SUPPORT		
Evaluate and act upon potential areas of financial support (donations and sponsorships)	Contribution of up to 1% of net income before taxes towards corporate philanthropy (donations and sponsorships) in line with the company's corporate philanthropy policy	Budget Year and Strategic Plan Years
Evaluate and act upon in-kind sponsorship opportunities	Value of in-kind support	Budget Year and Strategic Plan Years
COMMUNITY CONSULTATION		
Undertake broad-based consultation for each major project as part of planning approval process	Community acceptance and support of proposed development plan	Budget Year and Strategic Plan Years
Web site projects	Produce project Web sites as appropriate	Budget Year and Strategic Plan Years
HUMAN RESOURCES		
WORK ENVIRONMENT		

INITIATIVES	KEY PERFORMANCE INDICATORS	*TIME HORIZON
Employer of choice status	Refinement of human resources programs	Budget Year and Strategic Plan Years
Create and maintain positive and safe work environment and recognize and reward employees appropriately	Maintenance of voluntary employee turnover at below 5%	Budget Year and Strategic Plan Years
	Achieve a score above the baseline in annual employee survey	Budget Year and Strategic Plan Years
	Engagement of employees through regular communications and participation opportunities	Budget Year and Strategic Plan Years
MUNICIPAL / PROVINCIAL		
ECONOMIC STIMULATION		
Promote timely and appropriate development and construction of sites, and track activity in line with the company's guidelines on tracking benefits beyond dividends	Cumulative development expenditures stimulated by CLC and its project associates, since CLC's inception	Budget Year and Strategic Plan Years
	Cumulative person years of direct construction employment stimulated by CLC and its project associates, since CLC's inception	Budget Year and Strategic Plan Years
	Cumulative annual taxes to municipalities at point of sale by CLC to third parties, since CLC's inception	Budget Year and Strategic Plan Years
	Cumulative total area of non-residential construction stimulated by CLC and its project associates, since CLC's inception	Budget Year and Strategic Plan Years
SOCIAL POLICY OBJECTIVES		

INITIATIVES	KEY PERFORMANCE INDICATORS	*TIME HORIZON
Contribute to affordable housing and other social policy objectives where feasible, with each major project	New or refurbished residential units stimulated by CLC and its project associates, since CLC inception, at a variety of affordability levels	Budget Year and Strategic Plan Years
Utilize environmentally and fiscally responsible means of remediating contaminated sites	Environmental remediation investment in projects by CLC and its project associates, since CLC's inception	Budget Year and Strategic Plan Years
SUSTAINABLE DEVELOPMENT		
Incorporate sound principles of sustainable development for each development initiative	Creation of strong sense of community, belonging or neighbourliness for projects	Budget Year and Strategic Plan Years
	Public areas that encourage walking and socializing	Budget Year and Strategic Plan Years
	Links to public transit	Budget Year and Strategic Plan Years
Recycling and or reusing demolition or construction wastes	Quantities of recycled or reused materials from demolition or construction	Budget Year and Strategic Plan Years
SHAREHOLDER / BOARD OF DIRECTORS		
OPERATIONS		
Provide financial benefit to the Government of Canada	Total cumulative distributions to the Shareholder in the form of dividends, note repayments and cash acquisitions, since CLC's inception	Budget Year and Strategic Plan Years
	Cumulative annual operating expenses relieved from Government of Canada departments, agencies and Crown corporations at point of purchase by CLC, since CLC's inception	Budget Year and Strategic Plan Years

INITIATIVES	KEY PERFORMANCE INDICATORS	*TIME HORIZON
Review known risks of the company and mitigate exposure	Company risk exposure identified and managed	Budget Year and Strategic Plan Years
COMMUNICATIONS		
Enhance profile of Government of Canada	Positive media coverage	Budget Year and Strategic Plan Years
Establish relationships with city councils of communities where CLC conducts its business	Establishment of relationships where appropriate	Budget Year and Strategic Plan Years
BILINGUALISM		
Execute the official language designation plan	Assess employee capabilities and develop appropriate training plans to meet minimum requirements established previous year	Budget Year and Strategic Plan Years
	100% of management team to meet minimum requirements or be registered in language classes	Budget Year and Strategic Plan Years

***Note:** *In the Time Horizon column of the chart above, Budget Year refers to the objective being achieved during the Company's detailed business plan for the fiscal year 2003-2004. Strategic Plan Years refers to the objective being achieved during the period covered by the Company's strategic plan for the subsequent four fiscal years, from 2004-2005 until 2007-2008.*

