Canada Lands Company Limited

Corporate Plan 2015-2016 to 2019-2020 Summary

CANADA LANDS COMPANY LIMITED
SOCIÉTÉ IMMOBILIÈRE DU CANADA LIMITÉE

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1 Executive Summary

1.1 Profile

Canada Lands Company Limited (CLCL) was incorporated under the *Companies Act*, was continued under the *Canada Business Corporations Act* (CBCA), is listed in Schedule III, Part 1 of the *Financial Administration Act* (FAA), and has the following three subsidiaries: a non-agent Crown corporation titled Canada Lands Company CLC Limited (CLC), which manages the company's real estate interests as well as Canada's National Tower in Toronto, Ontario (CN Tower); Parc Downsview Park Inc. (Downsview Park); and the Old Port of Montréal Corporation Inc. (Old Port or Old Port of Montréal), which also includes the Montréal Science Centre (Science Centre).

CLCL is subject to federal laws, such as: the FAA; CBCA; *Access to Information Act; Privacy Act; Library and Archives of Canada Act*; and *Official Languages Act*. CLCL is also subject to the *Canadian Environmental Assessment Act, Canadian Environmental Protection Act* and *Alternative Fuels Act*.

Under Part X of the FAA, CLCL is required to maintain financial and management control and information systems and management practices that provide reasonable assurance that its assets are safeguarded and controlled; and ensure its financial, human, and physical resources are managed economically and efficiently, and its operations are carried out effectively.

1.2 Organizational Structure

CLCL has three subsidiaries:

- CLC (operates across Canada);
- Downsview Park (operates in Toronto, Ontario); and
- Old Port of Montréal (operates in Montréal, Québec).

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

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

The Real Estate division is comprised of three regions:

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

The Old Port of Montréal has two divisions:

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

Downsview Park does not have any divisions. It reports through to CLC's Ontario/Atlantic real estate group. The Old Port of Montréal reports through CLC's Québec real estate group. The Montréal Science Centre reports directly to the President and CEO of CLC, in the same manner as the Chief Operating Officer of the CN Tower.

CLCL's land portfolio totals 1,508 acres (or 610 hectares) as of March 31, 2014. CLC's head office and the CN Tower are located in Toronto, with some corporate staff also based in Ottawa. The West region's offices are located in Calgary, Chilliwack and Edmonton. The Ontario/Atlantic region's offices are located in Toronto (at head office and Downsview Park) and Ottawa. The Québec real estate, Old Port and Montréal Science Centre office is located in Montréal.

Central to CLC's philosophy is the commitment to the principles of corporate social responsibility. It acknowledges CLC's pursuit of financial value optimization, but also ensures its activities are carried out in a way that benefits its major stakeholders, including the local community.

1.3 Mandates

The legal objects of CLCL, as contained in its Articles of Continuance, are broad and permit it 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 CLCL holds no assets, it fulfills its mandate and operates its real estate and tourism activities through its CLC, Old Port and Downsview Park subsidiaries.

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".

Through its commercially oriented non-agent CLC subsidiary, CLCL ensures the orderly disposition of surplus strategic properties, maintains ownership or management of certain properties which benefit from a federal presence such as the CN Tower and pursues the realization of both financial and community objectives.

CLC's role in the disposal of surplus properties is further defined by the Treasury Board's Directive on the Sale or Transfer of Surplus Real Property, which permits custodians to sell to CLC only those specific surplus federal real properties or portfolios identified as strategic. Strategic surplus real properties are properties or portfolios of properties with the potential for significantly enhanced value, those that are highly sensitive, or are a combination of these factors.

Because of the complexity associated with these properties, they may require innovative efforts and a comprehensive management approach to move them into the market. As such, CLC follows transparent processes and ensures that it remains sensitive to local real estate market conditions.

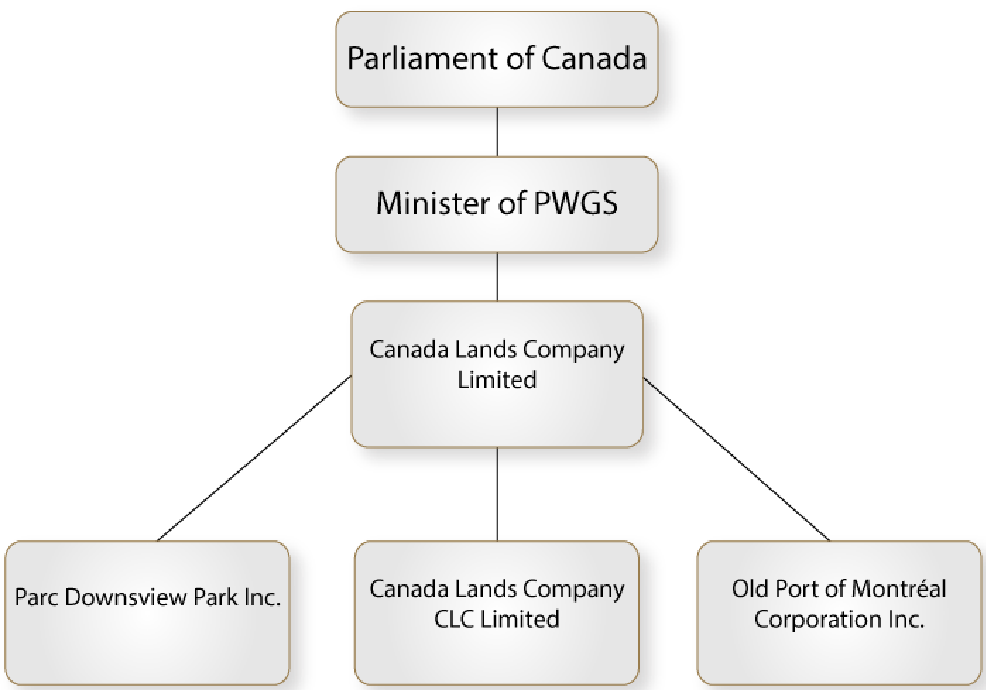
CLC works regularly with federal, provincial and municipal stakeholders. CLC ensures it undertakes its work with broad market exposure and competitive bidding. It also maintains a commitment to environmental sustainability in its projects and respects heritage considerations. It recognizes that best value for the Government includes a commitment to optimize both community value and financial value, which contributes to an enhancement of the quality of life in the communities in which CLC operates across Canada.

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 Joint Venture Agreement with three British Columbia First Nations. It provides the Nations a beneficial interest in three former Government of Canada properties CLC acquired in 2014. CLC will act as project manager and work together with the First Nations on major decisions to develop these properties.

