

OLD PORT  
OF MONTRÉAL  
CORPORATION







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In 1977, Montréal's port activities were moved to the eastern part of the city, creating the need for a new use for the Old Port of Montréal. After an initial series of public consultations held two years later, the federal government created the Old Port of Montréal Corporation (the Corporation) in November 1981, with a mandate of developing and promoting this exceptional site that has witnessed the birth of the City of Montréal. Eight guiding principles were developed in 1986, following a major public consultation, in order to direct the Corporation's actions.

### **Guiding principles resulting from the public consultations (1984-86)**

1. The Old Port's development is consistent with and complements those efforts being made for the City's downtown sector and its historic district.
2. The site will be developed gradually based on a coherent master plan.
3. All development work must reflect the community's real needs.
4. The significant archeological relics must be showcased when development work is carried out on the site.
5. Development work must protect the exceptional views of the St. Lawrence River and de la Commune Street.
6. People must enjoy free and safe access to the site.
7. The various levels of government should take part in planning and managing the development work.
8. The land occupied by the Old Port must remain under the responsibility of the public authorities.

### **Revitalizing Montréal's Riverfront Area: A Three-part Process**

#### **Phase 1: 1982-86**

In the early 1980s, Montréal's Old Port and the St. Lawrence River were cut off from Montréal's historic district by eight railway tracks as well as hangars and grain silos blocking the horizon, making them virtually inaccessible to the public. From the start, there was a clear need to open a window onto the river.

In 1982, the Corporation launched its major initiative, *A Window on the River*, and began to open up the site to give it back to Montrealers and visitors.

Between 1982 and 1984, six of the eight railway tracks were removed, a linear park as well as the

Esplanade were created along de la Commune Street, Silo No. 1 was demolished, and repairs were made to both the Clock Tower and the park at the tip of the Cité du Havre.

Between 1984 and 1986, the Corporation successfully rallied the Montréal community around some guiding principles for development, which continue to inspire its vision and are a part of its very existence today.



*Demolition of the silos  
(between 1982 and 1984)*

#### **Phase 2: 1989-92**

Major investments were made in anticipation of Montréal's 350th birthday celebrations and the 125th anniversary of Canadian confederation in 1992.

The Jacques Cartier Pier, the Clock Tower Pier and the Locks Garden were completely restored in order to preserve the memories and spirit of the site. The Jacques Cartier Pavillion, the Bonsecours Pavillion and Basin and the famous skating rink were developed. The "New Old Port of Montréal" was inaugurated in May 1992 and was an immediate success. In its very first year, four million visitors came to rediscover the site's maritime character and history, making it one of the most popular meeting places in the city.

### **Some important dates in the history of the old port ...**

- 1830** - Inauguration of the Port of Montréal
- 1922** - Inauguration of the Clock Tower and the refrigerated warehouse
- 1970** - Lachine Canal is closed to navigation
- 1977** - Container terminal moved to Montréal East
- 1981** - Creation of the Old Port of Montréal Corporation
- 1892-1984** - Creation of the linear park between de la Commune Street and the river
- 1992** - Inauguration of the “New Old Port of Montréal” as part of Montréal’s 350th birthday festivities
- 2000** - Opening of the Montréal Science Centre
- 2002** - Reopening of the Lachine Canal to pleasure craft
- 2011** - Installation of lighting on the Clock Tower
- 2012** - Opening of the Clock Tower Beach

### **Phase 3: 1997-2000**

In its desire to develop the Old Port’s functions in a manner that complements the city’s downtown sector as well as the immediate surroundings, the Corporation made significant efforts in the years that followed to provide Montréal and Québec with a major facility to promote scientific and cultural endeavours. The Expotec, a theme-based scientific exhibition exploring various scientific issues and phenomena, has been held at the Old Port every summer since 1987. In 1997, Bernard Lamarre, the Corporation’s Chairman of the Board, convinced both the federal and provincial governments, in addition to numerous private sector donors, to create a science and technology museum on the King Edward Pier. The Montréal Science Centre opened its doors three years later, on May 1, 2000.

Along with this major achievement, the Corporation also provided more enriched programming to visitors coming to the site and to the Quays of the Old Port. Invaluable green space was added, making the banks of the St. Lawrence River, as well as Old Montréal, more attractive while improving the quality of the visitor’s experience.

*The site where Old Port of Montréal stands today marks the birthplace of our city. It officially became a port in 1830 and was the cradle of industrialization in Canada. The Old Port of Montréal grew to quickly exceed the capacity of the quays on the edge of Old Montréal, which led to the relocation of port activities to the eastern part of the City. The Old Port of Montréal Corporation eventually took over to make the site accessible to citizens on the basis of the expectations identified in the public consultations between 1984 and 1986. The Old Port now offers preferred access to the river and to this heritage site that marks the place where Ville Marie was founded.*

**Phyllis Lambert, Architect, Founding Director and Chair of the Board of Trustees of the Canadian Centre for Architecture**

### **Showcasing an Exceptional Site**

The Corporation is very aware of the Old Port’s unique heritage value, since this is where a significant portion of Canadian and Québec history unfolded. This is the birthplace of Montréal and where Aboriginal and European societies first came into contact with one another. It is the point of entry to the Lachine Canal, a transportation hub and the birthplace of maritime trade in Canada. The Old Port borders on Old Montréal, one of the most emblematic and best preserved historic districts dating back to the 19th century in North America.

In the early 1980s, the Corporation began restoring certain buildings, such as the Clock Tower, which received Federal Heritage Building status in 1996, the Allan building, de la Commune Street as well as the refrigerated warehouse. It also sought to preserve the living traces of the Old Port’s past with its new initiatives, such as the Jacques Cartier Pavillion, the Bonsecours Basin, and the restoration of the King Edward Pier. Many interpretation stations were created in the urban space to remind people of the site’s former uses and the important role that they played in Montrealers’ daily lives in times gone by. The Corporation also gave land to the City of Montréal to allow for the construction of the Pointe-à-Callière Museum of Archeology and History.

*In the early 1980s, Old Montréal was almost in a derelict state. The arrival of the Old Port of Montréal Corporation in the city's historic district sparked a real recovery in the area. The fact that Montrealers and tourists from around the world now come to Old Montréal to enjoy its restaurants, hotels, museums and innovative boutiques is largely attributable to the vibrancy of the Old Port of Montréal Corporation. A brand new generation of entrepreneurs and residents, attracted by high-quality infrastructures and a renewed Old Port, has transformed Old Montréal into an iconic part of the city.*

**Georges Coulombe, Chairman of the Société de développement commercial du Vieux-Montréal**

The Old Port of Montréal is a powerful magnet due to this successful union of past and present, which enhances the visitor's experience. Over the past 30 years, the Corporation has received many tourism prizes from Tourisme Québec and the Office des congrès et du tourisme du Grand Montréal. It received awards from The Canadian Society of Landscape Architects and the Ordre des architectes du Québec in 1993, while in 1994 it was awarded a prize from the Royal Architectural Institute of Canada for the quality of its achievements. In 2010, the Old Port of Montréal was designated as one of the 15 most beautiful waterfronts in the world in *Travel & Leisure*, a very prestigious U.S. magazine.

### **Citizens Have Adopted the River**

By opening a window onto the river to celebrate Montréal's 350th birthday in 1992, the Corporation addressed the collective needs so often expressed by Montrealers and visitors alike. By once again giving people access to the St. Lawrence River—a key part of the identity of this city and the surrounding region, the Corporation nurtured the perception of Montréal as a port city that is open to the world. In addition, the various work completed in the past 30 years has made it possible to restore the areas immediately surrounding the City's historic district and to make the river banks more beautiful.

By letting people reconnect with the river, the Corporation has made a valuable contribution to raise people's awareness of the importance of their port and river heritage. There is no longer any doubt that the river must be included in any

environmental discussions involving the greater Montréal area; all decision makers now agree on this.

### **Contributing to the Economic Vitality of Montréal**

Developing the Old Port created a spectacular impact on the rejuvenation of Old Montréal and provided an important tool for economic development in the City. To date, the \$452 million invested by the federal, provincial and municipal governments has resulted in more than \$2.4 billion in investments in the area south of the city's downtown core. This represents a return on investment of more than 500% in 30 years.



*Always popular for a stroll*

These investments include the creation of the Quartier international and the Cité du multimédia, the expansion and modernization of the Palais des congrès, the conversion of heritage buildings in need of a new use into hotels, office buildings, condominiums and businesses, and the arrival of many new gourmet restaurants that have heightened Montréal's reputation as a gastronomical destination. These investments made it possible to create 5,000 businesses, which employ more than 120,000 people today. Moreover, between 1981 and 2006 the population of Old Montréal has practically doubled whereas the population elsewhere on the island has increased by only 5%.

Since its creation, the Port of Montréal has played a vital role in the economic development of Montréal, Québec and Canada. The Old Port of Montréal Corporation has successfully embraced the challenge of showcasing this heritage related to our history with the river and maritime activity by creating a place that brings people together and tells the story of our city in the 19th and 20th centuries. While the large majority of port-related activities were developed in the eastern part of Montréal, the Old Port continues to remind us of the important role played by the St. Lawrence River as a transportation link and a creator of wealth for the city.

**Sylvie Vachon, President and Chief Executive  
Officer of the Montréal Port Authority**

### A Key Tourist Attraction

As the most popular and most visited recreational tourism attraction in Québec, the Old Port of Montréal welcomes, on average, 6 million people to its Quays each year, including 700,000 visitors to the Montréal Science Centre. Approximately 25% of visitors are from outside Québec. According to a longitudinal study carried out by Ipsos Descarie, close to 9 out of 10 visitors said that they were very satisfied with their visit.

This success is owed particularly to quality programming, the dedication of the Corporation's employees, as well as the solid partnerships and business relationships which the Corporation has developed over the years to create a site that features year round activities and celebrations. The Old Port is constantly renewing itself thanks to its prestigious partners, such as the Cirque du Soleil, TELUS, Hydro-Québec and the Desjardins Group, as well as some 50 creative and highly experienced entrepreneurs operating on the site.

The Old Port also remains a place to enjoy a river cruise. When the weather is nice, more than 45 cruises and river excursions depart daily. The Port d'escale, which was completely renovated in 2010, welcomes pleasure craft while the Montreal Yacht Club offers seasonal dock space in the Clock Tower Basin. The site is visited regularly by vessels of interest and the *Tall Ships on the Quays*, which has been held on the site since 2010, attracts close to 160,000 visitors annually.



**Bateau-Mouche**

Major gatherings that are an important part of Montréal, such as the *Mosaïcultures* and *Canada Day* Festivities, popular shows such as the Björk concert and the Festival TransAmériques, not to mention community and philanthropic activities such as *The Battle of Atlantic Sunday* and Remembrance Day ceremonies, are held at the Old Port. The Quays have always managed to offer broad programming to the public and to renew this programming over the years.

Due to its strategy, which involves diversifying its clientele and making the Old Port of Montréal a year round international destination, the Corporation has gradually increased the number of visitors to the site during the fall and winter months. The success of the *Igloofest*, a winter event created in 2007, is a testament to the site's potential, even when the weather turns cold.

The Old Port's bold and diverse programming, and its openness to other cultures, have helped to create an extraordinary gathering place and a centre of discovery only a stone's throw from downtown Montréal.

In addition, from the very beginning, the Corporation emphasized discovery and cultural endeavours to generate activity on the site and attract visitors. From 1987 to 1996, the *Expotec* was held nine times on the King Edward Pier, inviting visitors to see the world from another perspective. The IMAX Theatre also opened in 1988.

In May 2000, the opening of the Montréal Science Centre (MSC) marked an important turning point. Due to its originality and bias for innovation, as well as its interactive and creative approach, the MSC presents successful permanent and temporary exhibitions as well as specific

programmed events in the field of science, such as the *Eureka! Festival*, conferences and a host of scientific competitions. Over ten years, the MSC has been awarded many prestigious prizes from Tourisme Québec, the Société des musées québécois, the Canadian Association of Science Centres and the Canadian Museums Association.



