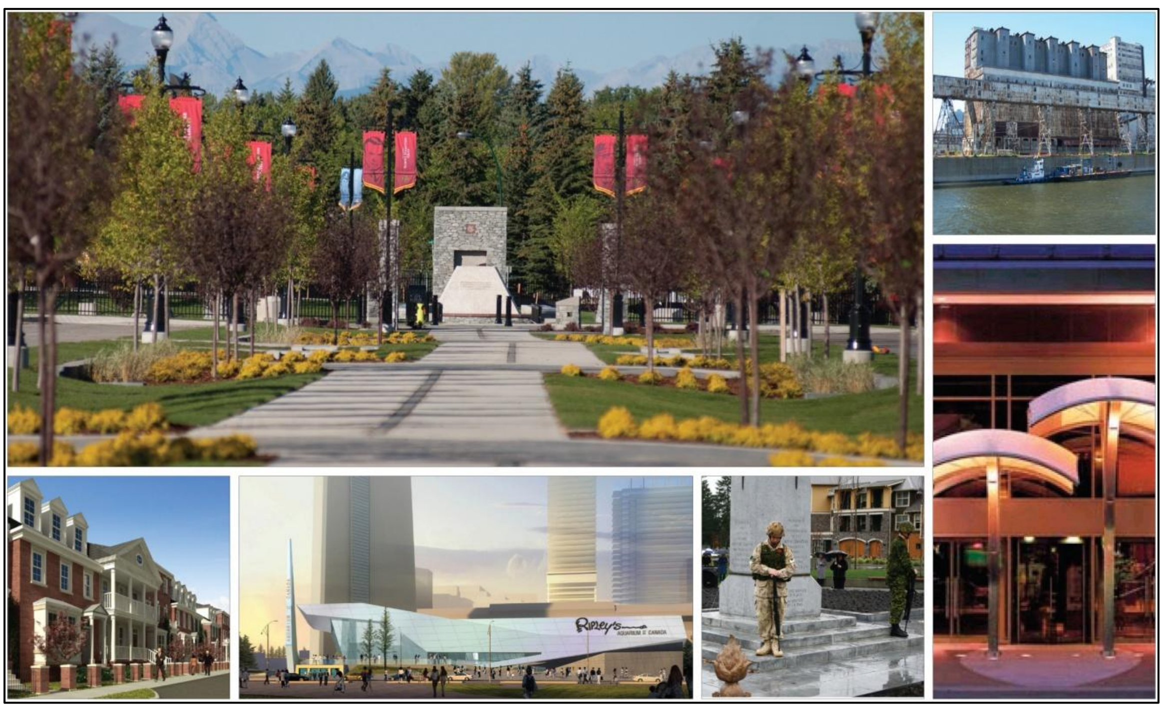
CANADA LANDS COMPANY LIMITED

2011-2012 TO 2015-2016 CORPORATE PLAN SUMMARY

INCLUDING 2011-2012 OPERATING AND CAPITAL BUDGETS



June 15, 2011

Canada

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Executive Summary

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

The company provides innovative solutions to complex real estate challenges, tourism leadership in its management of the CN Tower, and value and legacy creation for all of its stakeholders. In doing so, it acts in line with government policy objectives in the areas of good governance, the environment, heritage and official languages and makes significant contributions to communities across Canada through its redevelopment activities.

Canada Lands Company Limited

CLCL continues to enhance its governance practices to ensure sound oversight of subsidiary business operations.

Canada Lands Company CLC Limited

The key strategic priorities facing CLCL's core real estate subsidiary, CLC, during the plan period are outlined immediately below – they are elaborated upon in section 2.5 of this corporate plan.

- Explore Ways to Fully Leverage CLC to Benefit the Government of Canada
- Assist in Expediting the Sale of Current Federal Surplus Strategic Properties to CLC
- Asset Manage the Metro Toronto Convention Centre Complex
- Proceed with Montréal's New Harbourfront Initiative
- Proceed with CN Tower Base Lands Development Project

The financial and community benefits generated as a result of the company's activities since its inception in 1995 are numerous and include:

- a total area of land converted back to productive use through sale to CLC of 8,454 acres (3,421 hectares);
- cumulative projected development expenditures for CLC and its site purchasers for all past and current projects of $7.1 billion (according to industry standards, this equates to 56,800 person-years of construction employment);

- cumulative distributions paid to the government as dividends, up-front payments and note repayments for properties of $404.5 million; and
- a total environmental remediation amount invested by CLC and its site purchasers of $80.4 million.

In terms of property taxes, income taxes, capital taxes, dividends and acquisition payments for properties, CLC has, since its inception, already generated almost $700 million in total value.

The company serves a valuable role in eliminating the substantial ongoing government carrying costs associated with its surplus properties, while creating lasting legacies through sustainable communities featuring heritage commemoration and public open spaces.

It furthermore continues to be recognized through certifications such as LEED-ND (Leadership in Environmental and Engineering Design for Neighbourhood Development) for integrating principles of smart growth, new urbanism and green building into its major residential developments.

During the five-year planning period, CLC anticipates that its projects will result in the following selected financial benefits for local communities and Canadian taxpayers:

- $138.8 million paid to the government as dividends, up-front payments and note repayments for properties;
- $423.1 million invested by CLC on capital expenditures, including environmental remediation; and
- $33.2 million paid to the government in federal income taxes, plus $31.9 million paid to provinces for income tax.

The company's financial results compared to the amended budget (amended in November 2010) for the fiscal year ending March 31, 2010 are presented immediately below.

	$ Millions	
	2010-2011 Outlook	**2010-2011 Amended Budget**
Property sales	116.4	114.0
Attractions, food and beverage (gross)	54.7	51.9
Income before taxes	37.1	34.8
Net Income	25.9	22.6
Expenditures on properties	51.2	64.0
Acquisitions	32.7	13.8
Promissory Notes Issued	27.2	8.1
Cash flow before distributions	21.4	26.3
General and administrative expenses	20.9	19.9

1. Canada Lands Company Limited

This corporate plan outlines a roadmap for Canada Lands Company Limited (CLCL) over the next five years. It provides an analysis of the business environment in which the company operates, highlights the strategic priorities of the company and its core subsidiary, CLC, for the next five years, establishes corporate performance measures and targets, and presents operating and capital budget information for the company. As CLCL is a holding company, its real estate operations are primarily addressed in section 2.0 of this corporate plan dealing with its core real estate subsidiary, Canada Lands Company CLC Limited (CLC).

1.1 Introduction

CLCL is a parent Crown corporation that reports to the Parliament of Canada through the appropriate minister (the minister). As of August 6, 2010, the minister is the Leader of the Government in the House of Commons.

This document is structured to reflect the fact that CLCL is the sole shareholder for its three wholly-owned subsidiaries, CLC, Parc Downsview Park Inc. (PDP) and the Old Port of Montréal Corporation Inc. (OPMC). The latter two corporations report separately to the Parliament of Canada through the appropriate minister as if they were themselves parent Crown corporations, as elaborated upon more fully in section 1.4 of this corporate plan. Accordingly, PDP and OPMC autonomously prepare and submit their own corporate plans.

CLCL has no assets other than the shares of its subsidiary companies. Although PDP and OPMC are subsidiaries of CLCL, they operate in diverse business environments with different business objectives. CLC has the same principal goal in its policy mandate as CLCL and carries out the parent company's core real estate business. Consequently, this corporate plan will discuss CLCL's performance and future strategic direction primarily through section 2.0 of this corporate plan dealing with its CLC subsidiary.

1.2 Mandate

CLCL carries out its mandate through its core real estate subsidiary, CLC, as also explained in section 2.1 of this corporate plan. The mandate of CLCL, and therefore CLC, as approved by the government on the company's reactivation in 1995 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, the company'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."

The legal objects of CLCL, as contained within its letters patent of 1956, are very broad and permit the company 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."

A review of CLCL's mandate, with a special focus on the mandate of CLC, was completed in June 2001 and the mandate was subsequently renewed.

CLCL and its CLC subsidiary ensure that all of their activities are consistent with this mandate. In addition to being provincially and municipally regulated in certain areas such as the environment, heritage, and urban planning, the CLC subsidiary is also subject to certain federal acts including the Privacy Act, Access to Information, the Federal Accountability Act, Public Servants Disclosure Protection Act and the Official Languages Act. The company furthermore pursues best practices in the area of employment equity.