Downsview Park owns a 572-acre site located in Toronto, Ontario. It was incorporated on July 17, 1998 under the CBCA. Downsview Park's site is a former Canadian Forces Base, which 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 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.

Figure 1: CLCL and its Subsidiaries



Vision, Mission and Values

CLCL's vision, mission and value statements help define its strategic direction. These tools were updated and revised as part of a recent strategic planning exercise.

Vision

Our vision is to be the Government of Canada's principal resource for real estate disposal, dedicated to the development of great Canadian communities and to also be a premier manager of select real estate based attractions vested in our care through a commitment to:

- Developing and maintaining a solid reputation with our stakeholders and partners while being innovative, visionary and pragmatic.
- Creating projects that are recognized as great communities by applying best practices and ensuring environmental sustainability, while respecting heritage and creating lasting legacies.
- Enhancing the user experience and profitability of our select real estate based tourism attractions while maintaining the integrity of the assets.

Mission

To ensure the innovative and commercially sound reintegration of former Government of Canada properties into local communities, as well as holding and managing certain real estate based attractions, while providing best value to Canadians.

Values

INNOVATION

We respect the past and embrace the future by promoting innovative approaches in our real estate, tourism and attraction sectors, and in all of our stakeholder relationships. We commit to meet or exceed expectations by integrating innovation in our projects, products and service offerings.

VALUE

We bring value to Canadians through our efforts and our activities to optimize both the financial and non-financial benefits of our business sectors. Canada Lands defines value as working to achieve the best possible outcomes for taxpayers, Government, communities, municipalities and our partners.

ETHICS

We set and meet the highest standards of ethical behaviour in what we do and how we do it.

LEGACY

We honour the legacy of every asset with which we work, and we highlight historical traditions in our projects.

CLCL Boards of Directors

CLCL, CLC, Old Port of Montréal and Downsview Park each has its own Board of Directors (the Board) that holds regularly scheduled meetings. The membership for each Board is the same with the exception of the President and CEO of CLCL, who sits on the Board of CLC, Downsview Park and 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 Governor-in-Council appointments. The Chairman and the President and CEO are also appointed by the Governor-in-Council. 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, Old Port of Montréal and Downsview Park are appointed by CLCL's Board and oversee the operations carried out by the subsidiaries. The Board of CLC has Governance, Human Resources, Audit, Investment and Risk Committees. 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.

Management Agreements

To ensure the appropriate management structure for its subsidiaries, and on the advice of its legal counsel, CLC has two management agreements in place, one with Downsview Park and one with the Old Port. They give CLC full authority and control to manage the day-to-day operations of these organizations absent full legal amalgamation with CLC.

Annual Public Meetings

As a Crown corporation, and in line with best practices and the 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 has hosted annual public meetings. In 2014, the meeting was held in Vancouver where the Chairman of the Board and the President and CEO discussed the operations and financial results. The public was invited to submit questions prior to and during the meeting. The next public meeting is anticipated for later in 2015 in Toronto, Ontario.

1.4 Summary of Net Benefits to the Government of Canada 2015-2020

$millions

Expenditure/Investment/Return	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
Acquisitions[1]	19.3	20.2	35.1	5.6	15.0	95.2
Promissory note repayments	32.7	36.2	25.7	20.2	15.1	129.9
Income Tax	11.9	13.5	15.4	18.0	20.3	79.1
Dividends to Canada[2]	10.0	10.0	10.0	10.0	70.0	110.0
Financial support to the Old Port of Montréal	15.9	10.6	10.7	10.3	10.7	58.2
Total	89.8	90.5	96.9	64.1	131.1	472.4

1 Represents the upfront payment to the disposing department or agency, normally up to $5 million per property or portfolio.
2 Indicates cash dividends forecast to be paid to the Consolidated Revenue Fund.

At the same time as CLCL provides the financial benefits to Canada, it will, through CLC, Downsview Park and the Old Port subsidiaries, invest in its existing inventory. These investments include tax or PILT payments to municipalities, spending on infrastructure (e.g. construction contracts for roads, water, sewer lines) and hiring consultants and technical services firms. Total investments by year and for the duration of this plan are shown in the table below:

Summary of CLCL Investments 2015-2020

$millions

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
Investments in inventory*	133.6	133.3	123.2	115.0	84.4	589.4

* Includes construction and consultant contracts, municipal taxes and PILT payments

1.5 Overview of Plan Period 2015-2016 to 2019-2020

CLCL's overall strategy for the five year plan period is to continue its work of reintegrating former Government of Canada strategic properties into local communities, effectively manage its attractions assets through service enhancements and cost efficiencies, and enter into a dialogue and consultations with the government, its sole shareholder, regarding the implementation of its 2014-2015 strategic plan.

In Ontario, CLC expects City of Ottawa approval of its Community Design Plan for its Rockcliffe redevelopment project in 2015 at which time the company will begin its servicing program, including the installation of roads and sewers.

CLC's overarching priority at Downsview Park is to hold and manage the parkland as the company continues the implementation of the City of Toronto's Downsview Area Secondary Plan requirements pertaining to the company's lands. The plan provides a land use and development framework, including a requirement for parkland, recreational and other related uses.

In Alberta, at the Village at Griesbach in Edmonton work continues in the new phases including construction of new road works including sanitary, water, storm water and utilities, in accordance with City of Edmonton municipal design guidelines. In Calgary at Currie Barracks, City of Calgary approval for an updated plan is expected in 2015 and will include building a major interchange as part of the final phase of this project.

In British Columbia, over the next five years, CLC will be servicing lots at its River's Edge development and other service works in Chilliwack. CLC will install its initial Vancouver project team responsible for the redevelopment of its three local properties. Introductory public meetings are planned for 2015 as a way of introducing CLC and the projects to the local community.

CLC's attractions assets will see similar progress. The CN Tower will concentrate on leveraging many large events including the Toronto 2015 Pan Am/Parapan Am Games, and opportunities with Ripley's Aquarium of Canada. Upcoming milestones for the CN Tower will include a celebration of 20 award-winning years for the *360* Restaurant in 2015, and the celebration of the CN Tower's 40th anniversary in 2016.

A major initiative at the Old Port of Montréal during the plan period will be to develop a broad-based public consultation process to engage the community and municipality in exploring development opportunities for the site along with existing adjacent CLC properties included in the Nouveau Havre initiative. The corporation's goal is to develop a long term vision for the territory in collaboration with the city and stakeholders.

The Montréal Science Centre's key objective over the plan period is to complete an assessment of the current state of its offerings as well as its medium to long term capital requirements, and develop a plan that will enable it to be more self-sufficient and provide new attractions that will enhance revenues, while maintaining service quality.