*The Montréal Science Centre*

### **An Important Contribution to the Development of Montréal**

The City of Montréal and the Corporation have been partners from day one. The principle of developing the Old Port as a main tourism attraction and a cultural and heritage destination is part of the development initiatives for the City's entire downtown sector and serves as the basis for the synergy between the two organizations.

The Corporation is also actively involved in the work of the Table de concertation du Vieux-Montréal, with its partners at the City and the Société de développement commercial (SDC) du Vieux-Montréal, to ensure the best possible harmonization of residential, commercial, and recreational tourism functions in the area.

In addition to being able to rely on the City of Montréal, the Corporation maintains solid ties with public partners in the fields of science and education, Tourisme Montréal, the Montréal Port Authority, and the Canada Lands Company, which is in charge of developing the Pointe-du-Moulin, neighbouring the Old Port. Its vision for developing the Old Port site has garnered the support of the City, Tourisme Montréal, the Board of Trade of Metropolitan Montréal, Héritage-Montréal and the Société du Havre de Montréal.

*In the mid-1980s, we were looking for an inspiring, open location in Montréal to raise our Big Top: a place that reflected the magic of the new show that we were so looking forward to launch. We fell in love with the Old Port and raised our Big Top on the banks of the St. Lawrence River to set sail and conquer the world. We never left the Old Port of Montréal. Now, almost 30 years later, the Cirque du Soleil continues to proudly welcome visitors under its blue and yellow tent at the Old Port.*

**Daniel Lamarre,  
President and Chief Operating Officer  
Cirque du Soleil**

### **On Route to the Future**

As Montréal's 375th birthday celebrations and the 150th anniversary of Canadian confederation quickly approach in 2017, the dream continues. This dream is based on the Vision for Development, Montréal on the River, Phase IV (2005-2015), which the Corporation unveiled to the public in 2005.

The objectives for this fourth phase are to attract visitors, keep them on the site and draw them back for repeat visits to the Old Port throughout the year. To achieve this, the Corporation knows that it must stop erasing the past, it must finish what it has started and it must catch up after postponing work in recent years in order to operate its assets to their full potential.

Forever true to its principles of maintaining free access to the site and showcasing the Old Port's history and its maritime and port heritage, the Corporation intends to secure the Old Port as an international destination by providing more recreational tourism offerings and consolidating its role as a showcase of Canadian creativity and the cradle of the industrial, port and maritime history of northeastern North America.

The Corporation worked on enhancing the eastern sector of the site between 2005 and 2011. Major infrastructure work was carried out and facilities were brought up to environmental standards. A new urban beach on the tip of the Clock Tower Pier will open to the public in 2012. This beach, with real sand, chairs and sun umbrellas, will provide a breathtaking view of the islands, the river and Old Montréal.



*The urban beach  
at the base of the Clock Tower*

The Corporation would also like to continue developing cultural and commercial offerings in the eastern sector of the Old Port and on the Jacques Cartier Pier. It also wants to enhance Montréal's heritage offerings by opening up and developing the Conveyor Pier dedicated to the site's heritage, and to invest in landscaping.

Now, more than ever, the Old Port is an integral part of Montréal's identity. Over the past 30 years, this rich, vibrant site symbolizing Montréal's history and its maritime heritage has become one of the most beautiful showcases for the city's spirit and creativity.

*Since its creation in 1981, the Old Port of Montréal Corporation has been a real catalyst for developing economic and tourism activities in the City. By revitalizing the Old Port area, the Corporation has generated significant economic benefits, spearheaded a real recovery for Old Montréal and profoundly transformed Montréal's image in the eyes of both its citizens as well as the millions of people who visit us each year.*

*Happy anniversary to the Corporation's entire team and to all of its partners, who can be proud of all these achievements!*

**Gérald Tremblay, Mayor of Montréal**

## The Global Site Management Plan

The Corporation developed a Global Site Management Plan based on the observations made in the 2010-11 Building Condition Report (BCR) and the conclusions reached in the additional studies performed in 2011-12. It now has a comprehensive tool, together with budget projections based on maintenance work being spread out over 25 years, allowing it to estimate the amounts that must be invested in asset maintenance, the level of urgency of the related work and the implementation timetables.

### Comprehensive Review of the Organization

The Corporation completely revised its budgets in 2011-12 in order to participate in the nation's deficit reduction efforts by having the government's annual contribution to its operations reduced.

The issues consisted in maintaining visitor services in keeping with the Old Port's level of performance while at the same time reducing the number of activities and the number of employees assigned to these activities. The analyses performed led to a major review of the organizational structure in order to help achieve the set objectives. This re-engineering, which has been gradually implemented since the fall of 2010, with major efforts being made in September 2011, was finally in place at the start of the new fiscal year.

### The Montréal Science Centre Had an Exceptional Year

The MSC had a remarkable year in terms of attendance numbers. In order to attract more visitors, it developed programming by selecting exhibitions geared towards a very wide audience. This strategy paid off since it generated the sale of 466,844 tickets to MSC exhibitions, a 60% increase compared to last year! These exceptional results are attributable to bold communications campaigns.

With a fine dose of adventure and discovery, coupled with the arrival of a herd of dinosaurs, the promises made in the MSC's communications campaigns attracted hundreds of thousands of visitors. In all, including the IMAX®TELUS Theatre, 812,277 tickets were

sold. The MSC improved its overall annual performance by 26% compared to last year, the second best year in its history in terms of attendance numbers.



*Affiche publicitaire de l'exposition **Dinosaures redécouverts***

Where the Quays are concerned, attendance levels were maintained despite bad weather early in the summer and the fact that fewer activities were held compared to a year earlier (-31%). The rate for new visitors is continuing to grow, with a 7-point increase. Programming was re-examined based on strong themes and well-orchestrated communications campaigns were developed, making it possible to attract millions of people to the Quays.

A total of 62,833 visitors were amazed by the science village set up as part of the three-day Eureka! Festival, a huge outdoor celebration of science. This is a record for this activity and a 19% increase compared to last year.

The Technofolies also had some impressive results. Featuring digital technology used in leisure activities, the Technofolies attracted 31,033 visitors during March break. Families were fascinated by the event and came out in such large numbers that a record was broken, with a 93% increase compared to 2010-11.

## The Quays Have the Wind in Their Sails

The Quays of the Old Port maintained their level of attendance at 6.59 million visits in 2011-12. This is an excellent performance considering the substantial decrease in the number of days of events compared to last year (-39%). Offerings were focused on three strong programming areas that emphasized cultural, heritage and port themes and activities were large enough to generate a critical mass in terms of communications, attractions and revenues.

Where the circus arts are concerned, the Cirque du Soleil welcomed 106,400 visitors to the site, presenting *Totem* on the Jacques Cartier Pier for a second time. In addition, more than 10,000 visitors were awed by CARPE DIEM's impressive high wire act performed outdoors as part of the *Montréal complètement cirque* festival.



2011 edition of the *Tall Ships on the Quays*

The port theme is growing and taking shape. The second annual *Tall Ships on the Quays* event allowed more than 165,000 visitors to take part in this huge, popular maritime festival held on the Quays of the Old Port over a four-day period, a 10% increase over last year. The Salon des bateaux à flot, the Montréal *Classic Boat Festival* and the arrival of a Canadian frigate, HMCS Montréal, attracted close to 50,000 visitors having very specific nautical and military interests.

Winter activities held on the Quays are continuing to attract visitors to the site. Close to 55,000 people came out to see the *Feux sur glace Telus*. The *Igloofest* smashed its own attendance record, attracting close to 70,000 electronic and one-piece vintage music lovers. Four of the nine evening

shows were sold out. This result represents an 18% increase over 2010-11.



*Fireworks*

## Prestigious Awards

Once again this year, the Corporation was recognized in various ways for its outstanding achievements. The prizes received over the years are in recognition of the substantial efforts made by the Corporation's various teams in their respective area and are even more meaningful given that they are being awarded by peers or renowned organizations.

The Corporation and its representatives received four prestigious awards this year.

The Association des architectes paysagistes du Québec awarded the Frederick G. Todd prize to Claude Benoit in recognition for her outstanding contribution to enhancing and developing the Old Port of Montréal both through her vision and her approach respecting the site's history. The Canadian Association of Science Centres awarded the MSC the CASCADE prize for *Sex: A Tell-all Exhibition!* (best exhibition presented by a large institution).

The MSC also received an award of excellence from the Société des musées québécois for *Sex: A Tell-all Exhibition!* (best exhibition presented by a large institution).

The MSC was also honoured with the *Governor General's History Award for Excellence in Museums—the History Alive! Award for Action Stations: Life at the Port of Montreal, 1939–1945!* This virtual tour of the Old Port showcases the intangible heritage of life at the Port of Montréal during the Second World War. This prestigious prize, presented by the Canadian Museums Association, in collaboration with Canada's History Society, is given out by the Governor General of Canada.

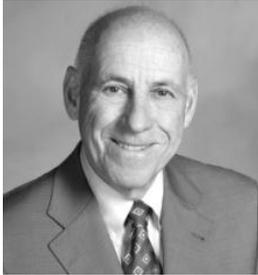


*Source: Office of the Secretary to the Governor General*



## MESSAGE FROM THE CHAIRMAN OF THE BOARD

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I am very proud to be the Old Port of Montréal Corporation's Chairman in this 30th anniversary year. Over the years, the Corporation has played a key role in revitalizing historic Old Montréal and the Old Port area by contributing to urban development, economic growth, increased tourism and improved quality of life for the citizens living in Montréal's historic district.

Driving the winds of change, the Corporation has breathed new life into an area, generating activity that has continued during phase after phase of its development.

Over the past 30 years, the Corporation's efforts were made possible due to its skilled and dedicated employees, who have successfully carried out all of its major projects. I am privileged to be able to see how proud people are to work together, day after day, to get the job done. I would like to take this opportunity to express my sincere thanks and say how much I value and respect each person's work.

Where 2011-12 results are concerned, I am very proud to announce that the Quays have maintained the same level of attendance as last year, with a total of 6.59 million visits, in spite of a terrible start to the summer season. As for the MSC, I was also extremely happy to see an impressive 60% increase in the number of exhibition tickets sold compared to last year. This is the second best performance in the MSC's history in terms of attendance numbers.

We have continued our efforts to conserve and enhance the Corporation's assets. A Global Site Management Plan has been developed to have a clear idea of the condition of our buildings and infrastructures. We noted that the amounts earmarked for asset maintenance are clearly insufficient to upgrade our existing structures and bring them up to current standards. As a result, we quickly prepared a comprehensive report for the minister responsible for the Old Port to inform her of the situation.

I sincerely hope that, in 2017, with Montréal's 375th birthday festivities and the celebrations for the 150th anniversary of Canadian confederation, the Corporation will be able to help celebrate by inaugurating a new phase in its vision for development and offering a new heritage to the citizens of Montréal.

The Chairman of the Board,

Gerry Weiner C.P.

MESSAGE FROM THE PRESIDENT AND CHIEF  
EXECUTIVE OFFICER



I would like to begin by sincerely thanking the Old Port's employees, who constantly strive for excellence in their remarkable work together and obvious personal commitment. Due to the difficult situation in which we found ourselves, caused by major financial cuts that were imposed upon us, the Corporation was forced to completely re-engineer its structure in order to maintain its level of performance and remain competitive. The Corporation's teams adapted to stay the course and I applaud them for this.

Visible from many different directions throughout the city and from the river, the Clock Tower stands majestically at the entrance of the Old Port and is an important landmark for boaters, people taking a stroll in the area and well beyond the limits of the Old Port. In 2011, the Clock Tower received a make-over in the form of high-quality architectural lighting that was installed by leading experts in the field. This project has been very important to me for several years now.

I would also like to congratulate the Montréal Science Centre for its remarkable performance. The MSC has had the second best year in its history in terms of attendance. The success of *Dinosaurs Unearthed* allowed both young and old to rediscover this fascinating world of creatures of immense proportions.