1.3 Corporate Profile

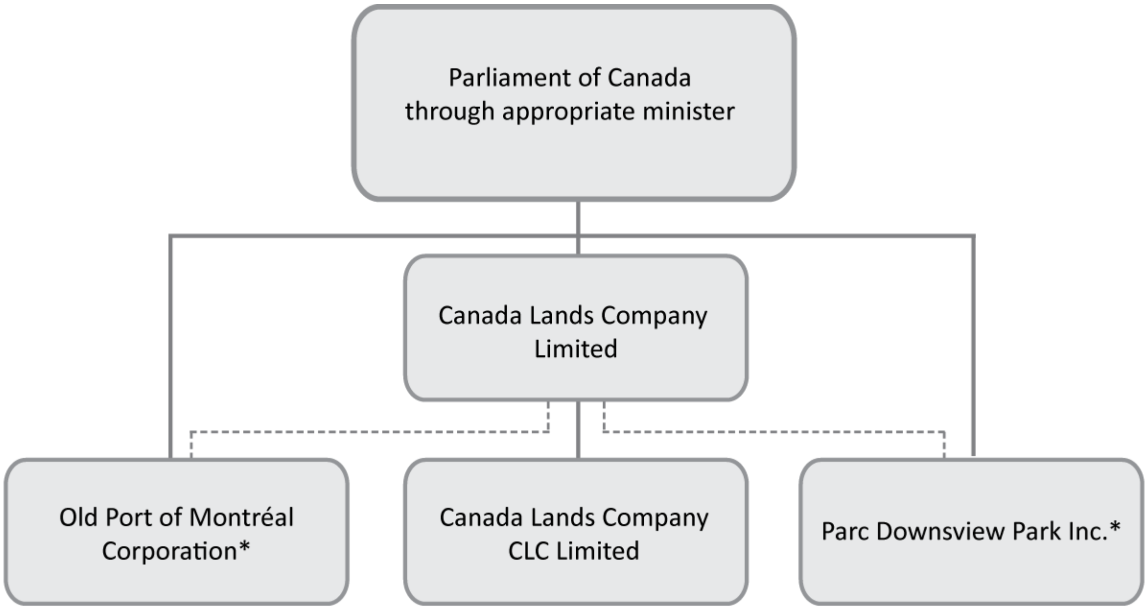
CLCL is a *Canada Business Corporations* corporation listed in Schedule III, Part 1 of the *Financial Administration Act* (FAA) and is an agent of Her Majesty, reporting to the Parliament of Canada through the minister. Through its commercially oriented non-agent CLC subsidiary, the company ensures the orderly disposition of surplus strategic properties, maintains ownership or management of certain strategic properties such as Canada's National Tower (the CN Tower) in Toronto and pursues the realization of both financial and community objectives. The company's fiscal year end is March 31.

The three wholly owned subsidiaries of CLCL are:

- CLC, a non-agent Crown corporation, which carries out the core real estate business;
- PDP, an agent Crown corporation, which was incorporated in 1998 to manage and develop the former Canadian Forces Base (CFB) Toronto lands as Downsview Park, and which reports to Parliament through the minister as a deemed parent Crown corporation; and
- OPMC, an agent Crown corporation, which is responsible for redeveloping the Old Port of Montréal and which also reports to Parliament through the minister as if it were a parent Crown corporation.

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

Exhibit 1: CLCL and Its Subsidiaries



*Reports to Parliament as if it were a parent Crown Corporation

1.4 Corporate Governance

CLCL and CLC Boards

As CLCL holds no assets other than the shares of its subsidiary companies, it fulfills its real estate mandate through its CLC subsidiary. CLCL and CLC each have their own distinct board of directors that hold regularly scheduled meetings, but the membership for them is the same with the exception of the President and CEO, who is on the board of the subsidiary but not the parent company.

CLCL's directors are appointed by the minister with the approval of the Governor-in-Council. Officer-Directors (namely, the Chairman and President and CEO) are appointed by the Governor-in-Council with the recommendation of the minister. All members of the parent company and subsidiary boards (with the exception of the President and CEO) are independent of the business. All of the board's committees are composed of no less than three directors, all of whom are neither officers nor employees of the corporation nor any of its affiliates (except for the President and CEO where applicable).

The CLCL Board of Directors is committed to continually reviewing its corporate governance policies and practices to ensure they are consistent with current best practices and reflect the needs of the company. CLCL's board has a governance committee, a human resources committee, and an audit committee.

The CLC Board of Directors is appointed by the CLCL Board of Directors and oversees all of the real estate operations as carried out by the CLC subsidiary. It has a governance committee, a human resources committee, an audit committee, an investment committee, and an ad hoc legal affairs committee.

Throughout the course of board deliberations, the company's senior management team provides briefings on operational issues and reports for the board's analysis and discussion. This enables effective board oversight of the company's operations and enables risk to be managed appropriately. The company's risk management activities are discussed throughout section 2.6.1 of this corporate plan.

Strategic Planning

During the upcoming fiscal year, the board will be engaging in a process to review the company's strategic planning process and its mission and vision statements. This exercise will take into account the immediate and long term direction of the company.

1.5 Financial Discussion

The 2011-2012 financial results for CLCL presented in this corporate plan include only the results of its wholly owned subsidiary, CLC. CLCL also holds shares in trust for Her Majesty, in right of Canada, of two other Crown corporations, OPMC and PDP, which report directly to Parliament.

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

In the 15 years since reactivation, CLCL (from its CLC subsidiary) has paid $404.5 million to the government in the form of dividends ($176.5 million), promissory note repayments ($175.9 million) and/or cash acquisitions ($52.1 million). In addition, CLCL's shareholder equity has grown from the original $250 million to $295 million as of March 31st, 2010. This has generated annualized returns for the Government of Canada of 11% or higher every year over the past 12 years.

As explained in Appendix A and section 2.5.2 of this corporate plan, the activities of the company's CLC subsidiary generate numerous other additional financial and community benefits.

1.5.1 International Financial Reporting Standards

In March 2006, the Accounting Standards Board (AcSB) of Canada adopted a strategic plan calling for the adoption of International Financial Reporting Standards (IFRS) by publicly accountable enterprises in Canada. In February 2008, they confirmed January 1, 2011 as the changeover date.

The Introduction to Public Sector Accounting Standards, as issued by the Public Sector Accounting Board (PSAB), states that for purposes of their financial reporting, government business enterprises (GBEs) should adhere to the standards applicable to publicly accountable enterprises in the CICA Handbook. GBEs will follow the same IFRS transitional provisions as publicly accountable enterprises.

A GBE is an organization that has all of the following characteristics:

- It is a separate legal entity with the power to contract in its own name and that can sue and be sued.
- It has been delegated the financial and operational authority to carry on as a business.
- It sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity.
- It can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity.

CLCL meets the definition of a GBE, as it is a federal Crown corporation that carries out a commercially oriented management, development and sale of real estate, derives all of its revenues from commercial type activities, and is self-sustaining. This means that it is subject to IFRS adoption as required by the PSAB and AcSB.

For the year ending March 31, 2012, CLCL is required to report its consolidated financial statements in accordance with IFRS. One year of comparative IFRS financial information is required to be provided for the year ended March 31, 2011, and consequently, the date of transition to IFRS for the company was April 1, 2010, being the first day of the comparative period (the transition date).

CLCL has been working with its consultants to determine the differences between the Canadian General Accepted Accounting Principles presently being used and IFRS. CLCL has the option to carry Investment Properties at either Fair Market Value (FMV) or cost with the FMV disclosed in the financial notes. CLCL has selected the cost option. CLC has chosen to take the fair value as deemed cost election for the CN Tower on transition to IFRS, for ease of implementation. Deloitte valuation experts have been retained to assist with the valuation of the CN Tower structure.

Under IFRS, CLCL will no longer be able to capitalize interim rental income and expenses on development properties. Presently, the net interim rental income of over $7.0 million annually can no longer be capitalized to its projects. Instead, it must be included in net income for the year. The effect of this will be to increase the cost of sales over the project, but this effect is offset by rental income from the project, which means no impact over the life of the project in terms of income or dividends paid to the government. There are other changes such as depreciation rates, expensing selling costs and additional note disclosures.

1.5.2 Dividends

CLCL's dividend policy or "Policy on Distribution to the Shareholder", as amended in late 2010, provides for its board of directors to consider two calculations referenced in the dividend policy for guidance purposes as a starting point, and then decide upon a final dividend payment based on the financial health of the company and wider economic factors.