1.6 Performance Management

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. This performance management mechanism 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 and to reflect the updated strategic plan. This exercise will be undertaken in 2015 and reported in the 2016-2017 corporate plan.

2 CLCL Strategic Priorities and Operational Overview

2.1 Strategic Priorities

CLCL continues to ensure sound governance practices as it oversees the business operations of its three subsidiaries. CLCL's overarching strategic priorities during the planning period are as follows:

CLC: continue its successful redevelopment activities across Canada, adding value to former government properties, and maximize returns to local communities and the Government of Canada derived from its real estate and attractions assets and activities.

CLC will enter into a dialogue and consultations with the government, its sole shareholder, regarding the implementation of its strategic plan prepared in 2014.

Downsview Park: hold and manage the parkland as CLC continues implementing the Downsview Area Secondary Plan requirements pertaining to the company's lands. The plan provides a land use and development framework, including a requirement for parkland, recreational and other related uses.

Old Port of Montréal: continue to maintain as a premier attraction, event venue and green space while exploring long term sustainability and value creation initiatives. The Science Centre will confirm its mission, assess the current state of its offerings and its medium to long term capital requirements and seek opportunities for enhanced revenue generation, while maintaining service quality.

2.2 Analysis of External Environment

Economic and Real Estate Markets Outlook

The Bank of Canada assessed economic activity in Canada to currently be supported by the lower Canadian dollar and ongoing low interest rates, thus helping to offset impending challenges that include the impact of uncertainty and weak global demand. Household spending represents more than its long-run sustainable share of growth, says the report, but exports have been improving, in line with the growing momentum in the U.S. economy. Investment remains weak.

According to the Bank of Canada the sustainability of domestic and global demand should gradually improve, and the contribution of business investment should pick up. Together with a moderation in the growth of household spending, this is expected to gradually return Canada's economy to a more balanced growth path. Real Gross Domestic Product growth is projected by the Bank of Canada to average close to 2 ½ % over the next year before slowing gradually to around 2% by the end of 2016, roughly the estimated growth rate of potential output.

In the housing market, economic conditions in Canada are projected by CMHC to gradually improve in 2015, leading to modest increases in employment, disposable income and housing demand. Housing starts in 2015 are anticipated to be similar to 2014 with 183,100 units. The housing starts forecast for 2015 are 163,000 to 203,200 units.

Delving deeper, Canada's housing market is expected to be supported by improving economic conditions translating to higher employment and income growth. Overall market conditions remain balanced and according to CMHC, house prices are generally in line with underlying demographic and economic factors. While there are some indicators that suggest some modest overvaluation, this is not a concern given the strong underlying factors that support the housing market. The outlook for the Canadian housing sector is moderation, anticipated to experience a marginal decline.

Tourism and Attractions Outlook

Despite a challenging global economy, the tourism industry saw an additional 52 million tourists travel worldwide in 2013-2014, which represents a 5% increase over 2012. The United Nations World Tourism Organization (UNWTO) states in its *Tourism 2020 Vision* forecast that these improvements are above and beyond its own original projected 4% long-term trend.

As reported by the World Economic Forum (WEF), Canada continues to be a relatively competitive landscape for the tourism sector, moving from ninth to eighth overall in WEF rankings of 140 countries in 2013-2014. The WEF's Travel and Tourism Competitiveness Index (TTCI) is a measure of the factors and policies that make it attractive to develop the travel and tourism sector in different countries, although not a measure of actual performance.

The Canadian Tourism Commission (CTC) reports that Canada's tourism industry remains a fundamental economic driver, creating jobs and providing support to all levels of government. The industry supports over 618,000 jobs and over 170,000 tourism business establishments, and in 2013, generated an estimated $84 billion in tourism revenue. International tourism revenue accounted for $16.4 billion in 2013.

In its 2013-2014 annual report, the CTC reveals Canada welcomed 16.6 million international overnight visitors, up 2% over previous years. This is attributable to significant growth from emerging markets, including China, Mexico and South Korea. More modest increases were seen from the well-established core markets of France and Australia, with a slight decline from the UK.

Taking a step back however, a 2014 Tourism Industry Association of Canada report revealed that although Canada's tourism industry saw minor upticks in 2013-2014, whether measured by aggregate number of visitors, international ranking, or market share, Canada has seen a steady regression in tourism since the year 2000. In that context the tourism and attractions sector is expected to remain a fluid challenge during the plan period, and beyond.

2.3 Status of Amalgamation

The government announced on November 29, 2012 that 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 functional amalgamation of these entities has been substantially met.

Since assuming control of Downsview Park and the Old Port of Montréal, CLC has generated the following efficiencies:

- Eliminating $122.5 million in appropriations over the company's current five year plan period.
- Reducing annual deficits at the Old Port of Montréal from $24.5 million per year to an average of $11.6 million.
- Improving Downsview Park's financial performance from a pre-tax loss of $5.1 million to a profit of $1.2 million for the years ending March 31, 2013 and 2014, respectively.
- Reducing full time equivalent staff by 50 positions at Downsview Park and 26 at the Old Port of Montréal, including the entire senior management group at both companies. This represents a reduction of 9.6% of the total CLCL workforce.

2.4 CLCL Risk Management Framework

CLCL updated its risk management framework with the assistance of an independent consultant. Risks have been categorized as strategic or operational and include market environment, legal, communications, safety and security, product offerings and acquisitions. Strategic risks are those that could have a material adverse impact on the business and generally cannot be entirely mitigated by Board or management actions. Operational risks are those that are inherent in business and are mitigated by a sound system of internal controls, regular financial and project reviews and independent internal audit. The internal auditor is an independent third party and reports directly to the audit committee of the Board. The audit plan is developed by selecting areas of highest risk for review and recommending the plan to the Board for approval annually.

The risk committee meets at least two times a year during regularly scheduled Board meetings to evaluate whether any emerging strategic risks require consideration. Management is required to update the strategic risk assessment annually and present its findings to the Board. In addition, risk assessments form a component of all acquisition and project plans submitted to the Board.

2.5 Canada Lands Company CLC Limited.

2.5.1 CLC Financial Results and Discussion

CLC continues to deliver tangible benefits to the Government of Canada, both financial and non-financial, from the disposition of surplus strategic properties. CLC purchases surplus strategic property from various custodians at fair market value.

CLC adds value to a property by determining the highest and best use, engaging with communities to obtain input and support for any significant changes to the property, creating plans for the development or re-zoning of the property to maximize value and obtaining municipal approvals for the plans while taking community interests into account. For larger properties and where value creation opportunities exist, CLC also services the property, which includes constructing roads, installing utilities and servicing building lots which are subsequently sold to builders of commercial, office or residential buildings in accordance with approved municipal plans.