I am also very proud to announce that the Quays of the Old Port remained the top recreational tourism destination in Québec in 2011-12. I see that people particularly enjoy having ships docked at the Old Port, which is why the *Tall Ships on the Quays* were back again for another successful year. This second edition of the *Tall Ships on the Quays*, which attracted 165,000 visitors, is proof that people are attracted to large ships, which they undoubtedly love because of the nostalgia that they create but also because of the huge port celebration that accompanies their arrival.

I would like to thank Jacques Lagarde and Benoît Légaré, two vice-presidents who left us this past year, for their invaluable contributions.

In closing, I would like to mention that the Old Port of Montréal Corporation is now 30 years old. Much water has flowed under the bridge since the Corporation's creation in 1981. For decades, the land occupied by the Old Port was a veritable enclave. It was then transformed into a vast urban park, providing new views of the river and breathing new life into the City's quiet old historic district.

However, more work needs to be done! I am committed to working with the Corporation's Board of Directors and my colleagues and to promote our shared vision to ensure that the Old Port of Montréal remains an inspiring location that citizens, their children and their grandchildren will be happy—but especially proud—to share.

President and Chief Executive Officer,

A handwritten signature in black ink that reads "Claude Benoit".

Claude Benoit, C.M.



## Mandate

The Old Port of Montréal Corporation Inc. was created by the government of Canada with the mandate of developing and promoting the Old Port of Montréal's territory, and of administering and managing Crown property as an urban recreational, tourist and cultural site.

The territory of the Old Port of Montréal, which represents an area of 40.7 hectares, is 2.2 kilometres long and lies along the St. Lawrence River, bordering on Old Montréal. It has received historical recognition.

The Old Port is near Pointe-à-Callière, where the City of Montréal was founded, and Saint-Laurent Street, for which the section between the Old Port and Jean-Talon Street has been classified as an historic district by the Historic Sites and Monuments Board of Canada.

## Governing Statutes

The Corporation is a business corporation incorporated on November 26, 1981 under the Canada Business Corporations Act. It is a wholly owned subsidiary of the Canada Lands Company Limited (CLC), a Crown corporation registered under Part I of Schedule III of the Financial Administration Act. In accordance with Order in Council P.C. 1987-86, the Corporation is subject to certain provisions of the Financial Administration Act as if it were a parent Crown corporation, listed in Part 1 of Schedule III.

Since the May 2, 2011 election, the Corporation now reports to the Honourable Rona Ambrose, the Minister of Public Works and Government Services.

## Products and Services

The site of the Old Port of Montréal is an exceptional location for walking, entertainment, discovery, learning and relaxation. The Corporation offers a wide array of services and reaches a vast clientele composed of children and adults, Montrealers and Canadian and foreign tourists alike.

## Promoting the Development of the Old Port of Montréal's Territory

In accordance with its mandate, the Corporation must put in place the basic infrastructure, equipment and services to:

- Satisfy the public's interest;
- Contribute to the sector's commercial development;
- Invest in the refitting or construction of certain buildings.

Project cost assessments and feasibility analyses, calls for tenders, the conclusion of public works, service and supply contracts, the planning and performance of work, as well as transactions with purchasers or concession holders are some of the services provided by the Corporation within this framework.

## Administering, Managing and Maintaining Property

The Corporation is responsible for ensuring the adequate maintenance of the quays, as well as the related land, buildings, equipment and facilities. Security, maintenance and mechanical services, the development of green space and environmental management services make the Old Port site enjoyable, clean, safe and functional for commercial operations and public attractions. The conservation and protection of the site's architectural and landscape heritage are ensured with regular maintenance as well as repairs to and the preservation of buildings and equipment, with the resources at its disposal.

## Managing, Developing and Holding Activities on an Urban Recreational, Tourist, and Cultural Site

The Quays of the Old Port are in charge of showcasing the site's historical, maritime and harbourfront character as well as the variety of programmed events offered throughout the year. The Quays therefore offer the following:

- on-site hospitality and information services;
- a number of entertainment activities;
- shows and events organized by outside producers;
- the Port d'escal, which provides access to the site from the waterfront;
- concession holders operating maritime, sporting or outdoor activities as well as various restaurant services;
- a refrigerated outdoor skating rink; and
- parking facilities.

The Montréal Science Centre is in charge of:

- permanent and temporary interactive exhibitions in the field of science;
- cultural and educational activities in the field of science;
- the IMAX®TELUS Theatre;
- corporate rental services;
- restaurant and boutique concession holders.

Corporate services support the work of the Quays and the Science Centre, assuming responsibility for:

- site development as well as construction and maintenance projects;
- financial and administrative matters, as well as information technology management;
- human resources management;
- all activities related to marketing, communications, the search for partners and strategic alliances with the private sector, as well as the various levels of government.

## Social Responsibility

The Corporation's social responsibility is guided by three government objectives, which were reiterated and supported in the guiding principles for development resulting from the public consultations in 1984-86:

- **Improve urban living conditions and public access to the river**
  - › *Everyone should have access to the site and be able to move about freely and easily.*
  - › *All development should preserve or highlight the exceptional vistas of the site itself, the river, and the city.*
  - › *All development should reflect real collective needs for which the site is particularly appropriate.*
- **Protect and promote Canadian cultural heritage**
  - › *The Old Port's significant historical, maritime, and harbour relics should be highlighted.*
- **Contribute to economic development efforts**
  - › *The Old Port should encourage and support rather than compete against neighbouring areas.*
  - › *Make the Old Port's development a complementary part of the development of greater downtown Montréal area.*
  - › *Encourage the participation of the various levels of government in the planning and management of its development.*

In each of its endeavours, the Corporation is concerned about preserving visual contact with the river. Access to the site, as well as to a large number of activities, is free. The programming which it offers is chosen based on events that respect the particularities of the site, that meet the needs of customers and that protect the Old Port's environment. Given the nature of the Corporation's operations, its concerns are always focussed on providing top-quality service to the visitor.

As a leading social player, the MSC seeks to interest young people in a scientific career and to train the next generation of scientists to meet the challenges facing companies and researchers. The MSC contributes to promoting innovation and offers tools that have been adapted to help teachers in their work.

Due to its involvement in the scientific community, the MSC has become a hub for people in the education sector and museums, scientific associations and scientists themselves. It is also committed, together with other organizations, to helping young people from underprivileged areas to discover the world of science and technology.

The Corporation, which is responsible for managing a unique national heritage site, attempts to preserve facilities to the best of its abilities. It is aware of the site's heritage value and takes action with the means at its disposal. In addition, it disseminates the quality and diversity of Canadian culture as well as that of its communities through its programming.

The Corporation plays an active role in community life and is in constant contact with Montréal organizations and institutions. It is a loyal partner of the Société de développement du Vieux-Montréal to ensure economic development in the sector. It sits on the Table de concertation du Vieux-Montréal and the Regroupement des organismes culturels du Vieux-Montréal. It is also in constant dialogue with the Association des résidents du Vieux-Montréal to preserve the environment and the quality of life of residents and with the Société du Havre de Montréal.

The Corporation is a corporate citizen of Montréal and makes its voice heard when investments must be made for the conservation and enhancement of assets and infrastructure, the improvement of citizens' quality of life and safety, and local economic and cultural development.

There is no doubt that enhancing the Old Port site, its facilities and its heritage aspects, and increasing the number of quality cultural and recreational activities offered, contribute to the city's cultural and socio-economic vitality, to its recognition and to its national and international visibility.

## Values

The Corporation has identified values that guide its decisions in managing the Old Port. The Corporation values:

- Physical, economic, and cultural accessibility to its site and products.
- The satisfaction of its customers.
- Effective, efficient, and cost-effective management.
- Drive, creativity, and boldness.
- The contribution of employees to the Corporation's development.
- Productive and stimulating teamwork.
- Quality of architecture and design in its actions.
- Conservation and showcasing of the site's heritage.
- Environmental protection and sustainable development.

## Commitment to Quality

In 2005, the Corporation received accreditation from the Bureau de normalisation du Québec regarding the *Customer services—Attractions and Events* standard (BNQ 9700-085).

This accreditation affects all of the Corporation's activities, employees at all levels and concession holders, producers and partners involved in its activities in one way or another. Requirements pertain to customer service, equipment, human resources, security, and respect for the natural and human environment.

This commitment to quality is primarily aimed at contributing to customer satisfaction and ensuring that a visit to the Old Port of Montréal is a memorable experience.

Our commitment to quality is more than a slogan. It is a source of motivation for our entire team, whose members undertake to:

- Greet visitors warmly, courteously and efficiently.
- Ensure the safety of visitors and their property.
- Provide clear, complete and accurate information in all of our communications to visitors.
- Show consideration to persons with specific needs or limitations.
- Learn more about visitors' needs so that our products meet their expectations.
- Provide visitors with clean, appropriate equipment that is in perfect working order and that meets the current safety standards.
- Promote the safeguarding of natural resources and put in place responsible environmental practices.
- Comply and ensure compliance with the code of ethics of the tourist industry and with the standard for service quality in the attractions and events sector.

## **Environmental Responsibility**

The Corporation's commitment to protect the environment, which was ratified by its Board of Directors in 2003, reads as follows:

"The Old Port of Montréal Corporation Inc. recognizes the importance of incorporating protection of the environment in the management of the Corporation's activities and intends to make continuous efforts to promote this principle with its employees, partners and customers and to put it into practice."

With this objective in mind, the Corporation undertakes to:

- Respect legislative and regulatory requirements in effect relating to the environment;
- Constantly improve its effectiveness to increase its environmental performance;
- Prevent pollution.

The Corporation plans to take the following steps to achieve this objective:

- Make its employees aware of their role and obligations to protect the environment, provide related training and make them appropriately accountable for their actions;
- Minimize the risk of site contamination resulting from the Corporation's activities;
- Promote the application of principles of reducing, reusing, recycling and enhancing;
- Set clear and measurable environmental objectives and ensure a regular follow-up;
- Reduce energy consumption;
- Make partners working on the site aware of the Corporation's environmental commitment and manage the environmental impacts resulting from their activities on the site;
- Submit a semi-annual progress report to the Board of Directors setting out the Corporation's environmental performance.

## The Quays: The Most Popular Tourist Destination in Québec

Once again in 2011-12, the Quays of the Old Port have clearly attracted both Montrealers and tourists to the City as the top recreational tourist destination in Québec. Overall, a total of 6.59 million visitors came to the Quays in 2011-12, a minimal variance of less than 0.5% compared to last year.

The Old Port is extremely well known among Montrealers. In fact, the level of awareness of the Old Port reached 97% this year. This is comparable to the level of awareness of the Montréal Botanical Garden, which is more than 80 years old. It also surpasses the level of awareness of La Ronde (96%) and Mount Royal Park (91%). The percentage of new visitors coming to the Quays is continuing to increase, rising from 23% in 2010-2011 to 30% in 2011-12. Finally, the percentage of visitors spending money on the Quays rose from 26% in 2010-11 to 34% in 2011-12, an 8% increase.

## Remarkable Service Offerings

Here as well, the Quays of the Old Port have reached historic heights that distinguish them from other tourism service providers in the city. The perceived level of excellence, which measures the quality of services offered by the Quays team, remained at an excellent level. In spite of a slight two-point drop compared to a year earlier, the Quays have earned a score of 88%, placing them well above standards setting a level of 80%.

## Renewed Success

Close to 165,000 visitors, a 10% increase compared to the first edition of the event, took part in the *Tall Ships on the Quays*, boarding the vessels that were docked or discovering the many booths and concessions with a maritime flavour set up specifically for the occasion. Some major improvements were made based on the experience acquired last year, especially for setting up the port village and the amenities around the Jacques Cartier Basin.

Where nautical programming is concerned, the *Salon des bateaux à flot* welcomed 11,000 boating enthusiasts, who came to admire the various models and to meet water craft professionals. The *Montréal Classic Boat Festival* attracted close to 30,000 people with a love of beautiful wooden boats. Finally, as is the case

every year, a Canadian navy frigate, *HMCS Montréal*, welcomed more than 7,600 visitors on board so that they may discover something about the lives of our brave Canadian sailors.