These calculations are subject to the following key principles, which are also contained within the company's dividend policy:

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

The following are the two calculations that are considered in determining the final dividend to be paid. The one yielding the greater result is referred to for guidance purposes:

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

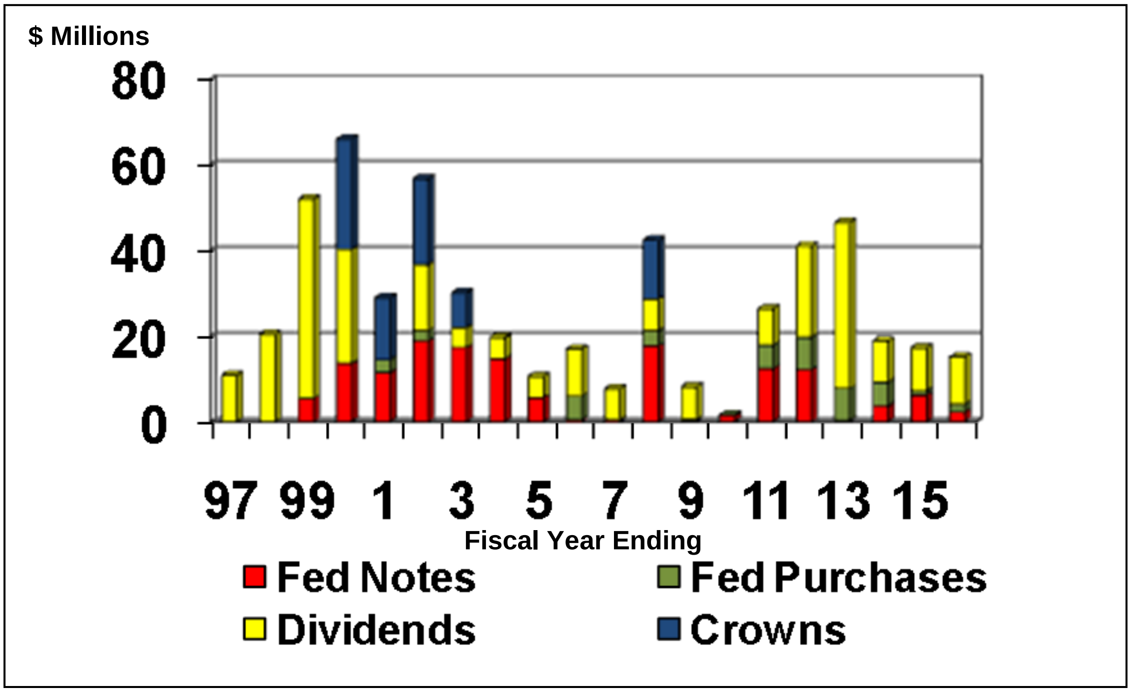
Dividends are only declared and paid the following year, after the company's audited statements for the year in question have been approved by the board of directors. In the 2010-2011 fiscal year, (pertaining to the 2009-2010 fiscal year), the company's board of directors declared and paid a dividend of $8.5 million.

This corporate plan shows no stand-alone financing of capital expenditures, which range from $65 million to $104 million a year during the five year planning period. Instead, capital expenditures are financed from operations in order to best employ resources and minimize interest expenses. For this reason, the corporate plan shows a negative cash balance in the fiscal years 2013-2014 and 2014-2015, but still pays out a dividend. The dividend is funded through borrowings, only to the extent that the borrowings correspond to the capital expenditures for which the company had previously delayed funding, in order to best optimize resources and minimize interest expense.

According to the principles outlined in the dividend policy, the company will be making a dividend payment in four of the five years of this corporate plan. It is anticipated that CLCL will pay total dividends of $90.9 million during the five year planning period, and will have an ending cash balance of $87.7 million with which to pay a dividend in fiscal year 2016-2017.

Exhibit 2 illustrates the company's distributions to the government for each specified fiscal year.

Exhibit 2: Distributions to the Government of Canada



2. Canada Lands Company CLC Limited

2.1 Mandate

As mentioned in section 1.2 of this corporate plan, CLC is the core operating real estate subsidiary of its parent company, CLCL, and has the same mandate "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, the company'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." This was laid out by the government in 1995 and then reconfirmed in 2001.

The legal objects of the company's mandate, as detailed in section 1.2 of this corporate plan, are very broad and allow the company "to deal in or dispose of real or personal property or any interest therein". This breadth of mandate activity, however, was restricted in 1995 upon reactivation of the company to dispose of certain select surplus properties. The company's role in the disposal of surplus strategic 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 defined 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 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.

CLC ensures that all of its activities are consistent with its mandate. It also follows transparent processes and ensures that it remains sensitive to local real estate market conditions. The company deals primarily with strategic properties possessing significant development potential through innovative planning, rezoning, servicing, environmental remediation, and attention to community and government sensitivities.

In disposing of its properties, CLC ensures broad market exposure and competitive bidding whenever possible. It also maintains a commitment to environmental sustainability in its projects and respects heritage considerations. It recognizes that best value for the government of Canada 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 it operates across Canada.

2.2 Corporate Profile

In carrying out its mandate in a self-financing manner, CLC purchases properties at fair market value from government departments and agencies, then implements innovative property solutions while enhancing the quality of life in communities where it operates. It works regularly with federal, provincial and municipal stakeholders. As a non-agent Crown corporation, it pays all applicable taxes and is subject to all provincial and municipal development legislation, regulations and processes.

CLC has two operating divisions:

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

The Real Estate and Corporate operating division comprises head office corporate departments and four real estate regions as follows:

- West (British Columbia, Alberta, Saskatchewan, Manitoba);
- Ontario;
- Québec; and
- Atlantic (New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador).

The company's land portfolio totals 1,099 acres (445 hectares) as of September 30, 2010, located in 16 municipalities across Canada. This is a decline of 210 acres (85 hectares) from the 2010-2011 corporate plan, due to sales in Richmond, BC and Ottawa, Ontario. As of September 30, 2010, only the 16.2 acre (7 hectare) Rebecca Street property in Oakville, Ontario had been sold to the company by the government during the 2010-2011 fiscal year. The company presently has no operations or properties in the Yukon, Northwest Territories, Nunavut, Saskatchewan, Prince Edward Island, Nova Scotia or Manitoba.

The company's employment statistics are converted to full-time equivalents (FTEs) in order to best track staffing changes on an annual basis. As of September 30, 2010, CLC employs a total of 439.8 FTEs for its two operating divisions. The company's Real Estate and Corporate (REC) division employs 69.8 FTEs across the country, and its CN Tower (CNT) division employs 370 FTEs in Toronto. By comparison, as of September 30, 2009, the company employed 428.2 FTEs, with 68.2 FTEs employed at its REC division and 360 FTEs at its CNT division. Due to the fact that the hospitality industry is of a seasonal nature, the number of employees at the CN Tower fluctuates throughout the year. The variance between September 2009 and September 2010 is principally due to an increase in the number of seasonal employees hired during the busy season (summer 2010) at the CN Tower. The number of employees in the real estate and corporate division has remained relatively unchanged.

The company's head office, its Real Estate Ontario region and the CN Tower are based in Toronto. Its Real Estate West region is based in Calgary, with project offices in Edmonton and Chilliwack. The Real Estate Québec region office is located in Montréal. The Real Estate Atlantic region is based in Halifax. Additionally, CLC maintains a real estate and corporate office in the National Capital Region.

Central to the company's operating philosophy is its commitment to the principle of corporate social responsibility. This commitment acknowledges the company'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.

The company uses a balanced scorecard measurement tool to report, manage and guide its performance. Appendix A of this corporate plan is the company's newly developed draft balanced scorecard. This 2010-2011 draft balanced scorecard was produced and refined in line with best practices through an extensive stakeholder consultation process. The performance targets and metrics within this balanced scorecard continue to be refined and reported on in a phased-in manner, so that the entire scorecard will be completed in time for inclusion in the 2013-2014 corporate plan.

2.3 Analysis of External Business Environment

After what many economists called a "stellar performance" by the Canadian economy in the first few months of 2010, the consensus among forecasters regarding the rest of 2010 and 2011 has since become more cautious. RBC Economics, for example, in a September 2010 report, reduced its 2010 real Gross Domestic Product (GDP) forecast for Canadian economic growth to 3.3% from 3.6% and made a 0.3 percentage point shave to its 2011 forecast down to 3.2%.

This more cautious consensus derives in part from a continued anticipated downward trend in Canadian manufacturing (which has manifested itself most notably in Ontario), as well as downward trending Canadian commodity prices on the back of a deteriorating export outlook.

This will particularly affect resource-dependent provincial economies such as Alberta. As CB Richard Ellis analysts noted in a 2010 market outlook however, headwinds in the manufacturing and commodity sectors will also have negative implications for real estate markets in Toronto, Calgary and other major Canadian cities.

Interest rates and the Bank of Canada's anticipated interest policy are additional important factors with great influence over the real estate sector's outlook. An increase in rates to reduce inflationary pressures, particularly where residential housing is concerned, would slow down any growth in this sector. While there was a consensus in early 2010 that the Bank of Canada would raise interest rates in the latter half of 2010, many analysts now do not anticipate further rate hikes until at least mid-2011.