Revenue

Over the five year plan period, CLC will generate revenue of $1.3 billion, which includes $901.1 million from its real estate activities and $383.7 million from the operation of the CN Tower. Within real estate, five developments comprise over 60% of revenue over the plan period: Rockcliffe (Ottawa) $134 million, Griesbach (Edmonton) $160 million, Currie Barracks (Calgary) $121 million, Vancouver properties $59 million and Garrison Crossing (Chilliwack) $52 million, which will be completed during this plan period.

Expenses

Major expense categories included on the statement of comprehensive income include real estate cost of sales, attraction food and beverage costs, rental operating costs and general and administrative costs (G&A). A brief description of each category follows.

"Real estate" costs comprise expenses associated with community consultation, creating land development plans, obtaining approval from municipalities, conducting environmental assessments and any required remediation, performing servicing work to prepare the property for sale, and marketing costs. The major cost component is the required servicing work that includes installation of utilities, storm and wastewater systems, roads and amenities, such as parks and green spaces. All servicing work is subject to a rigorous tendering process.

"Attractions, food and beverage" costs represent the CN Tower's operating costs including facility maintenance, utilities, restaurant operating costs and staff to operate one of Canada's premier attractions for 364 days of each year. The company is continually exploring opportunities to enhance CN Tower profitability, including exploring third party management opportunities and maximizing revenue generated within the retail space.

"Rental operating" costs represent the cost of maintaining and managing the numerous rental properties controlled by the company. Most of the revenue is opportunistic in nature and relates to properties the company rents while the underlying land or building is being prepared for sale.

"G&A" costs continue to be well controlled. Cost inflation is assumed at 2% per annum. G&A costs decrease in 2015-2016 from the 2014-2015 forecast by $0.7 million reflecting the impact of completing a required upgrade to the company's computer operating system during 2014-2015. The G&A cost increase of $2.5 million over the plan period represents increased staff and office needs to support the company's significant growth in real estate activities in Ottawa and Vancouver. The Ottawa office is being expanded to support the Rockcliffe development and a Vancouver office is being established to manage development and sales activities in that market. At the same time, the Chilliwack office will close during the plan period as sales and development activities in that market are completed.

"Interest and other financing" costs increase by $2.4 million in 2015-2016 over 2014-2015 reflecting a full year's imputed interest of $4.8 million (2015-2016 included six months interest) on the Vancouver properties' promissory note payable to the government. Under IFRS, an imputed interest charge must be calculated and shown as an expense. In CLC's case, the interest is not payable and represents only the notional charge of carrying the note as if it were an arms-length commercial transaction. This imputed interest will be capitalized to inventory during 2018-2019 when land development begins.

Liquidity

CLC will continue to be financially self-sustaining and provide an economic benefit to the government. The company will request an increase in its approved borrowing limit to $100 million from $50 million. The credit facility is utilized principally for letters of credit posted as performance guarantees with municipalities in which the company operates. The increase in development activity over the plan horizon at Rockcliffe, Currie Barracks and Vancouver properties will require an increase in letters of credit. The letters of credit are not cashed and are cancelled upon completion of the infrastructure servicing work for which they were issued.

During the five year plan period, CLC will pay dividends of $110 million, being $10 million per year and $70 million in the last year of the plan. The increased dividend in the last year of the plan reflects the positive cash flow generated from sales for which development expenditures were made in the first four years of the plan at Rockcliffe, Currie Barracks and Vancouver. Dividend payments are contingent on free cash flow and are subject to modification in future plans should additional properties not contained in the current plan be acquired.

Additional payments to government over the plan period include $184.0 million for acquisitions and promissory note repayments and $67 million in income taxes. Elimination of operating and capital subsidies to the Old Port of Montréal previously funded through appropriations of $24.5 million per annum represent an additional $123 million savings to the government over a five year period.

Key Assumptions

The following key assumptions are contained within the plan:

- Real estate sales in the markets in which CLC operates are expected to be relatively stable to slightly lower as projected in the fall 2014 CMHC market analysis.
- Inflation is assumed to be within the Bank of Canada 2% target range.
- Construction costs increases or decreases are assumed to be reflected in revenue recovery yielding consistent profit margins on land development projects.
- Salary increases are budgeted at 2% per annum to enable attraction and retention of the required expertise in the major markets in which the company operates, including Montréal, Ottawa, Toronto, Calgary, Edmonton and Vancouver.
- A modest staff increase of five people over the next five years will be required to support the company's growth in Ottawa and Vancouver.

2.5.2 Priorities

For almost twenty years, CLC's value creation initiatives have resulted in numerous benefits to the government and Canadian communities in which it operates. CLC has been very successful in implementing innovative solutions to challenging real estate opportunities.

As it begins its next decade of operations, the corporation will focus its resources on continuing its work of reintegrating former Government of Canada strategic properties into local communities, and entering into a dialogue and consultations with the government, its sole shareholder, regarding the implementation of its strategic plan.

2.5.3 Development Project Highlights

Real estate development practices require that a developer invest significant amounts of cash flow upfront towards planning, construction and servicing costs in order to maximize the value of a real estate asset. Positive cash flows are only achieved near or at completion of the development when sales transactions are executed. Time horizons vary widely and depend on the size and complexity of the project.

CLC anticipates an investment of approximately $563.3 million in capital expenditures, of which $128.2 million is planned in the first year of the plan. Some of the key development projects requiring significant capital expenditures during the planning period are as follows:

Nouveau Havre de Montréal – CLC plans to proceed with its Nouveau Havre de Montréal initiative in 2015-2016 with the sale of its 19.2-acre (7.76-hectares) Rue des Irlandais site, located between the elevated Bonaventure Expressway and Bridge Street. Also, the corporation's goal is to develop a long term vision in collaboration with the city and stakeholders regarding the Pointe du Moulin property and its iconic Silo #5 site along with the Old Port of Montréal.

Rockcliffe (Ottawa, Ontario) – CLC awaits City of Ottawa approval of its Community Design Plan for Rockcliffe in 2015. The corporation will begin environmental remediation work and construction of the necessary servicing work such as new roads, storm water management systems and sewers. CLC will invest $23 million in 2015-2016, as servicing of lots begins. A further $65 million will be spent from 2016 to 2020 to continue servicing.