The complete restoration of the Port d'escale infrastructures and services in 2010-11 made it possible to offer services that are more in keeping with people's expectations. This upgrade had a positive impact on the number of boaters using the Port d'escale, thereby generating more revenues for this urban nautical oasis. The fixed-revenue objectives for this year were achieved, and in fact were exceeded slightly by 1.5%. The Port d'escale improved its financial performance by 9%.



*Tall Ships on the Quays*

## An Emerging Heritage

Phase 3 of the plan showcasing the site's heritage was carried out in accordance with the set objectives. A new virtual tour was developed in 2011-12 and will be put on-line at the start of the summer of 2012. This program, entitled *Le port et l'hiver*, was funded entirely by the Canadian Heritage Information Network and is part of that organization's research and development activities.



*Cutting the ice, Montréal, QC, 1869-1870*

The MSC team is in charge of developing Quays heritage programming and works very closely with UQAM's Laboratoire en histoire du patrimoine to develop research that ultimately will be used to carry out projects showcasing the Old Port's heritage, in particular guided tours. Research topics include harbour commissioners, shipping companies and dock workers.

Given its success, the first heritage interpretation booklet showcasing relics has been updated and re-released. A second booklet entitled "*Old Port of Montréal Memories*" has been produced with the information obtained from the Treasure Hunt in 2009-2010. This booklet includes content never seen before that will be sure to please people with a love of living history.

Finally, the Association québécoise pour le patrimoine industriel held its annual convention at the MSC in November 2011, in collaboration with the Corporation.

## The Circus Arts Are Very Popular at the Old Port

The Cirque du Soleil decided to present *Totem* a second time in its blue and yellow big top situated on the Jacques Cartier Pier. This is the first time that the Cirque has brought back an existing production to the Old Port. Only 60 shows were presented, less than for a new production. The experience was conclusive, with a total of 106,400 people coming out to enjoy the show.

In addition, CARPE DIEM provided thrills to more than 10,000 people who love a great high wire act, as part of the *Montréal complètement cirque* festival.



*Cirque du Soleil Big Top*

## A Winning Initiative

In their desire to bring programming more in line with their market branding, the Quays refocused their programming on three well-defined themes, namely culture, heritage and life at the port. Moreover, programming choices were centred on major events. These two initiatives were key success factors in achieving the set objectives. They also had the effect of considerably reducing the number of activities being offered on the Quays. In 2010-11, a total of 32 activities were held on the site, representing a total of 355 days of events. In 2011-12, 23 activities were held, for a total of 216 days of events. Successfully maintaining the level of 6.59 million visits takes on a whole new meaning in light of this information.

In order for rich and varied programming to be developed, the Quays must be able to find partners. In 2011-12, the Quays and the MSC offered a total of nine and 19 partnership activities respectively. Thus, the 28 partnership activities largely exceed the objective of 15 such

activities, surpassing the objective by an incredible 87%. This is explained largely by the addition of unplanned activities to MSC programming as well as the addition of heritage-related activities not included in the initial objective.

### A Wonderful Leisure Activity



*Skating rink on the Bonsecours Basin*

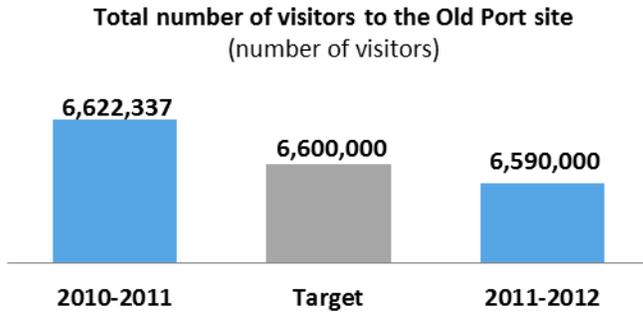
Recognized as the most beautiful outdoor skating rink in Montréal, the rink at the Bonsecours Basin attracts thousands of skaters in any given year. The port surroundings and the musical entertainment make this a destination of choice during the winter months. In 2011-12, the skating rink's revenue objectives were exceeded by 8% in spite of rain, the warm winter weather, and the fact that the *Festival Montréal en lumière* moved to the Quartier des Spectacles.

### Local Services for Visitors

With parking capacity for more than 2,000 vehicles, the Quays' parking facilities provide a key service to visitors coming to the Old Port and Old Montréal as well as local residents. Major activities being held also have a direct impact on the number of people using the facilities and, consequently, on the Corporation's revenues. In 2011-12, the presentation of exhibitions geared towards the general public at the Montréal Science Centre and the success of the *Tall Ships on the Quays* made it possible not only to reach—but actually to exceed—the financial objectives for the parking facilities by 4%.

### Work to Consolidate Commercial Offerings

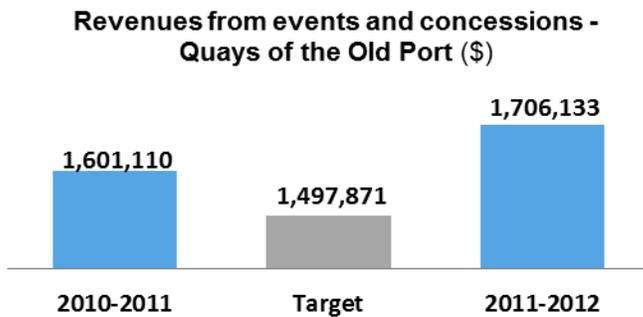
Various work was carried out to consolidate commercial offerings. However, the teams had to spend a great deal of time on the re-engineering efforts and certain choices had to be made. The performance indicator representing the number of projects worth over \$25,000 to make equipment improvements on the site to support commercial offerings was therefore not achieved. Only five out of eleven projects were completed, two were carried out in part, three were postponed and one was dropped entirely.



OBSERVATION

**- 0.15%**  
Compared to target

Programming was refocussed on major events and was based on strong themes, making it possible to maintain the number of visitors coming to the Old Port



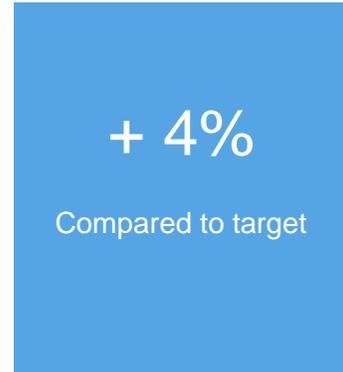
OBSERVATION

**+ 14%**  
Compared to target

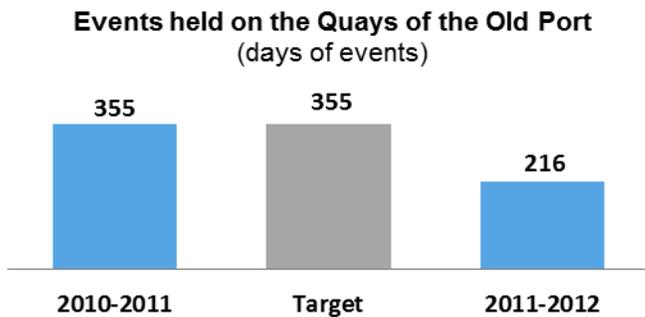
The increase is attributable to the *Tall Ships on the Quays* and the number of visitors coming to the Quays as a result, as well as the good commercial performance of some concession holders. The revenue increase is remarkable: a 7% rise compared to a year earlier and 14% higher than the set objective.



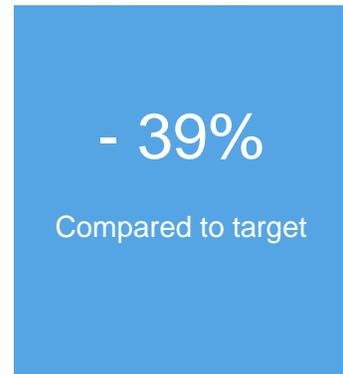
OBSERVATION



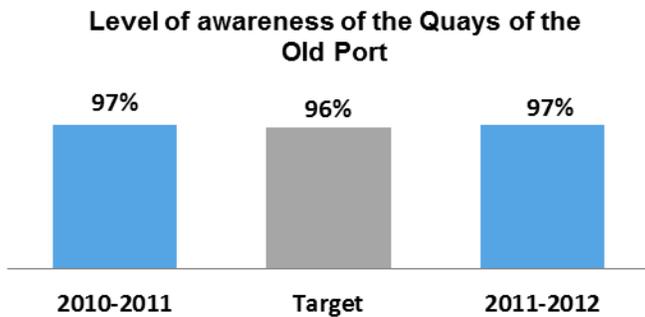
Higher revenues result from people coming to see MSC exhibitions geared towards the general public as well as the second edition of the *Tall Ships on the Quays*.



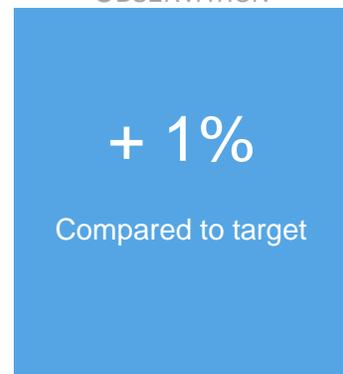
OBSERVATION



The target has been set with the intent to maintain the same level of activity as last year. Refocusing programming on specific themes, and having a sufficient critical mass in terms of potential for the number of visitors, served to considerably reduce the number of days of events.



OBSERVATION



The level of awareness of the Quays rose by one point to 97%. The Quays are now as well known as the Montréal Botanical Garden, which is 80 years old!

## Montreal Science Centre: An Exceptional Year

Rich and diverse programming geared towards a number of different clienteles has made it possible to shatter the MSC's attendance objectives in 2011-12. The number of visitors expected, estimated at 415,000 people, was largely exceeded thanks to the presentation of *Indiana Jones and the Adventure of Archeology* during the summer months as well as the enormous success of *Dinosaurs Unearthed* during the winter. A total of 466,844 people came out to visit the MSC's temporary and permanent exhibitions, which is 13% more than forecast and represents an exceptional increase of 60% compared to last year. The strategy aimed at increasing attendance by featuring exhibitions geared towards the general public is therefore paying off.

Once again in 2011-12, the level of awareness of the MSC continued to grow to reach a new record of 77%. This is 4% higher than the results for 2010-11 and the objective set for this year. Where new clienteles are concerned, the MSC is continuing to grow, with a 13% increase compared to last year. The *Dinosaurs Unearthed* exhibition won over families with very young children while *Indiana Jones and the Adventure of Archeology* amazed young adults. These two groups normally do not tend to come out to the Montréal Science Centre very often.

Finally, the Association of Science and Technology Centers, an international association based in the U.S., has confirmed that it will hold its annual convention in Montréal. The MSC is organizing this convention and is therefore being recognized in an important way by the worldwide network of science centres.

### *Indiana Jones and the Adventure of Archeology*

The world premiere of this exhibition was presented at the Montréal Science Centre. Visitors were captivated as they relived the adventures of the most popular globe-trotting archeologist in the world thanks to an interactive tour guiding people through the legendary sites featured in the films, artifacts on loan from the National Geographic Society and the University of Pennsylvania Museum of Archaeology and Anthropology as well as a vast collection of accessories and excerpts from the Indiana Jones films taken out of

Lucasfilm archives. As a result, more than 125,000 visitors came to the MSC, most of them adults, a 47% increase compared to last year!



*Indiana Jones and the Adventure of Archeology* exhibition

### *Dinosaurs Unearthed*

This exhibition featuring the largest and most realistic robotic creatures in the world presented feathered dinosaurs, actual-size skeletons and many fossils. *Dinosaurs Unearthed* also presented some surprising scientific discoveries made regarding these animals, which are more than 65 million years old and remain extremely popular among families and very young children.

This exhibition was seen by 169,520 people, which is slightly more than double the attendance numbers for the same period last year (+101.5%).