In its 2010 third quarter Canadian housing market outlook, Canada Mortgage and Housing Corporation (CMHC) has stressed that if mortgage rates remain lower than projected and new listings decrease, sellers' market conditions could reemerge and house prices could grow at a stronger pace in 2011 than originally forecast in 2010.

The hotel industry, as a component within the hospitality sector, is traditionally one of the last industries to recover following a recession. As a result, business is not anticipated to regain full momentum for at least a few years.

An October 2010 study by industry consultants PKF projects that occupancy, average daily room rate (ADR), and revenue per available room (RevPAR) in central Canada, after sharp declines in 2008 and 2009, will rise modestly over the rest of 2010 and 2011. The projections are cautious, as all three measures are not anticipated to reach their pre-recessionary levels until at least 2012. The performance of this industry will affect the asset management of CLC's hotel in downtown Toronto, as explained more fully in section 2.4.3 of this corporate plan.

The economic health of Canada's major trading partners, particularly the U.S., remains a major factor in determining the rate of Canada's economic recovery during the five year corporate planning period, as does the strength of the Canadian dollar. The outlook for U.S. private sector demand, housing market and real GDP growth, according to the Bank of Canada, continues to be weak relative to Canada.

Tourism industry indicators for 2011-2012 continue to present a somewhat cautious outlook regarding improvements in leisure and corporate travel. Ontario Tourism is forecasting inbound travel to the province of Ontario to grow in 2011 by 0.5% over the previous year.

2.4 CN Tower Business Outlook

CLC's CN Tower attraction is expected to grow its share of the pleasure visit tourism market to 21% in Toronto in 2011-2012.

The signing in 2010 of Approved Destination Status (ADS) with China should have a positive effect on group travel to Canada from China. The CN Tower will continue to work with tourism agency partners to mine this emerging market, as well as other identified emerging markets such as India and Brazil.

As part of its 35th anniversary celebrations in 2011, the CN Tower will also continue its focus on the domestic market during the 2011-2012 fiscal year, with a specific focus on local hosts of the Visiting Friends and Relatives (VFR) channel. Intra-provincial travel may continue to be challenged by a strong Canadian dollar, making outbound travel to the U.S. more attractive for Canadians.

The forecast for major convention business to Toronto, a major source of business for the CN Tower, is expected to continue to be soft in 2011-2012, offset by major events such as the Juno Awards and Indian International Film Academy Awards secured for Toronto to provide overall growth in 2011. The CN Tower's sales team will also target local business as opportunities for corporate hospitality events.

Mature attractions require major new offerings to tap new and different audiences. This is why the CN Tower will build a new attraction for 2011 called "EdgeWalk". This new attraction offering will be an outdoor walk at 355m above the ground. Designed to capitalize on the extreme height of the CN Tower, the "EdgeWalk" attraction will be similar to offerings at sister towers in New Zealand and Macau, and will be unique to North America. It is currently slated to open in 2011, and is expected to provide excellent media attention and public relations value in addition to incremental revenues.

It still remains to be seen what impact the aquarium development on the vacant lands at the base of the CN Tower, as discussed in section 2.4.5 of this corporate plan, will have on CN Tower attendance. While construction activities in close proximity to the CN Tower could potentially dissuade visitors in the short term, a mutually-beneficial draw effect enhanced by cross-promotions is anticipated to benefit both attractions in the long term.

2.5 Strategic Priorities for the Plan Period

2.5.1 Explore Ways to Fully Leverage CLC to Benefit the Government of Canada

Since its reactivation in 1995, the company has gained significant expertise and knowledge that could potentially be leveraged to further assist the government with the disposal of its surplus real property.

Property Acquisitions from Crown Corporations

The scope of CLC's current mandate is to manage the disposal of selected surplus federal properties for departments and agencies. CLC is not precluded from disposing of lands for Crown corporations, but this would need to be negotiated on a case-by-case basis, on a fee-for-service basis.

The government has on occasion, on a one-off basis, approved CLC acquiring specific properties from other Crown corporations to meet the objectives of particular initiatives. This is because there has been interest by these Crown corporations to use CLC expertise in order to allow them to focus their limited resources on program delivery and not disposal.

Recognizing this, CLC continues to explore potential acquisitions of surplus Crown corporation properties, where value creation opportunities exist.

Federal Disposal Streamlining Initiative

Public Works and Government Services Canada (PWGSC) and Transport Canada/CLC have now completed an exercise to explore how the government can better deal with surplus strategic properties. In undertaking this, however, it was necessary to look at the entire real property disposal system of the federal government. PWGSC and CLC, the two organizations with real property disposal mandates, therefore agreed to participate in a joint task force to develop options for streamlining the federal real property disposal system.

The shared goal of this joint task force was to ensure that respective expertise was focused when and where it was required, that overlapping or competing efforts were documented and reduced, and that the time frames from conception to completion of all disposals were shortened wherever possible. The scope of the resulting report was limited to the mandates and experiences of PWGSC and CLC. The observations and findings are expected to have resonance with custodian departments which have been, or are planning to be engaged in the disposal process.

2.5.2 Assist in Expediting the Sale of Current Federal Surplus Strategic Properties to CLC

Given its mandate, CLC relies entirely upon the federal government for its supply of strategic properties. The company's ability to effectively carry out its mandate is therefore dependent upon the federal government moving its surplus strategic property through the system in an efficient manner.

CLC's commitment to heritage preservation and environmental sustainability in its projects leads to an increased and positive federal presence in Canadian communities. The process of a federal Crown corporation working closely with the local municipality and with the community to bring vacant and/or underutilized sites back into productive use is furthermore an excellent way to improve and build upon federal-municipal relations.

The strategic disposal process itself is a complex one, subject to legal and policy obligations and involving a variety of federal departments. This very complexity can slow down the movement of properties through the strategic disposal process.

2.5.3 Asset Manage the Metro Toronto Convention Centre Complex

The Metro Toronto Convention Centre Complex (MTCCC), located in downtown Toronto, consists of the 586-room four-star Hotel InterContinental, the 16-storey 277 Front Street West office building, and the one million square foot (92,900 square metre) convention centre and 1,200-space accompanying parking facility. In total, the complex is approximately two million square feet (approximately 185,800 square metres). The MTCCC was in the original portfolio of properties transferred to CLC at its inception in 1995.

The Hotel InterContinental is managed for CLC by the InterContinental Hotel Group under the terms of a management agreement. The convention centre and the parking garage are leased, on a long-term basis, to the Province of Ontario's Metro Toronto Convention Centre Corporation. CLC acts as facility manager for the effectively fully-leased office building. CLC also manages the central services for the entire complex.

In April 2008, CLC acquired the leasehold interest Pensionfund Realty Limited held in the office building and the hotel. This transaction, which required specific authorities from CLCL's shareholder, was undertaken in order to create a marketable asset that CLC could divest. CLC's previous legal position with regard to the MTCCC – land ownership with minimal potential for investment return, coupled with hotel and facility management obligation – was deemed an asset that would be unappealing to the marketplace in a disposal scenario. CLC now has a more conventional real estate asset that should attract the interest of many parties when it is marketed for sale.

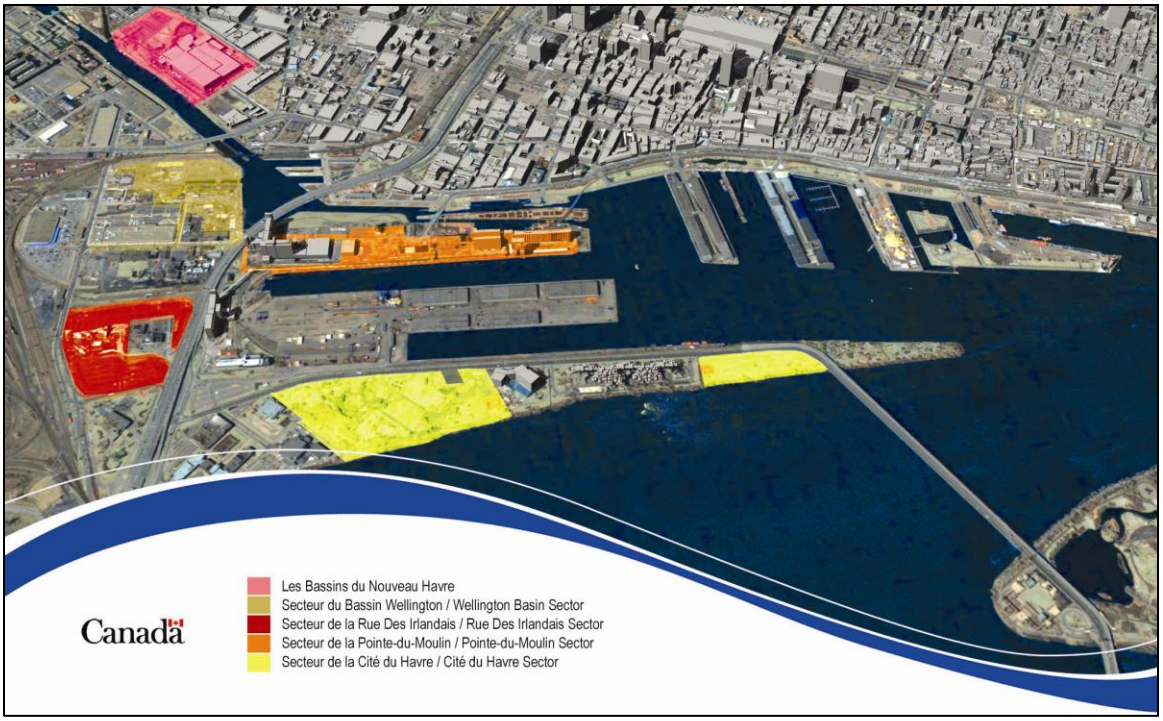
Consistent with its mandate to dispose of properties, CLC is not a long-term holder of the MTCCC. CLC's strategy is to sell the complex at such time as the market for the asset improves. Until then, CLC's goal is to maximize the asset's value by working to increase the net operating income of the hotel and office building, and maintaining its investment through capital improvements.