Village at Griesbach (Edmonton, Alberta) – During the plan period, $116.2 million will be spent on site servicing at Griesbach as development progresses towards the western portion of the site. This work includes the construction of new road works including sanitary, water, storm water and utilities, in accordance with City of Edmonton municipal design guidelines. CLC is investing $12 million in the construction of the 24-acres Central Hill Park and two new storm water management facilities. Existing roads and utilities, inherited from the Department of National Defence, are maintained in order to service the interim rental program and are ultimately decommissioned and removed prior to new development. In the fall of 2015, CLC will be a key participant in the Edmonton celebrations of the 75th anniversary of the Canadian Air Force with a monument unveiling at Griesbach.

Currie Barracks (Calgary, Alberta) – $154.2 million will be invested at Currie Barracks on site servicing over the plan period. A new master plan that increases density from 3600 to 5400 residential units in the south west quadrant of the property was submitted to the City of Calgary in 2014 and is expected to be approved in 2015. Approximately $35 million will be spent on building the Crowchild Trail/Flanders Avenue interchange (located just east of Currie Barracks) in order to accommodate future growth in the area, including CLC's project. Approximately 60% of the money spent on this interchange will be recovered from the City of Calgary and CLC's joint venture partner within four years.

River's Edge and the remainder of CFB Chilliwack (Chilliwack, British Columbia) – Over the next five years, CLC will be investing $28.6 million to service lots at the River's Edge development and other service works in Chilliwack.

Vancouver Properties (Heather Street Lands, Jericho Lands and 4165 Marine Drive) – The acquisition of these properties was completed in late 2014. Introductory public meetings are anticipated in 2015 as a way of introducing CLC to the local community. During the plan period, CLC anticipates investing approximately $26.6 million in several activities including public consultations, market analysis, property management activities, and engineering and environmental work, as well as preliminary site servicing work.

2.5.4 CN Tower

"In an otherwise growing and resilient tourism economy, Canada continues to lose ground, whether measured by aggregate number of visitors, international ranking, or market share." Canada's rank in hosting international visits has dropped from 8th in 2000 to 17th in 2013.[1]

Growth in international markets continues to be a focus for all tourism agencies. There is anticipated to be a renewed commitment to re-engage the US market, Canada's prime international source market, by 2016. This will be a joint effort between the Provincial tourism ministry, the Canadian Tourism Commission and Industry Canada. The CN Tower will continue to work with all tourism agency partners to mine both established and emerging international travel markets.
Tourism performance in the coming year will likely continue to be impacted by issues such as:

- Canada's widening travel deficit as a result of decreasing inbound international visitation compounded by increasing outbound visitation by Canadian travelers;
- competitive global tourism marketing spending (for example, *Brand USA* spend in Canada);
- costs and ease of entry into Canada, including obtaining of required visas; and
- the potential of travel interruptions due to international events.

The drop in the Canadian dollar is seen to be a boost for inbound international tourism.

The CN Tower will continue to explore profitable pricing and promotion scenarios to allow guests choices upon admission, with a view to increasing revenues and profitability in all its offerings. As well, seasonally adjusted pricing will be considered to drive additional volumes in slower periods.

Already performing well above expectations, the EdgeWalk attraction launched in 2011 continues to perform strongly with no signs of slowing. The attraction continues to be a benefit to the overall brand reputation of the CN Tower, and was awarded with a TripAdvisor Certificate of Excellence, based on travelers' reviews.

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[1] **2014 Gateway to Growth Annual Report on Canadian Tourism, TIAC Fall 2014*

Food and beverage continues to be a major component of the Tower's business. In the 2014-2015 plan period, the CN Tower's fine dining *360* Restaurant achieved record attendance of 289,000, and overall food and beverage revenues of almost $25 million; growth will continue in the coming plan period.

CN Tower management will concentrate on leveraging many large events including the Toronto 2015 Pan Am/Parapan Am Games, where the CN Tower will be the official attraction partner. Significant meeting and convention business, as well as other major citywide events will also be the focus for a continuing concentrated outreach in marketing and sales.

Notably, the next 3 years of the plan period should provide opportunities resulting from major milestones for the CN Tower, and significant positive external impacts for business building, including Canada's 150th in 2017. Upcoming milestones for the CN Tower will include a celebration of 20 award-winning years for the *360* Restaurant in 2015, the celebration of the CN Tower's 40th anniversary in 2016.

For the coming plan period, the CN Tower will focus on the positive momentum of attendance and revenue growth experienced in 2014-2015. The forecasted attendance for fiscal year 2015-2016 of 1.54 million visitors represents growth of 5.2% over the prior year. Revenues of $73.8 million (a 5% increase over 2014-2015) are anticipated in 2015-2016. Earnings Before Interest, Taxation, Depreciation, and Amortization (EBITDA) are expected to be $26.5 million, with a Net Income Before Taxes (NIBT) of $18.7 million.

Monitoring of expenses and organizational effectiveness for improved margin delivery will be a key performance indictor, as will be a continued commitment to a strong guest service delivery culture throughout the operation. Maintaining high levels of safety, security, and building integrity through well-managed operating and capital costs will be paramount to the overall success of the business.

2.6 Old Port of Montréal Corporation Inc.

2.6.1 Old Port Financial Results and Discussion

The Old Port continues to provide tourism and recreation activities for residents and visitors to Montréal in addition to operating the Science Centre.

Since being given management control of the Old Port in November 2012, CLC has reduced operating and capital costs from an average of $24.5 million to an average of $11.6 million per year over the plan horizon without adversely affecting the public perception of the Old Port and the Science Centre or attracting any significant adverse media. The improved financial performance has been achieved by:

- Eliminating the entire Old Port senior management team with responsibilities being assumed by CLC management.
- Reducing the number of full-time equivalent employees from 273 to 248, a 9.2% reduction.
- Conducting several program reviews that led to modifying the marketing strategy from one that offers in-house programming as well as funding of certain events to one where promoters and tourism operators come on site to deliver their own programs and events, subject to Old Port's guidelines and approvals, including an adequate fee structure. An example of this model is the

upcoming Pierre Lavoie Relay Challenge which welcomed approximately 4,000 secondary school students to the Old Port.

- Completing a thorough review of capital expenditure requirements and eliminating or deferring non-essential capital expenditures that are not required to maintain site integrity or public security.

Capital expenditures during the plan period will total \$8.3 million, \$5.7 million of which will be spent on repairs to the multi-story parking structure adjacent to the Science Centre that began in 2014 and are anticipated to be completed in 2016. The remainder of the anticipated expenditures are the minimum required for the safety and integrity of the site.

Key Assumptions

The following key assumptions are included within the plan:

- Inflation is assumed to be within the Bank of Canada 2% target range.
- Wage increases are budgeted at 2% per annum which was recently negotiated in a two-year union contract that expires on March 31, 2016.
- Capital expenditures are limited to essential items for maintaining the infrastructure and public safety.
- No land sales are contemplated within the plan.