*Dinosaurs Unearthed* exhibition

### Major Exhibitions

The Montréal Science Centre's permanent exhibitions have been captivating 9 to 14 year olds since opening in 2007. It is already time to start thinking about the third generation MSC given that the life expectancy of these types of exhibitions is between seven and ten years. The MSC has set a renewal target of 2017 since this will coincide with major celebrations in the city, namely the 150th anniversary of Canadian confederation, the 50th anniversary of Expo 67 and Montréal's 375th birthday celebrations. It was obvious that the celebrations for the inauguration of this third generation MSC would naturally resonate with people in this overall context.

### MSC Exhibitions Are Touring North America

MSC exhibitions are recognized for their high quality and unique character, and have continued to tour North America to have a "second life". *Sex: A Tell-all Exhibition!* was presented at the Saskatchewan Science Centre from May 13 to September 13, 2011. *SiO2: The Science of Glass* was featured at Science North in Sudbury, Ontario, from May 7 to October 16 and then travelled to the Canada Science and Technology Museum in Ottawa, being presented from November 5, 2011 to April 17, 2012. Finally, *Hungry Planet* was presented at the Musée de la civilisation de Québec until August 2011.

### Scientific Culture and Education With a Participatory Approach

The fifth annual *Eureka! Festival*, a major outdoor celebration of science developed thanks to a major contribution from the Conférence régionale des élus de Montréal, has broken all attendance records to date. Attracting 62,833 visitors, the 2012 edition saw a 19% increase compared to a year earlier. The success of this activity, year after year, is attributable to efficient organization combined with good weather.

The fourth annual *Technofolies* event presented during March break was a resounding success. The combination of the *Technofolies* and the dinosaur exhibition provided some remarkable offerings that Montréal families came out to enjoy in large numbers. A total of 31,033 visitors took part in this major gathering during the 2012 March break compared to 16,000 people in 2011, an increase of 93%.



*2012 edition of the Technofolies*

*Kit 00Watts* continued to be circulated throughout the various regions of Québec to show close to 18,000 elementary school children why it is necessary to conserve energy, with these children then becoming ambassadors for the cause in their families and communities. As part of the same program, *Unplugged*, an energy conservation module presented in the MSC's public areas, raised awareness among 2,435 young visitors and their families. These activities are made possible thanks to an outstanding partnership with Hydro-Québec.

Finally, the *Éclairs de science* program is continuing to be an undeniable success, supported by Montréal elementary school teachers. Developed together with the Conférence régionale des élus de Montréal, this program equips teachers by providing well-structured assistance allowing them to teach science in a more dynamic way and become more autonomous in doing so. A total of 122 teachers, 149 classes, 3,252 school children, 20 educational advisors, 40 schools, 5 school boards and 39 scientific advisors took part in this program throughout the school year.

### The IMAX®TELUS Theatre

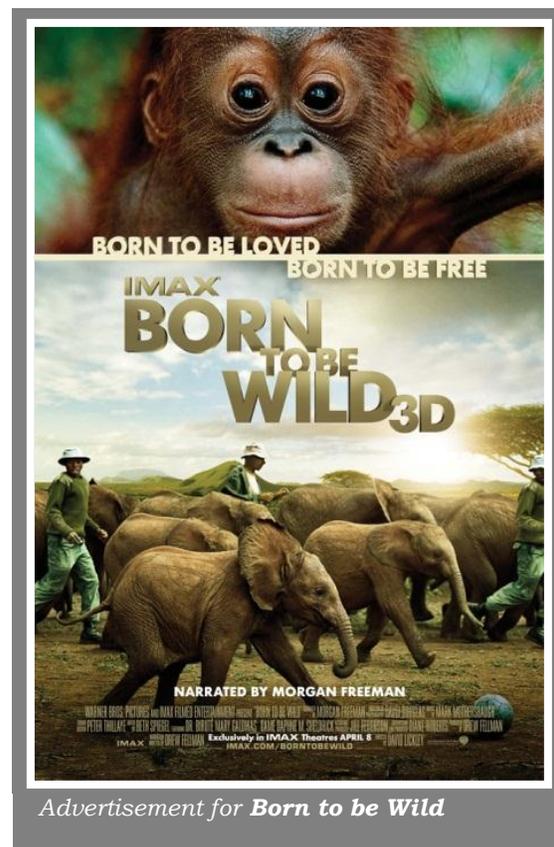
The world of 3D films and movie houses is rapidly evolving. Not only are more and more 3D films being presented in normal movie theatres each year, but three new IMAX 3D theatres opened in the Greater Montréal Area in the past fiscal year. The Corporation is continuing to hold its own in this much more competitive environment.

The IMAX®TELUS Theatre had a relatively uneven year in terms of attendance numbers and ultimately ended the year down 3% compared to last year, with a total of 345,000 tickets being sold in 2011-12 compared to 355,000 in 2010-11.

*Born to be Wild*, a documentary on baby orangutans and orphaned baby elephants being cared for by humans, was hugely successful. Launched in the spring to welcome school groups at the end of the year, it was extended by one year until May 2012. However, *Rescue 3D*, which presented spectacular rescue scenes following natural disasters, was not as successful as

expected. It was launched in June and was scheduled to be shown until Christmas. However, in October it was replaced by *Tornado Alley*, a more successful film.

The MSC did a test to see the public's response to a commercial family film (such films are longer than IMAX films) being presented in the MSC's IMAX®TELUS Theatre. *Happy Feet 2* was shown from December 26, 2011 until mid-February. The objective of 5,400 tickets being sold was achieved and this success paves the way for new eventual offerings.

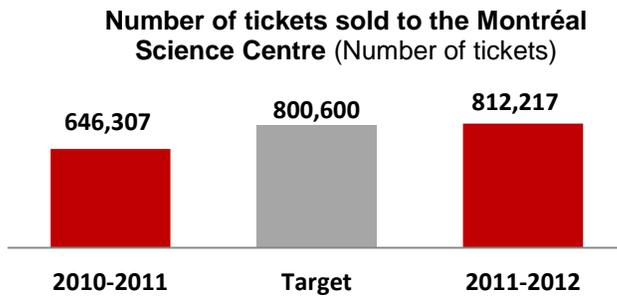


Advertisement for *Born to be Wild*



## PERFORMANCE INDICATORS

### OBSERVATION



**+ 1.5%**

Compared to target

The huge success of *Dinosaurs Unearthed* contributed largely to the 26% increase in ticket sales compared to last year. By exceeding its objectives, the MSC has recorded its second best performance, in terms of attendance, in its history!

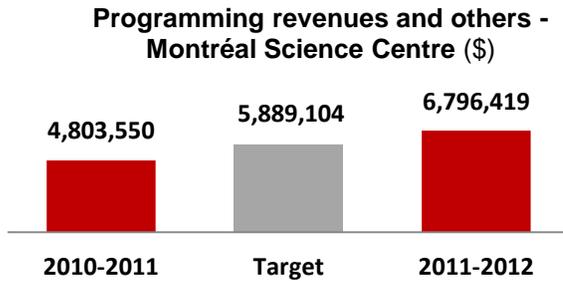
### OBSERVATION



**+ 0.5%**

Compared to target

The number of visitors who came to see the *Indiana Jones and the Adventure of Archeology* and the *Dinosaurs Unearthed* exhibitions made it possible to offset the 3% decrease in attendance for the IMAX<sup>®</sup> TELUS Theatre. The 24% increase in the number of visitors between 2011-12 and 2010-11 is remarkable.

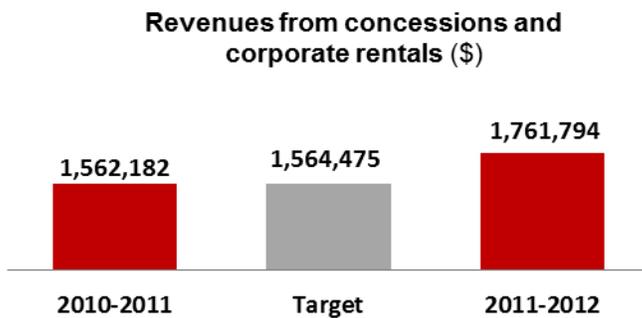


OBSERVATION

**+ 15%**

Compared to target

The remarkable performance of *Dinosaurs Unearthed* presented at the MSC and the rental of exhibitions to other museums helped to generate more revenues than expected. An exceptional 41% revenue increase may be seen between 2010-11 and 2011-12.

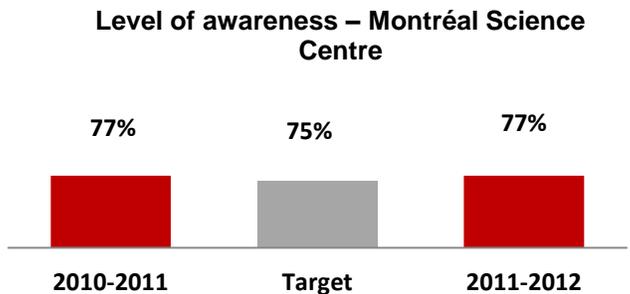


OBSERVATION

**+ 13%**

Compared to target

The strategy of having a team dedicated to corporate rentals and putting in place a proactive approach paid off. Moreover, new business concessions that opened at the MSC resulted in an increase in forecasted revenues. A substantial 13-point rise may be seen between 2010-11 and 2011-12.



OBSERVATION

**+ 2%**

Compared to target

MSC programming attracted media attention throughout 2011-2012. The targeted level of awareness of 75% was exceeded. The actual level of awareness was 77%, a 4% increase over 2010-2011.

## Corporate Services

As part of a process review and a corporate re-engineering, all corporate departments worked together to determine and implement best business practices in order to increase revenues and reduce expenses.

### The Situation in a Nutshell

The economic context presents some major challenges in terms of maintaining the Corporation's level of performance as well as its ambitions for future development. In the wake of the federal government's decision to eliminate Canada's deficit by 2015, in 2010-11 the Corporation was forced to absorb its payroll increases out of its budget for future years. Moreover, in the summer of 2011 the Corporation was informed that, for 2011-12 and subsequent years, it would have to absorb the new parking tax imposed by the City of Montréal as well as PILT (payments in lieu of taxes) out of its operating budget, in addition to seeing the government's annual contribution to its operations reduced by 5%.

### Human Resources Corporate Department

#### Employees Grouped According to Area of Expertise

In this context, it became clear that it was impossible to maintain the existing organizational structure. The Corporation needed a new vision. A great deal of thought was put into the matter and simulations were carried out to develop a more flexible structure allowing the Corporation to maintain its high level of performance by organizing skills according to area of expertise and eliminating certain levels within the corporate hierarchy.

The re-engineering project initiated in the fall of 2010 was gradually implemented during the year, with a major deployment being made in September 2011. This made it possible to simplify processes, facilitate operations and make them more efficient and effective while ensuring strict management and allowing for improved performance.

The objectives included the following:

- keep expenditure increases within the amount of annual contributions for the 2010-2013 period,
- reduce labour costs at all levels within the organization;
- consolidate certain teams to help increase revenues.

### Business Units Have Been Abolished

In the re-engineering to cut costs while creating centres of excellence grouped together according to area of expertise, the Corporation decided to transform its business units into services and to create a new Programming Corporate Department, which will be in charge of developing and presenting dynamic and synergetic programming that will maintain the identity and integrity of the two brands.

### Work is Continuing to Have the Corporation's Values Embraced

In the third year of this initiative, the action plan to implement a model to embrace values of success was implemented according to the scheduled timetable. In 2011-2012, managers and assistant managers integrated this management approach into their business practices.

Thus, all managers are now able to convey the Corporation's values of success to their respective teams in order to create an environment where excellence, commitment and teamwork are a natural reflex.

Half-way through the initiative (in October 2011), the specific objectives relating to the Corporation's values were in the process of being achieved. The Corporation firmly believes that it will have met these objectives when the annual assessments are carried out.