D CLC Achievements 2002-2003

INITIATIVES	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
BUSINESS / FINANCIAL		
ENHANCE FINANCIAL PERFORMANCE		
Seek to enhance the financial value and return on projects	Maintain general and administrative (G&A) expenses at previous year's actuals plus 3%, other than staffing and other expenses necessitated by new projects	G & A expenses have been kept at previous year's actuals
Continue to make financially prudent investment in projects to ensure sustainability of business and distribution to the shareholders	Meet or exceed corporate financial targets (net income before tax [NIBT] and cash flow before capital expenditures) set in the corporate plan	Cash flow before capital acquisitions and distributions and NIBT have not been met
Structure projects to ensure a sustainable revenue stream and cash flow	Carry out targeted capital expenditures made in order to ensure financial targets on major projects can be met in ensuing years	Capital expenditure targets have not been met
INCREASE PROPERTY TRANSFERS		
Proactively identify strategic federal property assets that are underutilized	Obtain necessary approvals for six transfers over the course of the fiscal year	Achieved approval for 2 property transfers
Formulate property specific action plans to obtain approvals and facilitate title transfers	Achieve transfer of title for four properties	Achieved transfer of title for 21 properties (20 of these were from the St. Lawrence Seaway portfolio) Undertook organizational restructuring to better achieve transfers.

INITIATIVES	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
EXPLORE EXPANSION OF SCOPE OF SERVICES AND NEW BUSINESS LINES AS WARRANTED BY GOVERNMENT NEEDS		
Continue stakeholder consultation to ensure services align with stakeholder needs	Clarify scope of work for CLC in the Toronto Waterfront Revitalization Initiative Secure necessary authorities on a project basis as the needs may arise with respect to either a build to suit or environmental remediation and any other initiatives	Contract with Toronto Waterfront Revitalization Corporation expected by March 31, 2003 This was not achieved by the end of the fiscal year but negotiations with respect to potential projects continue
ENHANCE CUSTOMER RELATIONS		
Continue to apply customer satisfaction monitoring methodology to target groups in each region	Minimum overall customer satisfaction score of 75% for new target groups or increase in satisfaction score for repeat surveys	Survey conducted on Griesbach refurbishment achieved a customer satisfaction score of 90% 277 Front Street received Certificate of Excellence from Building Owners and Managers Association
COMMUNITY / LEGACY		
CREATE LEGACIES AS A PART OF EACH MAJOR PROJECT		
Implement legacy or community investment initiatives as part of an overall development strategy	Legacy or community investment initiatives benefiting the development of major projects	Completion of unique public art attraction as part of 401 Burrard office tower Moncton Shops fields fully constructed and turned over to the City of Moncton

INITIATIVES	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
PARTNER WITH LOCAL ORGANIZATIONS WHEREVER POSSIBLE		
Seek innovative ways to partner with local organizations / service providers	New partnerships forged over the course of the fiscal year in support of development plans	Completion of Fraser River lookout at Glenlyon Business Park in partnership with City of Burnaby Partnership with Options for Homes for the construction of 650 Lawrence in Toronto
EVALUATE OPPORTUNITIES FOR STRATEGIC DONATIONS RELATED TO MAJOR PROJECTS AND / OR IN COMMUNITIES WHERE THE COMPANY CONDUCTS BUSINESS		
Review, evaluate and act upon potential areas of financial or in-kind support	Community acceptance and support of proposed development plan	In-kind donations for the 2002-2003 fiscal year total $242,059
SEEK INPUT FROM AND ENGAGE THE COMMUNITY WITH RESPECT TO ALL MAJOR PROJECTS		
Undertake broad-based consultation for each major project as part of planning approval process	Community acceptance and support of proposed development plan	Franklin Yard Charrette, Moncton Albion & Lester Road consultations Benny Farm redevelopment consultation process resulted in a development proposal Griesbach re-zoning, Edmonton Garrison Green re-zoning, Calgary Interactive process well advanced for Chilliwack Parcel A

INITIATIVES	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
HUMAN RESOURCES		
BE RECOGNIZED AS AN EMPLOYER OF CHOICE		
Issue annual employee workplace satisfaction survey	Enhance baseline employee satisfaction	Second annual employee survey issued and results tabulated, indicating employee satisfaction exceeds previous year
Based on employee input from last year's workplace satisfaction survey, refine human resources programs to resolve issues / difficulties	Refine human resources programs	All human resources programs were reviewed and refined
	Ensure appropriateness and flexibility of organizational structure to respond to needs and opportunities	Organizational structure was streamlined and simplified, with positive business and financial outcomes
Strive to create challenging and positive work environment, and focus on employee retention with a particular view to skill development and skill appropriation	Maintain voluntary employee turnover at below 5%	Voluntary employee turnover maintained at less than one percent
	Through human resources information system, develop a skills inventory and strategic development plan	Development of skills inventory has commenced
		In keeping with recommendations of Auditor General, a pay policy disclosure statement was developed
COMMUNICATE WITH AND CONSULT EMPLOYEES EXTENSIVELY		

INITIATIVES	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
Continue to strengthen employee communications, and inform employees regularly through both formal and informal means	Issue employee newsletters at least quarterly and hold regular meetings at regional offices	Employee newsletters continue to be issued
	Introduce more structured employee communications framework	Human resources round table established
Develop a process for capturing and communicating best practices and expertise across the organization	Ensure each region has access to relevant centres of excellence	Centres of excellence routinely utilized within and across regions
	Respond to major findings of employee workplace satisfaction survey and engage employees in workplace change initiatives	
Continue to engage all employees in the strategic planning process		Input received through the employee survey
		Employee participation in corporate plan took place at National Conference
Continue to engage employees more fully with respect to corporate financial and non-financial performance	Employee buy-in and appreciation of strategic direction and corporate plan	
		CSR committee progress report submitted to the board in January 2003
	Quarterly employee CSR committee progress report submitted to the board and published in employee newsletter	
		National Conference held in September 2002, with a 90% approval rating
	Hold a national employee conference during fiscal year	Regular two-way meetings held between employees and SMT