Liquidity

The Old Port, including the Science Centre, will continue to receive funding from CLCL totalling \$58.1 million over the five year plan period, a significant reduction from the \$24.5 million per annum Old Port was receiving in appropriations which would have totalled \$122.5 million over the same five year period. Under CLC management, the savings to the government total \$64.4 million or **53%** over the five year plan. The \$58.1 million subsidy from CLCL would have been paid to the government in the form of dividends without the ongoing requirement of financial support to Old Port.

2.6.2 Priorities and Future Vision for the Old Port of Montréal

The corporation's goal during the plan period is to develop a long term vision for the territory in collaboration with the city and stakeholders. The Science Centre's key objective over the plan period is to complete an assessment of the current state of its offerings as well as its medium to long term capital requirements, and develop a plan that will enable it to be more self-sufficient and provide new attractions that will enhance revenues, while maintaining service quality.

2.6.3 Operations

As a premier event venue, the Old Port welcomes many types of cultural and entertainment activities, such as culinary, music and outdoor festivals. The Old Port will welcome a variety of activities during 2015-2016 including canoe ice racing, a relay race for high school students and a large yoga event. All of these are in addition to the amenities offered by the Old Port including the Clock Tower beach, marina and skating rink.

The Science Centre is welcoming two new exhibits in 2015-2016 including *Game On,* an exhibition about video games and their evolution, including 150 games available for visitors to play. As well, *Bio Lab,* a new Science Centre creation about human biology and various phenomena will also make its debut during the fiscal year.

2.6.4 Leasing Strategy

The Old Port of Montréal engages in leasing activities as part of its normal course of business; leasing existing buildings and outdoor space on an interim basis pending any redevelopment or reuse of any particular building. The complexity and length of leases vary, as do the tenants. Tenants can be very small, seasonal in nature or be a longer term larger business. CLCL requires flexibility to ensure that it can conclude transactions in a reasonable timeframe.
The Old Port's 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 currently manages 74 commercial leases, including 12 commercial leases for tenant owned kiosks and/or portable structures. Most of the lease terms vary between one and five years, with a few that are longer term.

2.7 Parc Downsview Park Inc.

2.7.1 Downsview Park Financial Results and Discussion

Under CLC control, Downsview Park will be self-sustaining, and over the long term (beyond this plan horizon) will eliminate the debt incurred for operating losses and costs to construct the park prior to CLC acquiring control in November 2012. Development of the remaining Downsview Lands is being operated as a CLC real estate project. Control over the activities of Downsview Park is directed by the Board and management of CLC.

Development of lands zoned for residential, commercial and industrial uses in the approved municipal secondary plan has commenced. The sale of the first phase of the Stanley Greene residential neighbourhood is scheduled to close in early 2015. Management will continue to employ the CLC business model to enhance the value of developable Downsview Park lands by determining the highest and best use, engaging with the community to obtain input and support any significant changes to the property and creating plans for the development or re-zoning of the property to maximize value within the approved municipal secondary plan. CLC employees will manage servicing activities, including construction of roads, utilities and servicing building lots which are subsequently sold to commercial, office, industrial or residential builders in accordance with approved municipal plans.

Existing buildings on the property are leased on an interim basis until they are demolished for redevelopment or renovated and repurposed depending on the heritage strategy for a particular building. This provides an important revenue stream to the company pending the sale of the property.

Revenue

Real estate sales revenue for the five year plan period of $162.3 million represents proceeds from the development and sale of the Stanley Greene neighbourhood during 2015 and 2016, the William Baker community between 2017 and 2020 and the first portion of the Allen community during 2020.

Events and attractions provide annual revenue of approximately $5 million per year or $25 million over the plan period. Proceeds from rental operations will generate $38 million in revenue; this revenue declines from $9.4 million in 2015-2016 to $5 million in 2019-2020 as buildings are anticipated to be demolished for redevelopment.

Expenses

Major expense categories included on the statement of comprehensive income include real estate cost of sales, attractions, food and beverage costs, rental operating costs and G&A costs.

"Real estate" costs comprise expenditures associated with community consultation, creating land development plans, obtaining approval from municipalities, conducting environmental assessments and any required remediation, performing servicing work to prepare the property for sale and marketing and selling properties. Servicing work includes installation of utilities, storm and wastewater systems, roads and amenities, such as community parks, and represents the major component of cost. All servicing work is tendered according to rigorous requirements.

"Attraction, food, beverage" and other costs include the park operating and maintenance costs of $2.5 million per annum and the cost of hosting program and events at the park, all of which are managed by third parties subject to stringent qualification and risk mitigation criteria.

"Rental operating" costs represent the maintenance and management of the numerous rental properties located at Downsview Park. Some of the leases are longer term such as the land lease to Buckingham Sports and Entertainment, which owns and operates a four pad arena, Maple Leaf Sports and Entertainment for playing fields, and a pending lease of a building to Centennial College for an aerospace campus. Some leases are opportunistic in nature relating to properties the company rents while the underlying land is planned for development.

"G&A" costs continue to be well controlled. Cost inflation is assumed at 2% per annum. G&A costs decrease in 2015-2016 from the 2014-2015 forecast by $0.9 million reflecting the impact of outsourcing non-development activities.

Downsview Park will no longer have employees at the end of 2015. This represents a reduction of over 50 employees from the change of control in November 2012 to the present. All Board, senior management and administrative functions were absorbed into CLC without adding additional resources. Real estate development operations have been integrated within CLC's real estate operations. Leasing operations, park maintenance, events management and the sports league operations will be taken over by a third party manager during 2015.

Net Income Before Tax

Net income before tax (NIBT) for the five year plan period totals $47 million. Real estate sales contribute NIBT of $56 million while park and ancillary operations generate a loss of $9 million.

Liquidity

The company will request an increase of $10 million in its approved borrowing limit, from $90 million to $100 million. Drawings against the operating line are forecasted to reach $97 million during 2015-2016, an increase of $13 million from the 2014-2015 year end forecast. The increase represents funds required for development costs of the Stanley Greene neighbourhood, related letters of credit in favour of the City of Toronto for $14 million and promissory note repayments to the government in the amount of $39 million for the five years ending March 2020. By March 2020, outstanding Downsview Park debt is projected to be $55 million as cash flow from sales enable debt repayment.

2.7.2 Priorities and Future Vision for Downsview Park

CLC's overarching priority is to hold and manage the parkland as the company continues the implementation of the Downsview Area Secondary Plan requirements pertaining to the company's lands. The plan provides a land use and development framework, including a requirement for parkland, recreational and other related uses.