## **A New Payroll System Has Been Implemented**

The Human Resources Corporate Department has implemented a new payroll system. This software makes it possible to greatly improve daily human resources management by offering an integrated system of modules combining time and payroll management. It is no longer necessary to enter data into two different systems, as was the case before, thereby avoiding wasted time and the possibility of errors. Implementation will continue during the coming year with the addition of modules providing better personnel management tools.

## **Fewer Work Accidents Resulting in Time Off**

In 2011-12, the Corporation introduced a five-year program to reduce the number of work accidents resulting in time off work. A careful follow-up of prevention efforts identified during occupational health and safety committee meetings during the planning period, coupled with the close attention paid to certain sectors representing more risk, have paid off. The objective to reduce accidents resulting in time off by 15%, presented in the Corporate Plan, was largely exceeded. In fact, actual results show a 40% decrease in the number of accidents resulting in time off work. Moreover, the Corporation has beaten its record for the number of consecutive months without a work accident resulting in time off to a total of seven months, beating its record of six months set in 2010-11. It is also important to mention that, as a preventive measure, most work stations have been evaluated to ensure that employees maintain good posture in doing their work.

## **Building Development and Maintenance Corporate Department**

### **A Complete Picture of the Corporation's Assets**

The update of the Building Condition Report (BCR) was completed in 2010-11 and several conclusions pointed to the recommendation that the Corporation carry out additional studies, which it did in 2011-12. These studies were aimed at pinpointing maintenance and repair needs for real estate assets and more precisely estimating the costs of the related work.

The Corporation developed a Global Site Management Plan in collaboration with PWGSC and CIM, as well as based on the observations made. It now has a comprehensive tool as well as budget projections if work is spread out over a 25-year period. Priorities have been established and a timetable has been developed based on the work identified as well as strict criteria.

### **Creation of the New Clock Tower Beach**

With the complete renovation of the parking facilities on the upper portion of the pier, the addition of urban furniture and a number of trees, and the lighting installed on the Clock Tower, the entire Clock Tower Pier, which was severely run down a few years ago, will be turned into an area that is more appealing for a stroll. The area is now finally ready for the new Clock Tower Beach, a popular urban area boasting exquisite views of the islands, the river, the Jacques Cartier Bridge, the marina and Old Montréal. In 2011-12, the Building Development and Maintenance Corporate Department made repairs to the lower section of the Clock Tower Pier to welcome visitors to the beach area in the summer of 2012. A total of \$3.125 million was spent on this project in 2011-12.

## Lighting up the Clock Tower



*Inauguration of the new lighting for the Clock Tower*

Since December 2011, Montrealers and visitors to the Quays of the Old Port and surrounding areas have been able to marvel at the new nighttime look of the Clock Tower, thanks to innovative architectural lighting. This initiative is part of the Corporation's overall lighting plan for the Old Port. The project was inaugurated by His Excellency the Right Honourable David Johnston, Governor General of Canada. One of the city's iconic symbols, the Clock Tower is now equipped with exceptional lighting that showcases the architectural details of this remarkable Beaux Arts-style monument, a tribute to the sailors of the Merchant Marine who were lost at sea during the world wars. The cost of this project totalled \$392,000.

### Other Major Projects

The Corporation has completed the work to bring the parking facilities on the Clock Tower Pier up to environmental standards, and to consolidate and renovate these facilities, with this work costing \$1.5 million. It has developed plans and specifications for the complete restoration of the Jacques Cartier Pier, at a cost of \$430,000, and has made repairs to the rail bridge totalling \$650,000.

The Corporation has obtained an additional \$2 million from the federal government to carry out urgent roof repairs for the MSC, at a cost of \$800,000, and to make upgrades and complete the development work on the Conveyor Pier, for a total amount of \$1.2 million.

## The Environmental Management System

The Corporation's overall performance in terms of environmental protection and sustainable development is assessed based on the objectives set in connection with its overall environmental management system. These objectives are based on criteria relating to various areas of current operations, such as recycling, employee training, integrating environmental clauses into concession holders' leases, and reducing certain types of consumption (e.g., energy and paper consumption, etc.). A score is given for each criterion based on the set objectives and all of the results are combined for a total score. For 2011-12, the Corporation's objective was 2.9 out of 4. The Corporation is proud to announce that it has exceeded this objective, achieving a score of 3.04!

## Finance and Administration Corporate Department

### Implementation of Canadian Public Sector Accounting Standards

In accordance with its legal obligations, the Corporation implemented new Canadian Public Sector Accounting Standards for its 2011-12 fiscal year. In addition, for the first time it has submitted quarterly financial reports to the minister in charge of the Old Port.

### Waves of Budget Cuts

While additional funding was provided in 2010-11 for the PILT covering the special parking tax imposed by the City of Montréal, the federal government's decision not to repeat this initiative in 2011-12 forced the Corporation to cut its operating budget to absorb this new expense. Also, to satisfy the federal government's request to contribute to the deficit reduction efforts between now and 2015, the Corporation reviewed its operating budget once again to be able to make cuts of 5%.

## Audit Activities

The Corporation was actively involved in the activities for the special examination by the Office of the Auditor General of Canada in the wake of the statutory reviews to be carried out for all government departments, corporations and federal agencies every five to ten years. The results will be made known during the 2012-13 fiscal year.

In addition to this examination, the Office of the Auditor General of Canada audited the Corporation's books for the 2010-11 fiscal year.

The Corporation, for its part, carried out internal audits of its parking revenue management system as well as the Montréal Science Centre's ticket revenues.

## Business Concessions



*The new Van Houtte café in the MSC*

With the re-engineering, the management of business concessions has been grouped together, creating synergy to encourage effective and exemplary supervision of relationships with business concessions.

The Corporate Plan mentioned the addition of a new restaurant concession during the year to provide a broader range of food offerings. This objective has been achieved. The space occupied by Café Arsenik, in the Montréal Science Centre, has been considerably reduced to make room for a Van Houtte café, to the delight of visitors who like a wider range of healthier food choices.

## Information Technology

In addition to updating the many software programs being used by the Corporation and paying special attention to computer network security devices, the IT Department assisted the Human Resources Corporate Department in implementing new Umana software. The related work, which was spread out over a year, required developing a parallel test environment prior to implementation that was used for a total of four test periods. Finally, the migration to Windows 7 and Office 2010 affected all users within the Corporation. The IT team was trained and then spent a considerable amount of time during the entire year to carry out this project.

## Marketing Corporate Department

### A Consolidated Marketing Team

The ideas proposed by the Marketing Corporate Department in connection with the re-engineering of the Corporation have helped to simplify the organizational structure, to review the Corporation's practices, and to optimize its processes. In this context, it was decided to group together all sales, marketing and customer service activities into the Marketing Corporate Department. This makes it possible to gather together skills relating to marketing and sales due to the synergies achieved for the teams in charge of the customer's experience. In 2005, the Corporation adopted an approach to certify the quality of tourism services, which attests to the quality of and commitment to customer service. In striving to meet this objective, which involves always making visitors a key priority, this will provide more versatility and synergy for all hospitality and visitor information services.

## Effective Campaigns

In 2011-12, the Marketing team carried out more than a dozen communications campaigns to promote activities at the Old Port and the MSC.



Advertisement for *Indiana Jones and the Adventure of Archeology*

For the summer period, and in the context of the MSC's new strategy to present blockbuster exhibitions, significant marketing efforts were made to raise people's awareness of the *Indiana Jones and the Adventure of Archeology* exhibition. This exhibition was a huge success, with a 47% increase in the number of visitors compared to last year. The campaign promoting activities on the Quays was launched at the beginning of the summer and the marketing strategy was honed for the second edition of the *Tall Ships on the Quays* held in September.

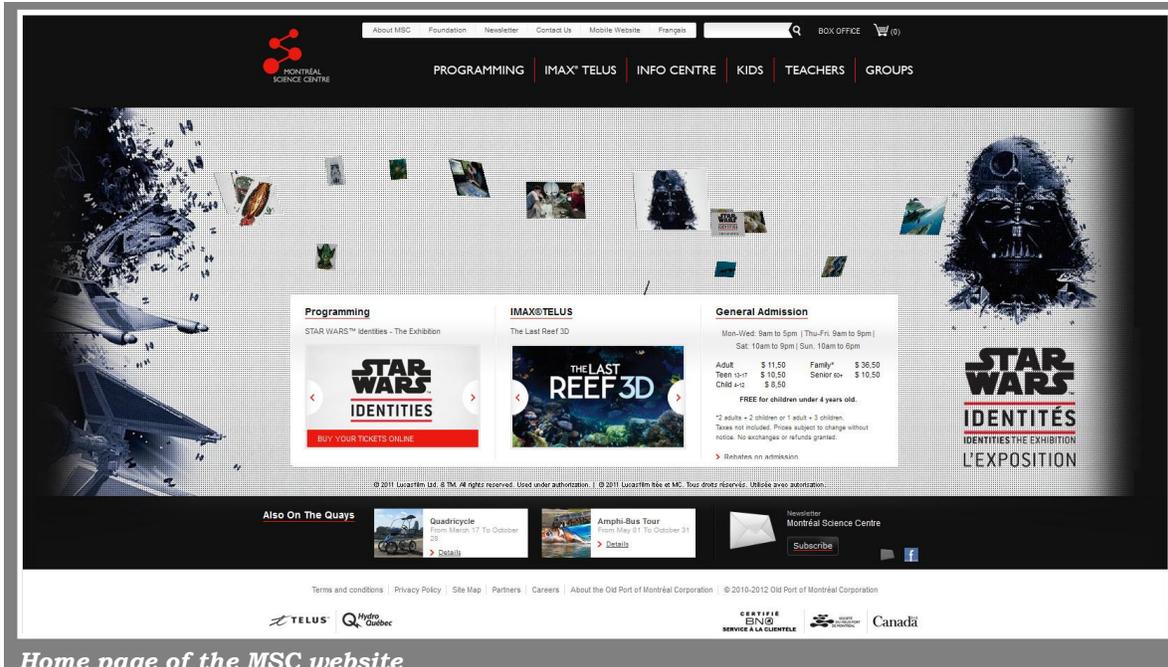
The campaign for *Dinosaurs Unearthed* was a huge success, with a media impact allowing for attendance numbers to be doubled when results for the period of October to March (+ 101.5%) are compared with those for last year. Other communication efforts were focused on developing and presenting campaigns for the MSC's showcase activities during the Christmas and March break periods as well as the Quays campaigns for the winter period (i.e. the *Feux sur glace Telus* and the skating rink).



*The Quays are a popular gathering place*

## Website Use Continues to Increase Substantially

In the continuing efforts to develop web-based activities, the MSC's ticket system became accessible on-line to encourage electronic purchases. The percentage of tickets purchased on-line increased from 10% to 15% for IMAX tickets, and from 1% to 5% for exhibition tickets. The Corporation has also begun using social networks. It has created *Facebook* pages and *Twitter* accounts and has carried out a number of promotional activities via other social networks. In all, the Quays and the MSC have more than 8,500 members.



Home page of the MSC website

## The Number of Visits to the Quays is Being Maintained

The number of visits to the Quays was maintained in 2011-12, with a total of 6.59 million visits compared to 6.62 million visits in 2010-2011, a minimal drop of - 0.5%. Due to this performance, 2011-2012 remains above average for the past five years (6.04 million visits). Winter attendance (from October 11, 2011 to March 31, 2012) represented 2.31 million visits, an increase of 13% compared to the same period in 2010-2011. The Quays' performance during the winter season, which is particularly attributable to programmed activities for the Old Port, the warm end of the winter and a very busy March break week, almost entirely offset the declines noted during the summer season (3.83 million visits for the period of May 1 to October 10, 2011, or -11% compared to the same period in 2010-2011).

## The Number of Visitors to the Montréal Science Centre Exceeded Objectives

With 812,277 tickets sold, the Montréal Science Centre posted the second best performance in its history in terms of overall attendance numbers, with an increase of 26% compared to 2010-2011. The MSC exceeded its objective of 800,600 tickets sold by 1.5% (the benchmark year was 2007-08, when the MSC sold 908,000 tickets to the *Body Worlds 2* exhibition and when the second generation of permanent exhibitions was inaugurated).