MUNICIPAL / PROVINCIAL

PROVIDE ECONOMIC STIMULATION IN COMMUNITIES WHERE CLC CONDUCTS BUSINESS

INITIATIVES	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
Promote timely development and construction of sites	Development expenditures stimulated	Simulated development expenditures projected to be $3.3 billion*
Identify and implement most appropriate mixed use developments for sites	Person years of direct construction employment stimulated	26,400 person years of stimulated direct construction employment projected*
	Annual taxes to municipalities at point of sale	$15 million in annual property taxes relieved from CLC at point of sale
	Annual operating expenses relieved from Government of Canada departments, agencies and Crown corporations	$1.5 million in annual operating costs relieved from Government of Canada departments, agencies and Crown corporations at point of purchase by CLC
	Non-residential construction stimulated	12 million square feet of stimulated non-residential construction projected*
CHAMPION SOCIAL POLICY OBJECTIVES TO REACH CONSENSUS AMONG THREE LEVELS OF GOVERNMENT		
Explore the feasibility of contributing to affordable housing and other social policy objectives with each major development project	New or refurbished residential units stimulated	14,000 new or refurbished residential units stimulated at a variety of affordability levels*
Utilize environmentally / fiscally responsible means of remediating contaminated sites	Environmental remediation investment	$35.7 million invested in environmental remediation*
		Two Brownie Awards received for CLC's work on its former Moncton Shops property
PROMOTE SUSTAINABLE DEVELOPMENT		
Incorporate sound principles of sustainable development for each development initiative	Creation of strong sense of community, belonging or neighbourliness for projects	Participation in the Prime Minister's Task Force on Urban Issues

INITIATIVES	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
Explore and implement innovative means of recycling and / or reusing demolition or construction wastes	Public areas that encourage walking and socializing Quantities of recycled or reused materials from demolition or construction	Continue enhancement of Foreshore Park / trail system in Glenlyon Opening of 401 Burrard in Vancouver, the 'greenest' building in PWGSC inventory
SHAREHOLDER / BOARD OF DIRECTORS		
POSITIONING OF COMPANY COMMUNICATIONS		
Showcase CLC's accomplishments to various stakeholders as a business development tool through project tours and events Develop the Web site to respond to company needs	Roll out new corporate visual identity program across regions Conduct a minimum of five project tours for key stakeholders Successfully implement the Web site redevelopment work plan	Visual identity program consistently applied Conducted dozens of project tours for key stakeholders Web site launched December 2002 and launched project Web sites
IMPROVE INTERNAL FINANCIAL AND QUALITATIVE MEASURES AND PERFORMANCE		
Report on performance regularly to the board and the shareholder Ensure sufficient and appropriate policies exist, and that newly established 'market value' for CLC is a means of more appropriately measuring financial success	Report to the board quarterly and to the shareholder with the frequency determined by the board Identify areas requiring new or revised corporate policies or controls, and develop and implement as necessary Monitor and report to the board on performance on a quarterly basis with respect to the 'market	Regular updates through reports from the President and CFO at each board meeting Risk management assessment initiated, financial processes reviewed / revised, and JD Edwards financial information systems assessment begun Market value performance indicator presented to the board and accepted as an additional

INITIATIVES	KEY PERFORMANCE INDICATORS	ACHIEVEMENTS
	value' performance indicator	means to internally measure performance
FURTHER CLARIFY THE COMPANY'S COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY (CSR)		
Further clarify CSR and its rationale and ensure increasing employee buy-in Continue communications of CSR to employees, the government and the public	Continued communications and employee participation with respect to CSR Implement a comprehensive internal communications framework	Progress achieved in generating buy-in and understanding throughout the company CSR has been internalized by employees Employee CSR committee in existence for over one year
WORK TOWARDS ACHIEVING BILINGUALISM FOR ALL DESIGNATED EMPLOYEE POSITIONS		
Execute the official language designation plan	Assess employee capabilities and develop appropriate training plans to meet minimum requirements 100% of management team to meet minimum requirements or be registered in language classes	The development and implementation of the CLC's bilingual designation plan will continue in fiscal year 2003-2004 All members of SMT either meet the requirements of their jobs language designation or are presently training to achieve it
STRENGTHEN CURRENT GOVERNANCE PRACTICES		
Explore and seek to further enhance governance practices	Work with the Minister's office to fill board positions vacated by members whose terms will expire in 2002-2003 Further assess and refine corporate governance practices	Recommendations have been sent to the Minister, along with board profile and skills matrix Governance achievements noted in Appendix B

*Company achievements since inception.