Over the plan period, the company anticipates completing the sale of the Stanley Greene neighbourhood and the start of the William Baker neighbourhood project. New investment in parkland enhancements will be as a result of needed infrastructure for the proper integration of the William Baker neighbourhood with the park and the surrounding community.

CLC continues to leverage its real estate management expertise at Downsview Park by efficiently managing the sports facilities and park programming. In 2014, CLC engaged the services of a third-party property management provider to oversee the operations of the buildings and park maintenance. CLC undertook a similar process to engage a third-party operator for its sports facilities such as its sports leagues, and field and event rentals, as well the management of major events such as concerts. This process should be completed in 2015.

CLC has begun a long-term community engagement initiative as it moves forward with its development initiatives. Also important are consultations with the City of Toronto. The next consultation program is anticipated later in 2015 and will continue into 2016 when CLC begins its development process for its William Baker neighbourhood.

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.
- Maintain the park component in a cost-effective manner.
- Complete the Stanley Greene neighbourhood and begin the William Baker neighbourhood.
- Continue to review and modify park programming as needed.

2.7.3 Development Plans during Plan Period

Stanley Greene Neighbourhood

CLC's construction activity in the Stanley Greene neighbourhood is nearing completion and includes site works such as grading and installation of underground services. The sale of 26 acres of the site to the private sector is expected to close in 2015 when the builder is to begin its home construction program. There is a remaining 12.25 acre parcel on this site for which CLC is in the process of obtaining municipal planning approval. A proposal call for the sale of this parcel is planned for 2016. The eventual purchaser will be responsible for servicing and obtaining building permits.

William Baker Neighbourhood

CLC has earmarked this 63-acre neighbourhood as the next development project it will undertake during the plan period. Its location and the ease of implementation make it the most practical choice. Due to the significant size of the property CLC will adopt a multi-phase, multi-year approach to its marketing program. Currently CLC is reviewing the opportunities and constraints presented in the City of Toronto's Secondary Plan for the area which will then enable CLC to properly frame its development strategy for the site. Over the next three years CLC will engage in the following activities on this site:

- create development objectives for the site;
- conduct site-specific consultations with the City of Toronto and stakeholders and seek support through the City of Toronto's District Planning Process;
- apply to the City of Toronto for zoning and Draft Plan of Subdivision; and
- develop and implement a sales strategy for the initial phases of development by 2017-2018.

The development of CLC's three other neighbourhoods at Downsview Park do not directly factor into the plan period. However, there are some key infrastructure initiatives that CLC will be involved with in collaboration with the City of Toronto and its development agency, Build Toronto that will move these files forward towards eventual development. As part of its continuing due diligence, CLC will participate in environmental assessments, and traffic and engineering studies. Future infrastructure projects include a major road that will eventually be built on the site on east side of the property, in addition to an underpass and upgrades to the site's internal road network, most notably along Carl Hall Road and its associated underground services.

Key Assumptions

The following key assumptions are contained within the plan:

- Real estate sales in the markets in the Greater Toronto Area (GTA) are expected to be relatively stable to slightly lower as projected in the fall 2014 CMHC market analysis.
- Inflation is assumed to be within the Bank of Canada 2% target range.
- Construction costs increases or decreases are assumed to be reflected in revenue recovery yielding consistent profit margins on land development projects.
- Development activities will be managed by CLC employees. Park maintenance and property management activities were outsourced during 2014. Remaining sports and events management activities will be outsourced during 2015-2016. Downsview Park Inc. will no longer have employees by the end of 2015-2016.

2.7.4 Leasing Strategy

Downsview Park engages in leasing activities as part of its normal course of business, leasing existing buildings on an interim basis pending the redevelopment of the site or reuse of any particular building. The complexity and length of leases vary, as do the tenants. Tenants can be very small, seasonal in nature or be a longer term, larger businesses. CLCL requires flexibility to ensure that it can conclude transactions in a reasonable timeframe.

Downsview Park will continue to align the management strategy for the existing buildings with the land development timelines. There are 35 tenants leasing space in the buildings and on the lands. Twenty acres of the lands are leased under long term ground leases. Downsview Park will continue to manage building expenditures to meet the needs and expectations of its tenants and in accordance with its lease agreements.

Downsview Park issued a request for proposals for a third party manager for its events program and sports leagues and field rentals program in the recreational facility called The Hangar. The management contract for the events program will be awarded in the early part of 2015. Due to operational risks and for efficiency purposes the management contract for The Hangar will be converted to a space lease in 2015.

Centennial College

Further to government approval (OIC P.C. 2014-822) pertaining to a ground lease at 65 Carl Hall Road, discussions continue with Centennial College of Applied Arts regarding the lease as well as other business matters.

Centennial College has assembled a project team and is proceeding with its due diligence and project design. The building will be completely restored and provide classrooms, labs and student services. Municipal applications are to be filed by the college in early 2015 with construction scheduled to begin in 2016 and tentative occupancy in 2016.

3 Financial Schedules Including Operating and Capital Budgets

3.1 Canada Lands Company Limited

3.1.1 CLCL Consolidated Statement of Comprehensive Income

Canada Lands Company Limited
Consolidated Statement of Comprehensive Income
For the year ended March 31

$'000

	2014 Actual	2015 Budget	2015 YEO	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	5 Year TOTAL
REVENUES									
Real Estate Sales	122.2	182.6	199.0	143.0	199.6	174.5	233.9	200.9	951.9
Attraction , food, beverage and other Hospitality	76.0	78.2	81.3	85.6	88.0	90.4	93.6	95.5	453.0
Rental Operations	41.3	39.3	41.6	42.9	42.4	38.0	34.1	32.4	189.8
Gain on sale of investment propertie	-	-	-	-	-	-	-	-	-
Interest and other	6.1	3.6	4.7	5.3	4.2	4.3	4.3	4.4	22.5
Government funding/Financial support from CLC	11.5	13.1	15.5	15.9	10.6	10.7	10.3	10.7	58.1
	257.1	316.8	342.2	292.8	344.7	317.8	376.2	343.9	1,675.4
EXPENSES									
Real estate cost of sales	84.4	133.3	138.1	104.2	152.6	120.3	173.8	133.5	684.4
Attraction,food, beverage and other	54.6	63.5	66.3	67.7	68.6	70.0	71.3	72.7	350.2
Rental operating costs	22.6	38.7	37.4	39.2	37.3	33.9	31.2	29.3	170.8
General and administration	37.9	25.7	25.3	23.6	24.5	25.1	25.6	26.2	125.0
Write downs, reversals and pre-acq costs	2.0	0.2	4.9	-	-	-	-	-	-
Interest and other financing costs	2.3	1.1	4.3	5.9	6.6	5.7	1.6	0.7	20.4
Impairment of capital expenditures	-	4.0	3.8	4.7	1.2	1.0	0.8	0.6	8.3
OPMC Unfunded operating deficit	-	13.1	11.7	15.3	10.6	10.7	10.3	10.7	57.5
	203.9	279.5	291.7	260.6	301.3	266.7	314.5	273.6	1,416.7
Income before taxes	53.2	37.2	50.5	32.2	43.4	51.1	61.7	70.3	258.6
Income taxes	13.3	9.3	15.6	11.9	13.5	15.4	18.0	20.3	79.0
NET INCOME	39.9	27.9	34.9	20.3	29.9	35.6	43.7	50.1	179.6