This corporate plan assumes that the company will expose the asset to the market for sale in 2011-2012.

2.5.4 Proceed with Montréal's New Harbourfront Initiative

CLC is continuing with its work as master developer for the "Montréal's New Harbourfront" initiative, as announced in April 2007 by the Government of Canada. Exhibit 3 shows the location of the properties included in this initiative.

Exhibit 3: Location of Montréal's New Harbourfront Initiative Properties



Les Bassins du Nouveau Havre

During the past year, progress has been made in the redevelopment of the 24-acre (9.7-hectare) Les Bassins du Nouveau Havre site, as the first of the five properties being redeveloped by CLC in connection with the Montréal's New Harbourfront initiative.

Exhibit 4 shows a rendering of the future redevelopment. The site has now undergone extensive deconstruction work to remove a large existing postal sorting facility. The overall estimated percentage of materials reused, recycled or recovered is approximately 94% based on total weight.

Exhibit 4: Rendering of Les Bassins du Nouveau Havre

After a two-year participatory process, the master plan was approved by Montréal's City Council in August 2009. In March 2010, CLC launched a two-stage process for the sale of lots for residential development at the site.

During the first stage, the selection committee, comprising CLC staff and external advisors, evaluated the Expression of Interest (EOI) submissions received and determined which real estate developers would qualify to submit detailed offers of purchase as part of the second stage. The EOI process generated interest from both local and national developers.

In June 2010, qualified real estate developers were provided a supplementary information package and invited to submit detailed offers of purchase by September 2010 for the acquisition of one or more residential development lots. Their proposals included a preliminary development concept for their project taking into account the parameters in the master plan and regulatory framework, a formal offer to purchase and a development timetable. The two-stage process was overseen by an independent process auditor.

In November 2010, CLC announced the selection of a partnership between Prével and Conceptions Rachel-Julien for the sale of various residential lots at Les Bassins to feature approximately 1,600 residential units, conditional upon a due diligence review to be undertaken by the partnership.

CLC's plan for Les Bassins also incorporates public walkways that will facilitate access for the general public to the Lachine Canal National Historic Site of Canada. The company is working closely with Parks Canada and the City of Montréal to realize this concept.

In collaboration with Bâtir-son-Quartier and the City of Montréal, CLC's plan will furthermore see the creation of 400 social and community housing units, a large number of which will be designed for families with children. Batir-son-Quartier (a resource group for social and community housing programs) is receiving support from the Surplus Federal Real Property for Homelessness Initiative (SFRPHI) of Human Resources and Skills Development Canada, in the acquisition of various lots on the Les Bassins property.

Once completed, it is anticipated that the entire Les Bassins project will include a total investment (private and public) of $760 million, with approximately 2,000 residential units of various types as well as up to 325,000 square feet (30,000 square meters) of offices, workspaces, and neighbourhood retail. The redevelopment plan also envisions green and recreational areas of 4.8 acres (1.9 hectares), or nearly 20 percent of the site area, recreating the form of the former navigation basins which used to occupy the site and were filled in the 1960s.

CLC is seeking LEED-Neighbourhood Development designation for this project by implementing a mixed-use approach, promoting alternative modes of transportation, and developing innovative storm water management systems.

It is expected that Les Bassins will be welcoming new residents to the site by the end of 2012. The redevelopment is expected to be completed no later than 2019.

Port Authority Sites

As of November 1, 2010, CLC took possession of initial portions of three sectors of surplus properties from Transport Canada, formerly administered by the Montréal Port Authority, totaling approximately 61 acres (24.7 hectares). The three sectors are:

- Wellington Basin Sector;
- Pointe-du-Moulin Sector; and
- Rue des Irlandais Sector

CLC is planning a redevelopment process for these sites which will include the participation of key stakeholders and the population at large.

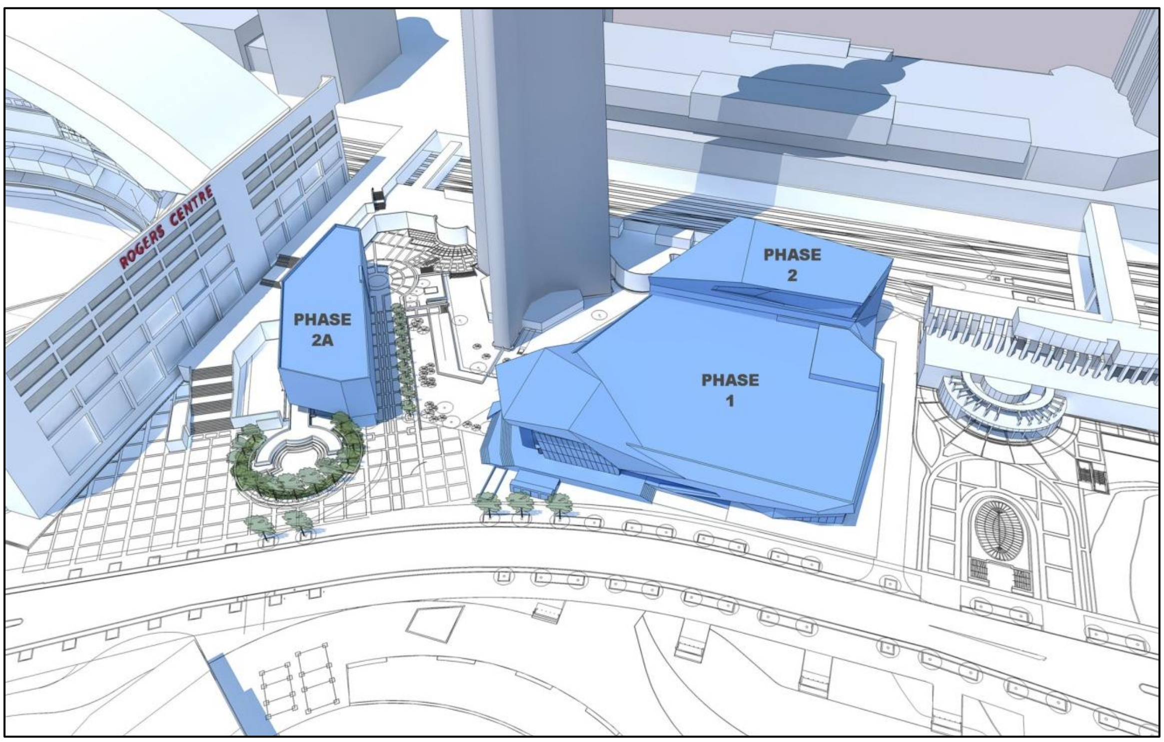
Cité du Havre

CLC and CMHC are currently negotiating the purchase and sale of the two vacant parcels located on Cité du Havre totalling 25 acres (10 hectares). Parcel A, the western-most of the two sites, is projected to include the construction of approximately 1,800 residential units in high-rise condominium structures.

2.5.5 Proceed with CN Tower Base Lands Development Project

CLC continues to work toward developing the 4 acres (1.6 hectares) of vacant lands located at the base of Canada's National Tower (the CN Tower) in downtown Toronto. The lead element of the new development will be a world-class aquarium to be constructed and operated by Ripley Entertainment (Ripley) under a long-term land lease. The Ripley aquarium will be 100,000 ft^2 (9 290 m^2) (Phase 1 in Exhibit 5), with Ripley having the right to construct a 50,000 ft^2 (4 645 m^2) expansion (Phase 2 in Exhibit 5) at some point in the future. To complete the build-out of the site, CLC will have the opportunity to market a final development phase (Phase 2A in Exhibit 5) of 50,000 ft^2 (4 645 m^2) of commercial/retail space on the west side of the site in the future. Exhibit 5 shows these development phases.