In spite of a relatively uneven performance for the IMAX@TELUS Theatre (overall decline of 3%, with 345,000 tickets sold in 2011-2012 compared to 355,000 in 2010-2011), the MSC's performance was mainly attributable to its exhibitions (*Indiana Jones and the Adventure of Archeology* and *Dinosaurs Unearthed*). The number of people coming to see MSC exhibitions rose exceptionally by 60% (466,844 tickets). The breakdown according to type of clientele shows that the MSC's performance in 2011-2012 is due

to the fact that the number of individual customers coming to see exhibitions has almost doubled (+93%) compared to last year. It is also attributable to a more moderate increase in attendance by groups (up 4% and 8% respectively for both exhibitions and the IMAX@TELUS Theatre).

### **The Number of New Visitors Continues to Increase**

The number of new visitors continues to increase, with a seven-point rise for the Quays (30% in 2011-12 compared to 23% in 2010-11) and a continued strong performance by the MSC (13-point increase to reach 50% in 2011-12 compared to 37% in 2010-2011). This reality confirms the still growing trend for new customers (or customers who have not come to the site for at least a year) among visitors to the MSC. This trend has lasted for the past three years.

### **Very High Rate of Customer Satisfaction**

Customers are at the heart of the Old Port's development strategies and its daily activities. The Corporation is committed to maintaining high customer service standards. To ensure this is achieved, the Marketing Department has developed an action plan with the operating teams that resulted in the development of tools to

better inform visitors and to establish standards for employee behaviour, as well as close monitoring and the implementation of corrective measures to deal with customer irritants. As a result, the perceived level of excellence for customer service quality reached an average of 93% this year, a stable rate compared to 2011-2012. Customers' level of appreciation of service providers' knowledge was 93% whereas their level of appreciation of staff qualifications (91%) remains above standards (80%). Customers' general appreciation after visiting the Old Port site remained very high, with an average of 91% for 2011-2012, and even rose by two points compared to last year.

### **Major Sponsorship Agreements**

In 2011-12, the Corporation's alliance marketing team signed several major five-year agreements with prestigious partners. Exclusive product sponsorship agreements were signed with Sleeman-Unibroue, Coca-Cola, Eska and Red Bull. In addition to allowing for the exclusive distribution of these products on the site, the partnerships will enable the sponsors to actively participate in the Old Port's programmed activities and special events.



## Board of Directors

On June 26, 2009, the Canada Lands Company (CLC) appointed two new members to the Board of Directors of the Old Port of Montréal Corporation for a three-year mandate starting July 1, 2009. The Honourable Gerry Weiner P.C. and Mr. Anis A. Nazar have joined the team composed of Patrick Kenniff, Yves-André Godon and Yvon Martin. This new Board elected Mr. Gerry Weiner P.C. as the Corporation's Chairman.

## Chairman



### **Gerry Weiner, C.P.**

The Honourable Gerry Weiner, brings his distinguished political and business experience to his current role as Chairman of the Board of the Old Port of Montréal. He is excited by its vision and its challenges for future development. He began serving his community as a Pharmacist and has continued to do so for the past half century. He has provided a lifetime of volunteer service in the fields of Health, Literacy, Youth and Social Services and Public Safety and Security. His career in Public Service extends over a thirty year period, having served as a member of five different government administrations. He was first elected as a Mayor and went on to serve the Government of Canada as a Member of Parliament, Minister of Immigration, Minister of Multiculturalism and Citizenship and Secretary of State of Canada, among other appointments. He is currently the Director of Investor Relations for the Pace Law Firm/Pace Global Advantage Group.

## Directors



### **Yves-André Godon**

Over the course of his career, Mr. Godon has developed solid management expertise while working for public and institutional real estate companies. Over the years, he has filled senior positions in the leasing, operation, acquisition and disposal of multi-residential properties, hotels and office buildings on an international scale. He recently joined Groupe Distinction, a publicly listed company specializing in facility services, as Executive Vice-President. Mr. Godon holds a Bachelor's degree in Law from Université de Sherbrooke and has been a member of the Québec Bar Association since 1985. He also holds a commercial real estate broker's licence. As an active participant in the business community with his expertise, Mr. Godon has been a panelist for several real estate conferences.



#### **Patrick Kenniff**

Mr. Kenniff is a partner in the Montréal-based management consulting firm Keniff & Racine, which specializes in executive recruitment. A former rector of Concordia University, he also served as Québec's Deputy Minister of Municipal Affairs from 1979 to 1984. In 1992, he chaired the organization responsible for the 350th Anniversary celebration of Montréal and, in 2001, he was vice-chair of the Transition Committee which implemented the municipal structure of the new City of Montréal. Mr. Kenniff is active in the community and currently serves on the boards of the Grace Dart Extended Care Centre, Les Amis de la Montagne, the Can Serve Foundation and the Foundation of the Nature Museums of Montréal.



#### **Yvon Martin**

Mr. Martin is the Honorary Consul General for the Republic of Madagascar to Québec and President of Les Placements Solicom inc. in Montréal. He is also a director of the Fondation de l'Hôpital du Sacré-Cœur de Montréal and a governor of the Orchestre Métropolitain. He has more than 30 years of marketing and communications experience. He founded the advertising agency Publicité Martin inc. of which he was President until May 1997. He was also a founding member and the President of the Association des agences de publicité du Québec. Prior to that, he was a director of Loto-Québec and Nurun. He served as a director for several companies including the Multiple Sclerosis Society of Canada and the Accueil Bonneau. He was also an advisor to Oxfam-Québec, the Arthritis Society and The Foundation of Stars.



#### **Anis Nazar**

Mr. Anis Nazar, the founder and principal director of Anis Nazar Architecte since 1982, has over 30 years of experience in the field of real estate asset construction and maintenance. He holds a Master's degree in urban planning from the Université de Montréal and teaches subjects such as managing architectural firms and administering construction contracts at the school of architecture. He was an adviser to a company specializing in Web-based medical services and an international investment holding company. Mr. Nazar is a member of the Ordre des Architectes du Québec and the Association des architectes en pratique privée du Québec, in addition to the Royal Architectural Institute of Canada. He has also been a member of the Ontario Association of Architects and the Alberta Association of Architects. He has sat on the Canadian Consultative Council on Multiculturalism and has been a director of the St-Laurent chamber of commerce. Mr. Nazar is involved in a number of financing committees for social and community organizations.

## Governance

Until May 18, 2011, the Corporation reported to Parliament through the Minister of Transport, Infrastructure and Communities, the Honourable John Baird, as well as the Minister of State, the Honourable Rob Merrifield. It now reports to Parliament through the Minister of Public Works and Government Services of Canada, the Honourable Rona Ambrose.

### Board of Directors

During the 2011-2012 fiscal year, the Corporation's Board of Directors (the Board) was composed of five directors: Yves-André Godon, Patrick Kenniff, Yvon Martin, Anis A. Nazar and Gerry Weiner P.C., who also acted as Chairman.

During the year, with the support of the audit and human resources committees, the Board assumed the strategic direction of the Corporation and oversaw the management of its activities and its internal affairs. In addition, it ensured that appropriate risk management systems were implemented and that information systems and management practices guarantee the integrity of the information provided. In particular, the Board ensured that the Corporation's activities are managed in accordance with its mandate and the applicable provisions of the *Financial Administration Act*.

The Board met on seven occasions during the year and 92% of these meetings were attended by its members. Some of the strategic issues examined include monitoring work and activities carried out in connection with general planning and the priorities in the Vision for Development, monitoring the assessment of the performance and cultural and economic impacts of the activities held on the site, as well as reviewing and approving the Amended 2011-2012 to 2015-2016 Corporate Plan as well as the 2012-2013 to 2016-2017 Corporate Plan, which, in particular, reflect the efforts that the Corporation was asked to make in contributing to reduce the national deficit.

Where oversight of the Corporation's management activities is concerned, the Board examined the budget situation, the monthly statements of operations, the new quarterly financial statements and management's various reports on the planning and holding of activities. It authorized a special examination of its operations by the Office of the Auditor General of Canada (OAG) and approved the plan proposed by the OAG for the purpose of

this examination. It also approved the conclusions in the Global Site Management Plan to develop a five-year management strategy based on the needs identified in order to ensure effective management and to consolidate the conclusions and use them to their full potential. In addition, the Board monitored the assessment of the performance and cultural and economic impacts of the activities held on the site. During the course of each of their meetings, the directors had an opportunity to hold discussions with management and various external consultants, as necessary.

The highlights regarding the Corporation's governance in 2011-2012 are as follows:

- The Chairman and the President and Chief Executive Officer attended a workshop organized by the Treasury Board Secretariat on *governance during a period of budgetary restrictions*;
- The annual activity report required under the code of ethics and professional conduct was presented to employees;
- A process was held to assess the performance of the Board, its committees as well as each of its members.

### Audit Committee

The Audit Committee met on eight occasions during the year and 92% of these meetings were attended by its members. Representatives of the Office of the Auditor General (OAG) were invited to and attended each meeting. The Audit Committee, chaired by Yves-André Godon, examined the Corporation's audited financial statements for the preceding year, the new quarterly financial statements prepared in accordance with Public Sector Accounting Standards, the annual audit plan for 2011-2012, the plan for the special examination submitted by the OAG, the internal auditors' reports issued for 2011-2012, the amended budgets for 2011-2012, the budgets for 2012-2013 and the semi-annual and annual reports on the environmental management system.

Among other things, the Audit Committee monitored the five-year budget planning exercise, the recommendations resulting from previous years' internal audit reports and the conversion of the appropriate systems to Public Sector Accounting Standards.

Finally, the Audit Committee advised the Board following these reviews and follow-ups.

### **Human Resources Committee**

The Human Resources Committee met on three occasions during the year and these meetings were attended by 92% of its members. The committee, which is chaired by Mr. Patrick Kenniff, examined the recommendations for filling a senior management position, the negotiation mandate given to management in connection with the renewal of the collective agreement expiring within the current year, salary reviews regarding non-unionized employees for 2012-2013, senior management performance assessments for the year and the recommendations for their salary review for 2012-2013.

Finally, the Human Resources Committee advised the Board following these reviews.

### **Risk Management**

An organization such as the Old Port of Montréal Corporation has no choice but to manage its risks. In fact, risk management is an integral part of its administrative principles. The Corporation's directors and management team have a duty to determine, analyze and reduce risks. The Corporate Plan is a key part of this process since it makes it possible to develop guidelines for and manage the Corporation's initiatives in addition to organizing accountability to Parliament. There is also an integrated work program to address and implement the various recommendations resulting from the annual audit and the special examination by the Office of the Auditor General of Canada (OAG).

### **Internal Risks**

Managers use a project and portfolio management system to manage, monitor and control capital and major corporate projects. This process ensures that various aspects relating to a project are taken into account, in addition to the related risks and impacts. Progress reports and the approval of each

of the phases of the project by the Executive Committee are some of the measures included in this system to ensure strict follow-up and control.

Each year, the Corporation carries out internal audit activities to confirm practices and make the necessary improvements to its existing policies and procedures. The 2011-2012 fiscal year was the fourth year in which the five-year internal audit plan was applied. This plan is based on 10 specific internal audit engagements considering the Corporation's strategic priorities. These audits make it possible to address risks by proposing appropriate measures.

The Corporation ensures the maintenance and conservation of its assets, which involves maintaining its equipment, facilities and infrastructure. Risks are rectified with the means at its disposal and are avoided, in particular, using a preventive maintenance system that has been put in place and is continuously revised as the Global Site Management Plan is implemented.