3.2 *Canada Lands Company CLC Limited*

3.2.1 CLC Statement of Comprehensive Income

Canada Lands Company CLC Limited
Statement of Comprehensive Income
For the year ended March 31

$'000	2014 Actual	2015 Budget	2015 YEO	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	5 Year TOTAL
REVENUES									
Real Estate Sales	118.5	127.2	144.1	119.0	199.6	122.0	179.8	169.3	789.7
Attraction , food, beverage and other									
Hospitality	64.2	65.0	68.8	72.4	74.3	76.5	79.4	81.0	383.7
Rental Operations	24.1	20.1	23.7	25.9	24.5	21.1	20.6	19.1	111.4
Gain on sale of investment properties	-	-	-	-	-	-	-	-	-
Interest and other	3.8	2.6	3.5	4.2	2.6	2.7	2.7	2.7	14.9
Government funding	-	-	-	-	-	-	-	-	-
	210.6	214.8	240.1	221.5	301.1	222.3	282.5	272.2	1,299.7
EXPENSES									
Real estate cost of sales	81.4	88.6	95.5	85.6	152.6	86.2	138.6	115.7	578.6
Attraction,food, beverage and other	38.5	42.7	44.1	45.5	46.4	47.4	48.3	49.4	236.9
Rental operating costs	16.2	18.6	18.1	20.4	19.4	15.4	15.0	12.7	82.8
General and administration	20.2	22.8	22.4	21.7	22.5	23.2	23.6	24.2	115.2
Write downs, reversals and pre-acq costs	0.6	0.2	4.1	-	-	-	-	-	-
Interest and other financing costs	1.6	0.5	2.9	5.3	6.0	5.1	1.0	0.1	17.4
OPMC Unfunded operating deficit	-	13.1	11.7	15.3	10.6	10.7	10.3	10.7	57.5
	158.6	186.5	198.8	193.7	257.4	187.9	236.9	212.7	1,088.4
Income before taxes	52.0	28.3	41.3	27.9	43.8	34.4	45.7	59.5	211.2
Income taxes	12.9	7.1	13.3	10.8	13.6	11.3	14.0	17.5	67.2
NET INCOME	39.1	21.2	28.0	17.1	30.2	23.2	31.7	41.9	144.1

3.3 Parc Downsview Park Inc.

3.3.1 Downsview Park Statement of Comprehensive Income

Parc Downsview Park Inc.
Statement of Comprehensive Income
For the year ended March 31

$'000	2014 Actual	2015 Budget	2015 YEO	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	5 Year TOTAL
REVENUES									
Real Estate Sales	3.7	55.4	54.9	24.0	-	52.5	54.1	31.6	162.3
Attraction , food, beverage and other Hospitality	4.8	5.0	5.0	4.8	4.9	5.0	5.1	5.2	24.9
Rental Operations	8.9	9.3	9.5	9.4	9.9	8.8	4.9	5.0	38.0
	-	-	-	-	-	-	-	-	-
Interest and other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Government funding	-	-	-	-	-	-	-	-	-
	17.4	69.6	69.4	38.2	14.8	66.3	64.1	41.8	225.2
EXPENSES									
Real estate cost of sales	3.0	44.7	42.6	18.6	-	34.1	35.2	17.8	105.7
Attraction,food, beverage and other	6.0	6.8	6.9	6.9	6.9	6.9	7.0	7.1	34.9
Rental operating costs	3.4	7.0	7.0	7.1	7.0	7.3	4.7	4.8	30.9
General and administartion	1.8	1.6	1.6	0.7	0.7	0.7	0.7	0.7	3.3
Write downs, reversals and pre-acq costs	1.4	-	0.8	-	-	-	-	-	-
Interest and other financing costs	0.6	0.6	1.3	0.6	0.6	0.6	0.6	0.6	3.0
					-	-			
	16.3	60.8	60.2	33.8	15.1	49.6	48.2	31.0	177.8
Income before taxes	1.2	8.8	9.2	4.4	(0.4)	16.6	16.0	10.8	47.4
Income taxes	0.4	2.2	2.3	1.1	(0.1)	4.2	4.0	2.7	11.9
NET INCOME	0.8	6.6	6.9	3.3	(0.3)	12.5	12.0	8.1	35.6

3.4 Old Port of Montréal Corporation Inc.

3.4.1 Old Port Statement of Comprehensive Income

Old Port of Montreal Corporation Inc.
Statement of Comprehensive Income
For the year ended March 31

$'000

	2014 Actual	2015 Budget	2015 YEO	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	5 Year TOTAL
REVENUES									
Attraction , food, beverage and other Hospitality	7.0	8.2	7.5	8.4	8.8	8.9	9.1	9.3	44.4
Rental Operations	8.3	10.0	8.5	7.6	8.0	8.1	8.6	8.2	40.4
Interest and other(includes donations)	2.2	1.0	1.2	1.2	1.5	1.6	1.6	1.7	7.6
Government funding/Financial support from CLC	11.5	13.1	15.5	15.9	10.6	10.7	10.3	10.7	58.1
	29.0	32.3	32.7	33.1	28.8	29.2	29.5	29.8	150.4
EXPENSES									
Attraction,food, beverage and other	10.1	13.9	15.3	15.3	15.4	15.7	15.9	16.2	78.4
Rental operating costs	3.0	13.1	12.3	11.7	10.9	11.2	11.5	11.8	57.2
General and administration	15.9	1.3	1.3	1.3	1.3	1.3	1.3	1.3	6.5
Impairment of capital expenditures	-	4.0	3.8	4.7	1.2	1.0	0.8	0.6	8.3
	29.0	32.3	32.7	33.1	28.8	29.2	29.5	29.8	150.4
NET INCOME	-	-	-	-	-	-	-	-	-

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