Exhibit 5: CN Tower Base Lands Development Phases



Presently, the arrangements between CLC and Ripley are governed by the agreement to ground lease, which has been in place since July 2009. Once all conditions are waived by both parties, the ground lease will be executed and the construction will commence. The ground lease obligates Ripley to finance and construct, then operate the aquarium.

Construction of the aquarium is projected to take two years, with 2013 identified as the target opening date of the facility to the general public. It is important to note that considerable conditions in the agreement to ground lease must be waived by both parties, and extension rights exist that could delay the commencement of the ground lease. Both parties, though, remain committed and are optimistic the present timeline can be met.

2.6 Assessment of Corporate Resources

2.6.1 Enterprise Risk Management and Internal Controls

CLC continues to place emphasis on its enterprise risk management (ERM) objectives and internal controls environment. The CLC risk register and resulting action plans are updated periodically as part of CLC's risk reporting strategy for the board of directors. They ensure a disciplined and organized risk management approach so that policies, guidelines, processes and practices are defined and formalized across the company.

The company employs risk assessment methodology using the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model, as an enterprise risk management framework and common risk infrastructure that encompasses people, processes and technology. This robust approach has served it very well to date. The company's risk management activities ensure that key business, operational and hazard risks are identified, assessed, mitigated, managed, monitored, and, where feasible and cost-effective, insured, particularly for extreme and catastrophic exposures to the company. The testing of the viability and effectiveness of the company's current business continuity plan and disaster preparedness is an example of one such important risk management undertaking.

The risk management function addresses the following three broad types of enterprise risk for the company and appropriate mitigation strategies are developed accordingly:

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

ERM is also a continuous management strategy which is significantly improved with better information and communication. Managing and monitoring risk at the project level is one of the company's key objectives over the next few years and ERM is being extended to cover major projects and program delivery risk.

A risk control engineering survey was conducted at CLC's former CFB Griesbach project in Edmonton in early 2007 to identify and review risk exposures and recommend project controls needed to mitigate them. Another risk control survey was completed in January 2010 for the Calgary Currie Barracks site. Similar engineering risk surveys were undertaken at the CN Tower, the Metro Toronto Convention Center, the Intercontinental Hotel, and

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

Other risk management and internal control initiatives include the following.

- The CLC Head Office joined the South Area Facilities and Entertainment (SAFE) Group formed in 2006 to be part of an integrated business disaster and continuity recovery plan and tabletop exercise. The SAFE Group represents a group of entertainment and hospitality businesses in downtown Toronto who share a commitment to public safety. This year's 'Trojan Horse' exercise had a focus on crisis communications and the media.
- Annual property risk exposure assessments conducted each January/February of CLC's insurable values, form of valuation (replacement cost, actual cash value or demolition) for property assets, business interruption/rental income insurance and vacant land – for the company's property and liability insurance program to ensure it meets CLC's needs cost-effectively.
- Increased review of monitoring environmental risk management systems and practices associated with the lands to be transferred and development projects in conjunction with CLC's environmental specialists, and an improved integrated risk reporting framework including total environmental liability exposure forecast for impacted assets.
- A comprehensive project plan is underway to convert from Canadian Generally Accepted Accounting Principles (GAAP) to IFRS (International Financial Reporting Standards) for financial reporting. The company is on schedule with completing the IFRS conversion in time for reporting as at March 31, 2012 with one year comparative IFRS information.
- A comprehensive update of CLC's detailed risk register, including all businesses, was undertaken in the summer of 2010; this is aligned with Ernst & Young's internal audit planning for year three.

Currently and into the 2011-2012 fiscal year, the following key business and operational risks will continue to be priorities addressed by the company through the enterprise and operational risk management process.

- IFRS conversion: from an industry/compliance risk perspective, to ensure IFRS conversion from Canadian GAAP is on schedule with completing the conversion project in time for reporting under IFRS as at March 31, 2012 with one year comparative IFRS information. As a result of this, in order to comply with new Government of Canada legislation, interim quarterly financial statement reporting to the government will commence on June 30, 2011.
- MTCCC (particularly the hotel component): from an economic/financial/market risk perspective, the downturn in the hotel/office market and an anticipated increase

in local competition of four star and higher hotel rooms by 2012 could lead to lower business revenues and increased costs.

- Life/Health & Safety and Liability (EdgeWalk Attraction): as discussed in section 2.4 of this corporate plan, there are life/health & safety and liability related risks pertaining to the CN Tower's EdgeWalk attraction, which is scheduled to become operational at CN Tower during 2011. A robust internal risk assessment known as 'Failure Modes and Effects Analysis' was undertaken to identify and address/mitigate/eliminate all key risks. Ongoing monitoring, strict inspections and maintenance will be performed through the build/design cycle and during operation.
- Life/Health & Safety (CN Tower): a physical security review will be undertaken at the CN Tower to address existing security measures, including physical protection system elements covering three core areas: protection (physical barriers and access control), detection, and response plans (post-incident planning).
- Real Estate Development Regulatory/Compliance Risks: in addition to risks associated with receiving provincial approvals pertaining to environmental remediation, some key operations risks mitigated through the project management process involve securing municipal real estate development approvals, such as Official Plan and zoning approvals. These risks can relate to municipal and political support, public opposition, delays, etc. To date, the company has developed an excellent track record of considerably reducing these risks, through extensive consultations with community representatives and other stakeholders, collaboration with municipal staff, and an objective to provide valued community legacies.

Internal Audit Activity

The internal audit planning is based on comprehensive risk assessments, validation and refreshing of CLC's current detailed risk register (2010), for high-risk areas as well as those areas of concern for senior management and the board. The 2009 risk assessment (corporate risk register) was updated in the summer of 2010 to help validate the 2009-2010 plan. In Internal Audit year two of the three year Internal Audit Plan, two audits were undertaken, including a review of the project management and governance of IFRS implementation for overall project readiness and a revenue process review at the InterContinental Hotel. A project management review at Garrison Crossing, Chilliwack, BC will be undertaken late in the final quarter of fiscal year 2010-2011.

2.6.2 Financial Resources

Aside from the repurchase of the CN Tower operating lease, and the purchase of PRL's interest in the MTCCC, CLC has been able to fund capital requirements through internally generated funds rather than financing them from external sources. The company currently has a $100 million line of credit with a syndication of banks, and seeks approval of same in this corporate plan. The line is presently used for letters of credit totaling $25 million and for general operating requirements. The operating line is assumed to be repaid in year two, except for the use of the line for letters of credit. With the purchase of PRL's interest in the MTCCC, CLC has drawn on its line of credit.

The corporate plan shows acquisitions of $73.1 million, of which notes will be issued for $49.9 million and capital expenditures of $423.1 million during the plan period. More specifically, even though CLC is projecting a continued slowdown of residential sales in the Western region, redevelopment projects such as the former CFB Chilliwack, CFB Calgary and CFB Griesbach will require sizeable capital expenditures over the next few years related to construction.

By the end of fiscal year 2011-2012, the company is projecting that the value of its properties will reach $459.8 million, which exceeds the company's asset base at inception in 1995. It is anticipated that the company's line of credit requirement will remain at $100 million in year one of the planning period, and remain in place for the five year planning period (at a smaller amount), comprised of bank indebtedness plus additional letter of credit requirements (current letters of credit total $25 million).

Exhibit 6: CLCL Capital Budget 2011-2012
(Expenditures on Properties)

	$ Millions
CLCL expenditures on properties	65.7
CLCL acquisitions	18.0

Exhibit 7: CLCL Operating Budget 2011-2012

	$ Millions
CLCL revenues	375.9
CLCL expenses	328.6
CLCL income before taxes	47.3

2.6.3 Human Resources & Legal Affairs

Human Resources

CLC benefits from the expertise of a strong and dynamic team of highly qualified and dedicated professionals and staff. Striving for excellence in people management and development is a priority and integral to the company's objective of retaining and motivating employees.

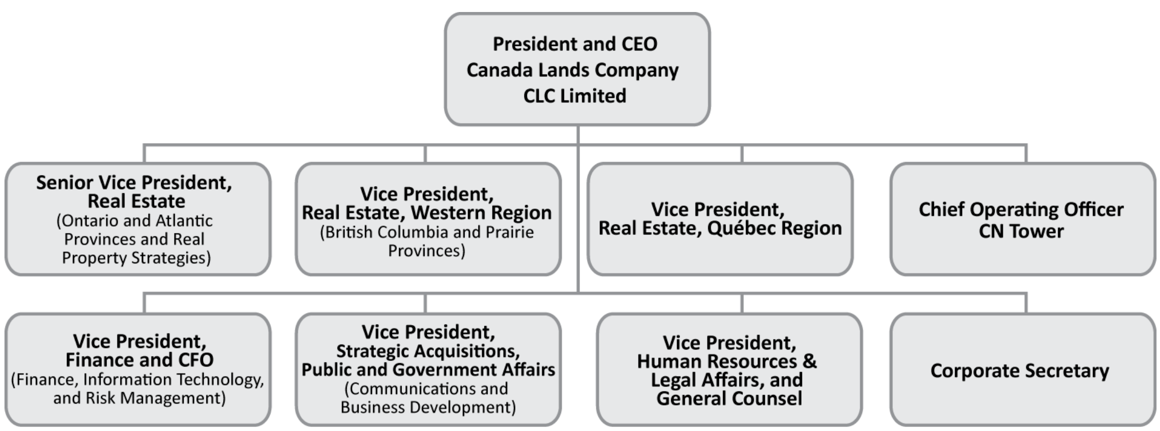
Periodic reviews of the company's human resources policies, initiatives and programs support its commitment to best practices and corporate social responsibility, as well as its goal of becoming an employer of choice by 2012 and being externally recognized as such.

CLC continues to promote a safe and healthy work place for employees, including the provision of wellness initiatives, such as on-site influenza vaccination clinics and ergonomic assessments. Continuing education and training ensures that the company is able to maintain a productive and cooperative work environment. The company fosters a culture where employees are engaged and focused on being productive and empowered to contribute to organizational success. CLC is aligned with government policy objectives, including in the areas of good governance and official languages.

As part of its good human resources management practice, CLC periodically reviews its operational requirements to ensure effectiveness and cost efficiency. The company uses the results of its review to implement necessary changes in order to ensure organizational sustainability, efficiency and effectiveness.

CLC's current senior management team structure is illustrated in Exhibit 8. The members of the Senior Management Team (SMT), except for the President and CEO, each lead their respective department or region.

Exhibit 8: CLC Senior Management Team Organizational Structure



Legal Affairs

Legal activities are overseen by CLC's General Counsel, who ensures their effectiveness and cost efficiency. Dealings with external law firms are monitored with a view to curtailing legal expenditures without diminishing the quality of the legal services obtained. Legal spending is viewed as a business investment and, like any investment, a return is expected. In this regard, external counsel policy and guidelines have been developed to assist both internal clients and external counsel. Leveraging external resources with internal processes allows for greater focus on value-creating legal activities.

The General Counsel provides legal assistance to the risk management function and advises management in negotiating, drafting and reviewing agreements to ensure adherence to applicable legislation, corporate policies and business objectives.

Compliance to legal and regulatory requirements and proper management of litigation and non-litigation matters are foremost objectives. The legal affairs function validates such compliance and management, and the General Counsel provides ethical leadership and integrity, thereby enhancing the company's reputation and success.

2.7 2010-2011 CLC Performance Assessment

CLC's newly developed working draft balanced scorecard is outlined in Appendix A. The performance objectives, targets and metrics contained within this balanced scorecard are continually being refined and are being reported on over a three year phased-in period. The performance objectives designated to be reported on in the first year are reported on in this 2011-2012 corporate plan. The remaining performance objectives are also shown, along with an indication of whether they will be reported on in the second year (the 2012-2013 corporate plan) or else the third year (the 2013-2014 corporate plan).

3. Financial Schedules

3.1 Canada Lands Company CLC Limited

3.1.1 Statement of Income and Retained Earnings

$ Millions	-------CGAP------- Actual 2009/10	YEO 2010/11	2011/12	2012/13	--------IFRS-------- 2013/14	2014/15	2015/16	5 Year TOTAL
REVENUE								
Property sales	74.6	116.4	249.7	114.8	125.0	137.5	189.5	**816.5**
Property rental IPP	17.2	20.5	26.0	13.6	14.5	14.1	20.1	**88.3**
Property rental HDS	0.7	0.6	2.7	2.3	1.9	1.0	1.6	**9.5**
Attractions, Food and Beverage	52.4	54.7	56.5	48.6	49.9	51.4	52.8	**259.2**
CN Tower communications	4.3	4.0	3.9	4.0	4.0	4.0	4.1	**20.0**
CN Tower Store	3.9	3.8	4.0	4.1	4.1	4.2	4.2	**20.6**
Intercontinental room	25.3	28.7	27.9	-	-	-	-	**27.9**
Intercontinental telephone	0.3	0.3	0.3	-	-	-	-	**0.3**
Intercontinental garage	0.7	0.7	0.8	-	-	-	-	**0.8**
Interest and other	3.8	3.8	4.1	3.1	2.0	2.4	3.3	**14.9**
	183.2	**233.5**	**375.9**	**190.5**	**201.4**	**214.6**	**275.6**	**1,258.0**
EXPENSES								
Cost of property sales	31.4	72.1	199.6	81.9	85.2	88.3	129.5	**584.5**
Cost of property rental IPP	8.9	15.0	14.5	6.4	6.4	6.3	7.1	**40.7**
Cost of property rental HDS	1.9	2.3	7.0	6.4	5.8	5.3	4.6	**29.1**
Provisions	4.7	0.4	0.8	0.1	-	-	-	**0.9**
General and administrative	18.8	20.9	21.7	22.7	23.0	23.5	24.3	**115.2**
Interest	4.2	6.6	6.0	0.5	0.2	-	-	**6.7**
Attractions, Food and Beverage Costs	23.4	24.0	24.9	18.6	19.1	19.7	20.3	**102.6**
Intercontinental room	8.0	9.2	9.0	-	-	-	-	**9.0**
Intercontinental telephone	0.4	0.4	0.4	-	-	-	-	**0.4**
Intercontinental garage	0.5	0.6	0.6	-	-	-	-	**0.6**
CN Tower communications	1.5	1.6	1.6	1.6	1.7	1.7	1.8	**8.4**
CN Tower Store	2.7	2.6	2.7	2.8	2.9	3.0	3.1	**14.5**
Other CN Tower and Hotel expenses	24.5	26.4	26.1	9.8	10.1	10.4	10.7	**67.1**
Depreciation	12.2	13.5	12.9	6.9	7.4	7.3	7.7	**42.2**
Capital tax & other	0.6	0.8	0.8	0.8	0.8	0.8	0.8	**4.0**
	143.7	**196.4**	**328.6**	**158.5**	**162.6**	**166.3**	**209.9**	**1,025.9**
INCOME BEFORE TAXES	**39.5**	**37.1**	**47.3**	**32.0**	**38.8**	**48.3**	**65.7**	**232.1**
Income taxes	11.4	10.4	13.2	9.0	10.9	13.5	18.4	**65.0**
INCOME BEFORE COMP INCOME	28.1	26.7	34.1	23.0	27.9	34.8	47.3	167.1
Other Comprehensive (Income)/Loss	-	0.8	-	-	-	-	-	-
NET INCOME	**28.1**	**25.9**	**34.1**	**23.0**	**27.9**	**34.8**	**47.3**	**167.1**
Retained earnings, beginning of year	122.7	150.3	167.7	193.5	177.8	196.0	220.6	**167.7**
Prior year's / IFRS adjustment	(0.5)		13.0					**13.0**
Dividends	-	(8.5)	(21.3)	(38.7)	(9.7)	(10.2)	(11.0)	**(90.9)**
RETAINED EARNINGS , END OF YEAR	**150.3**	**167.7**	**193.5**	**177.8**	**196.0**	**220.6**	**256.9**	**256.9**

Notes: Fiscal year 2011/12 includes disposal of MTCC assets at $175.3 million including parking.
"Prior year's" adjustment refers to a change in the company's capitalization policy and "IFRS" adjustment reflects the adjustment required to transistion from CGAP to IFRS.

Appendices

A 2010-2011 Draft CLC Balanced Scorecard

The performance targets and metrics within this balanced scorecard continue to be refined and reported on in a phased-in manner, so that the entire scorecard will be completed in time for inclusion in the 2013-2014 corporate plan.

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
ENGAGING COMMUNITIES **Objective:** Listen to communities to understand their needs and create community value.		
Undertake shareholder consultation on all new development projects prior to CLC acquiring title (converse with federal government departments, elected officials etc.)	Number of new development projects where this has been done Percentage of new development projects where this has been done	10 100%
Undertake stakeholder consultation on all new development projects – prior to CLC finalizing the development vision for properties and obtaining municipal approval (converse with municipalities, local communities etc.)	Number of new development projects where this has been done Percentage of new development projects where this has been done	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
Achieve high levels of satisfaction with CLC engagement approach for all new development projects	Average satisfaction rating based on community consultation comment cards Average satisfaction rating based on municipal survey carried out at project completion	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
DEVELOPING SUSTAINABLY **Objective:** Create environmentally sustainable neighbourhoods and buildings in line with urban planning best practices.		
All new development projects and owned and operated buildings achieve independently assessed green ratings (e.g., LEED, BOMA)	Number of projects obtaining such a rating Percentage of projects obtaining such a rating	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
Design access to public transit for 100% of residential units in all new development projects	Number of residential units within a 400 metre or 5 minute walk from a public transit stop Percentage of residential units within a 400 metre or 5 minute walk from a public transit stop	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
Increase land use efficiency (density) in all new development projects	Percentage of residential development projects achieving a higher number of units per development acre than local average	[To Be Reported On In 2013-2014 Corporate Plan]
Improve livability of new development projects by designing for a mix of housing forms and pricing levels	Percentage of new development projects that incorporate a mix of housing forms, a network of open space amenities, and target various pricing levels	[To Be Reported On In 2013-2014 Corporate Plan]
VALUING PEOPLE **Objective:** Strive to become an employer of choice by 2012.		

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
Improve overall employee satisfaction by 5% by the end of 2011-2012, using 2009-2010 as the base fiscal year (base result for corporate departments and real estate operating divisions was 72.8%, and the base result for CN Tower was 69.8%)	Total percentage level of satisfaction based on survey results for corporate departments and real estate operating division employees Percentage change from 2009-2010 levels Total percentage level of satisfaction based on survey results for CN Tower employees Percentage change from 2009-2010 levels	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
Strive for zero harm among workers and visitors	Recordable critical injury frequency for employees and visitors to owned and operated buildings	0 critical incidents for employees anticipated, 1 critical incident reported to Ministry of Labour for tenant anticipated
Provide training and education opportunities for employees	Percentage of full-time employees receiving training and educational assistance Dollars spent on training and educational assistance (average per full-time employee)	18% of company employees are anticipated to be recipients (80% for REC division and 4% for CN Tower division) $800 average per employee anticipated ($1,050 for REC division and $548 for CN Tower division)
Maintain voluntary employee turnover rate at 5% for real estate and corporate division	Percentage full time voluntary turnover for fiscal year	3%
Maintain voluntary employee turnover at 6% for CN Tower operating division	Percentage full time voluntary turnover for fiscal year	4%

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
MANAGING THE ENVIRONMENT **Objective:** Manage resources responsibly and respect the environment.		
Reduce energy use in CLC owned and operated buildings	Total energy use in Kilowatt-hours (kWh) consumed Total energy use in Kilowatt-hours (kWh) consumed per square foot (square meter) Percentage change in energy use per square foot (square meter) from previous fiscal year	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
All new buildings in development projects constructed to independent energy efficiency standards (ensure through inclusion in contracts with site purchasers where necessary)	Number of new buildings meeting this criteria Percentage of new buildings meeting this criteria	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
All refurbished buildings in development projects renovated to improve energy efficiency	Number of refurbished buildings meeting this criteria Percentage of refurbished buildings meeting this criteria	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
Divert at least 90% (by weight) of demolition waste from landfill	Total amount of demolition waste diverted from landfill (by weight) Percentage of waste (by weight) diverted	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
Divert at least 60% (by weight) of waste from landfill for owned and operated buildings	Total amount of waste diverted from landfill (by weight) Percentage of waste (by weight) diverted	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
Adopt best practices for stormwater management and stream stewardship in new development projects	Number of new projects where Low Impact Development (LID) principles have been implemented Percentage of new projects where Low Impact Development (LID) principles have been implemented	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
Reduce water consumption in CLC owned and operated buildings	Total water consumption (volume) Percentage change from previous fiscal year	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]
CONTRIBUTING TO SOCIETY **Objective:** Create community value.		
Contribute 1% of net income before taxes to corporate philanthropy (excluding out of the ordinary transactions)	Percentage of prior year net income before tax spent Dollar amount spent	100% $160,090

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
Seek opportunities to create lasting legacies for all development projects	Number of acres (hectares) of public usable open space created cumulatively since company inception in 1995 Number of legacy project components celebrating Canadian heritage, cumulatively since company inception in 1995 Cumulative total dollar amount spent by CLC on legacy project components since inception in 1995	51 acres (21 hectares) 31 legacy project components $8,607,980
Cumulative projected development expenditures for CLC and site purchasers since company inception in 1995 for all past and current projects	Projected amount spent by CLC and its site purchasers Number of person-years of construction employment that these development expenditures equate to according to industry standards	$7.1 billion 56,800
Projected annual property tax contributions for all past and current projects at completion	Projected amount increase in annual property taxes due to development by CLC and its site purchasers	$42 million
Provide affordable housing choices for all residential development projects	Number of residential units built that cost buyers less than 30% of the annual median household income by postal code Percentage of residential units built that cost buyers less than 30% of the annual median household income by postal code	[To Be Reported On In 2013-2014 Corporate Plan] [To Be Reported On In 2013-2014 Corporate Plan]

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
STRENGTHENING BUSINESS OPERATIONS **Objective:** Strive to deliver strong financial results and/or efficiently alleviate the Government of Canada of surplus federal properties.		
Optimize financial value and returns paid to shareholder	Net income in past fiscal year	$25.9 million
	Revenues in past fiscal year	$233.5 million
	Capital expenditures in past fiscal year	$51.2 million
	Distributions to shareholder in past fiscal year (dividends, cash acquisitions and note repayments)	$26.4 million ($8.5 million in dividends, $5.5 million in cash acquisitions, and $12.4 million in note repayments)
	Cumulative distributions to shareholder since company inception in 1995 (dividends, cash acquisitions and note repayments)	$404.5 million
Achieve a gross margin on real estate property sales of at least 25%	Percentage gross margin	38.1%
Achieve a gross margin on CN Tower operations of at least 60%	Percentage gross margin (including food and beverage and attractions)	62.2%
Income tax contribution	Amount of income tax paid for past fiscal year	$10.4 million
	Amount of income tax paid cumulatively since CLC inception in 1995	$88.5 million
Improve customer satisfaction for tenants	Past fiscal year satisfaction score	[To Be Reported On In 2013-2014 Corporate Plan]
	Prior fiscal year satisfaction score	[To Be Reported On In 2013-2014 Corporate Plan]

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
Improve customer satisfaction for CN Tower visitors	Past fiscal year satisfaction score Prior fiscal year satisfaction score	70.5% (outlook based on summer data) 61.6%
Contribute to reduced federal government environmental liability through remediation of properties acquired by CLC	Dollar amount reduction in government environmental liability over the past fiscal year Cumulative dollar amount reduction in government environmental liability since company inception in 1995 Cumulative environmental remediation amount invested by CLC and its site purchasers since company inception in 1995	$12,550,000 [To Be Reported On In 2012-2013 Corporate Plan] $80.4 million ($48.6 million by CLC and $31.8 million by its site purchasers)
Generate annual Payment in Lieu of Taxes (PILT) savings for the federal government through properties acquired by CLC	Generated PILT savings over the past fiscal year Cumulative dollar amount in annual generated PILT savings since company inception in 1995 Estimate of potential government annual PILT savings that could be realized through CLC acquisition of all current surplus strategic properties	$981,783 [To Be Reported On In 2012-2013 Corporate Plan] $5,858,721
Generate annual operating and maintenance (O & M) savings for the federal government through properties acquired by CLC	Generated O & M savings over the past fiscal year Cumulative dollar amount in annual generated O & M savings since company inception in 1995	[To Be Reported On In 2012-2013 Corporate Plan] [To Be Reported On In 2012-2013 Corporate Plan]

TARGET	METRIC(S)	2010-2011 FISCAL YEAR END OUTLOOK (AT SEPT. 30, 2010)
Convert surplus federal properties back to productive use through sale to CLC	Number of properties converted back to productive use through sale to CLC during fiscal year	10
	Total area in acres (hectares) converted back to productive use through sale to CLC during fiscal year	613.36 acres (248.2 hectares)
	CLC property acquisition rate for the fiscal year (based on book value of development properties)	15%
	CLC property disposal rate for the fiscal year (based on book value of development properties)	32%
	Cumulative number of properties converted back to productive use through sale to CLC since company inception in 1995	63 properties (counting most of the Ontario Seaway portfolio as one property)
	Total area in acres (hectares) converted back to productive use through sale to CLC since company inception in 1995	8,454 acres (3,421 hectares)