PWGSC completed its Building Condition Report (BCR) for the Old Port in 2010 in the wake of the asset transfer in 2009. The Corporation then carried out the complementary studies required to have a thorough understanding of the issues and needs. In 2011, the Corporation developed a Global Site Management Plan and was able to develop a five-year work program and estimate the financial resources that would be required. It became clear that \$11.2 million would have to be invested annually over the next five years to make up for all the postponed work and to consolidate the buildings, infrastructures and facilities to be able to maintain commercial functions and public services in keeping with the Corporation's mandate and objectives. This represents \$36.5 million more than the \$19.5 million already included in the federal fiscal framework.

The Corporation's environmental management system contributes to asset conservation and maintenance. The Corporation also ensures that its concession holders adhere to its environmental principles by incorporating environmental clauses into their leases, stating that they must respect rules for waste management and energy consumption. This makes it possible to reduce the environmental risks related to operating on the site,

even those not under the Corporation's direct responsibility.

Personal, property and information security is an area where the Corporation faces considerable risks. The current security management framework is one tool that makes it possible to prevent risks. This framework determines which security and risk management measures will protect all human, physical, financial or IT resources. It includes a business continuity plan outlining various procedures to enable the Corporation to continue operating in the event of an emergency or a disaster. The plan was updated in 2011 following the re-engineering.

Security analyses testing the Corporation's existing systems are carried out regularly by the IT Department to prevent flaws or weaknesses. The Corporation has a backup site should it be needed. The addition of risk management measures for the document management and archiving system allows for information to be processed, retrieved and used in a more controlled manner. Moreover, upgrading the technological infrastructure, which is an ongoing process, also helps to reduce risks.

Training remains one of the most effective preventive measures. It raises awareness of the rules and of the importance of adopting safe behaviour. The range of training activities provided by the Corporation is developed with the objective of preventing risks for visitors, employees and the facilities on the site.

The Corporation is maintaining the occupational health and safety action plan put in place in recent years. This plan raises awareness and equips employees to reduce risks and prevent work accidents. It includes a series of measures including an assessment of the risks related to the various types of position, various training and awareness activities as well as a follow-up for corrective measures to be put into place to ensure that employees have a healthy and safe work environment. The Corporation can also rely on the work of an internal committee in charge of assessing health and safety-related efforts and proposing measures to optimize the Corporation's practices in this area.

## External Risks

The number of visitors coming to the Old Port all year long is a determining factor for the Corporation's revenues. However, attendance numbers may be influenced by factors beyond the Corporation's control, such as the economic situation, the weather, the cost of gas, international security problems or international tourism trends. To address these risks, the Corporation operates prudently and shows versatility and flexibility in managing its advertising investments. It also relies on its experience acquired over the years, using models to simulate impacts and determining measures to be implemented to correct the situation.

Performance indicators are also management tools to identify risks and deal with them promptly.

Over the past few years, the Corporation has reviewed and adjusted its strategies and financial agreements with its partners. This allows the Corporation to position itself strongly and competitively in the marketplace so as to adapt to changes in the environment and promptly deal with unforeseen situations.

**Senior Management**



**Claude Benoit, C.M.**

President and Chief Executive Officer



**Jérôme Dufour**

Vice-president, Marketing



**Mario de Fanti**

Vice-président, Finances et administration



**Luc Nadeau**

Vice-president, Human Resources



**Nancy Shoiry**

Vice-president, Building Development and Maintenance

**Vice-president, Programming** (position to be filled)

**Vice-president, Quays of the Old Port<sup>1</sup>**

**Vice-president, Montreal Science Centre<sup>2</sup>**

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<sup>1</sup> Mr. Jacques Lagarde, Vice-president, Quays, left in September 2011

<sup>2</sup> Mr. Benoît Légaré, Vice-president, Montréal Science Centre, left in July 2011.

## Our Employees

SARAH ADLHOCH • ABDUL AYSAR • CAROLINE AKSYNCZAK • DOMINIC ALARIE • MARINO ALBENSI • CÉLINE ALEGRET • OLGA ALEXEEVA • DOMINIQUE ANCTIL-GOINEAU • ALAIN ARSENAULT • SARA ARSENAULT • MARIE-CLAIRE AUDET-GAGNON • MARIE-FRANCE AUGER • MICHAEL BALACKI • MICHEL BEAUDET • STÉPHANE BEAUDET • PIERRE BEAUDOIN • STÉPHANIE BEAULIEU • MARIANNE BEAUPRÉ-LAPERRIÈRE • MARYSE BÉLAIR • LORRAINE BÉLANGER • MARTIN BÉLISLE • ALEXIS BELLAVANCE • BRIGITTE BELLEVILLE • ÉLIANE BÉLIVEAU-LEBLANC • SYLVIE BENNARDI • CLAUDE BENOÎT • TAMARA BERGER • JÉRÔME BERGERON • MARIE BERRUEL • PHILIPPE BERTOUT • LOUISE JULIE BERTRAND • MARILOU BÉRUBÉ-PICARD • FRÉDÉRIC BESSETTE • JEAN BESSETTE • ISABELLE BIRON • MARIE-JOSÉE BIRON • SOPHIE BISHOP • SIMON BISSONNETTE • CARL BLAIS • DANIEL BLIER • MIKHAËL BOIS • ALAIN BOISVERT • MICHAËL BOISVERT • VALÉRIE BOIVIN • EUGÉNIE BONNEVILLE • FRANCO BORIERO • BÉATRICE BOSCO • CHRISTINE BOUDREAU • CHANTALE BOUDREAU • RAPHAËLE BOURGON-NOVEL • DONALD BOULAY • NANCY BOURASSA • CATHERINE BOURDON • JULIEN BOUSQUET • VANESSA BOUSQUET • STÉPHANIE BRISEBOIS • DARKO BRIZIK • ALAIN BROCHU • KARL BROUILLARD • SARAH BROWN • MARTIN BRÛLÉ • AMÉLIE BUREAU LA MOTHE • FRANÇOIS CADIEUX • MONIQUE CAMIRAND • BERNARDO CARRARA • ROMEO CARRELLI • STEPHAN CHAIX • DENIS CHAMBERLAND • LYNE CHAMBERLAND • WILLIAM CHAPUT • JULIE CHARBONNEAU • GHISLAIN CHARTIER • HAROUT CHIKIAN • CIGUINEAU NICOLAS • PHILIPPE CLERMONT • DANIEL CLOUTIER • ANTONIO COLASURDO • CHANTAL CORMIER • MANON CORTES • ROGER CORTES • PIERRE-YVES CÔTÉ • SUZANNE COUILLARD • DENISE COULOMBE • SIMON COUTURE CONAN • RENÉ CYR • GABRIEL DAMANT-SIROIS • LUCAS DANCOSÉ-GIAMBATTISTO • YVES DANDURAND • MARC DANEAU • ISABEL DANSEREAU • JOANY DARSIGNY • CHARLOTTE-MARGUERITE DEBUNNE • PHILIPPE DEPESTRE • HÉLÈNE DERRIEN • NICOLAS DES ALLIERS • VALÉRIE DESCHÈNES • SYLVIE DESROCHERS • GILLES DESROSÏERS • MARTIN DION • ANIK DIONNE • ÉRIC DONAIS • STÉPHANIE DORÉ • NICOLE DOUCET • DÉLIA DRAGOMIR • JÉRÔME DUFOUR • JOSÉE DUHAIME • GAÉTAN DUPONT • DAVID DUPRAS • LAWRENCE DUPUIS • MARTINE DUQUETTE • ANTOINE DUROCHER • FRANTZ DUTEAU • CÉDRIC EGAIN • JAMAL ELBAZ • BRIANNE FEQUET • JONATHAN FORGET • MARTIN FORTIER • GAÉTAN FORTIN • MARJOLAINE FOURNIER • GUY FOURNIER • FRANÇOIS GADBOIS • YAN GAGNON • GAÉTAN GAGNON • STEVE GALIANOS • BENOÎT GAMACHE • JEAN-CLAUDE GAUDREAU • MICHEL GAUTHIER • FRANÇOIS-LOUIS GAUTHIER • PHILIPPE GAY • ÉRIC GENDREAU • HÉLÈNE GILBERT • MAGALIE GILBERT • YANN GILBERT-BÉLANGER • VÉRONIQUE GILBERT-PICARD • MARJOLAINE GINGRAS • ISABELLE GIRARD • DAVID GIRARD • ANNIE GIRARD • JULIE GIROUX • JULIEN GOBEL-PROULX • LYNN GODBOUT • JOSÉ LUIS GOMEZ DUENAS • FRÉDÉRIC GOSPARINI • OLIVER GRANT • HERMAN-CARL GRAVEL • LUCIE GRENON • OLIVIER GRENON • MICHEL GROULX • MARIANNE GROULX • MARTINE GUAY • GAÉTAN HAMEL • TOMOTHY HARDMAN • RONALD HERRON • MARC-ANDRÉ HOUDE • MARC-ANDRÉ HOULE • JENNIFER HUYNH • KARINE-ISEULT IPPERSIEL • FRÉDÉRIC JACOB • MARC-ANDRÉ JACQUES • DIMITRI JACQUES • CYNTHIA JARRY • BEDJOU JEAN • LESLY JEAN-CHARLES • BERNARD JONES • ALEXANDRA JONNAERT • LYETTE JULIEN • MARC-OLIVIER LA BARRE-LAVALLÉE • JULIE LA ROCHE • SERGE LABELLE • SYLVAIN LACOURCIÈRE • NADIA LAFLAMMÉ • JACQUES LAGARDE • JEAN LAGUÉ • MARIE-CLAUDE LALONDE • JULIEN LAMONTAGNE • KONRAD LAMOUR • DANIEL LAMPRON • FANNIE LANDRY • ESTELLE LANDRY-PARÉ • CLAUDE-ÉLAINE LANGEVIN • CATHERINE LANTIN • LOUIS LAPIERRE • HUGO LAROCQUE • GONTRAN LAURENDEAU • JULIE LAUZON • PATRICE LAVERDIÈRE • GENEVIÈVE LAVOIE-PALLETIER • MARIE-ÈVE LE SCELLEUR • LYNE LABEL-CUSSON • PATRICK LEBLANC • SIMON LEBLANC-GAUTHIER • SYLVIE LECLERC • MAXIME LECLERC • SABRINA LEDUC • CLAUDE LEFEBVRE • BENOÎT LÉGARÉ • JULIE LANCTÔT-LEGAULT • AUDREY LEMIEUX • NORMAND LEMONDE • MARCO LENZI • ANNIE LEPAGE • CLAUDE LEROUX • REBECCA LEROUX • SUZIE LEROUX • ROLAND LESCARBEAU • STÉPHANIE LESSARD • ESTELLE LESSARD-LACROIX • DIANE LETIZI • MARC-ANDRÉ L'HEUREUX • ALEXANDRE LÉVESQUE • MARISE LORANGER • PATRICE LORANGER • ALI AOUAD LUONG • ANDRÉ LUSSIER • JULIE MAILHOT • TANIA MAILHOT-GERVAIS • JULIO MAMANI HUANCA • FRÉDÉRIC MARCHAND • SARAH MARCOTTE-AMAR • GLENN MARTIN • ELYSE MARTIN • MADELEINE MARTIN • CAROLE MARTINEAU • JEAN-FRANÇOIS MARTIN • ÉRIC MATHIEU • HÉLÈNE MATHIEU • JEAN-LOUIS MCGREGOR • SUNDY MÉNARD • SHAHILA MERALI • VANESSA MÉRETTE • CAROLINE MÉROZ • IAN MÉTAYER • GABRIEL-ÉTIENNE MEUNIER • MOUHSINE MHAJI • LUCY MICHAUD • RENATA MILITZER • LINDA MILLETTE • ANNABELLE MIMOUNI • TIHOMIR MITEV • CHANTALE MOISAN • MICHEL MOLLICONE • JULIE MOREAU • LAURA CATALINA MORENO • ISABELLE MORIN • ISRAËL MORIN • ELIZABETH MUÑOZ RIVARD • ANDRÉ NADEAU • LUC NADEAU • DENIS NANTEL • ALAIN NÉRON • NGOC SINH NGUYEN • JEAN-SEBASTIEN NOËL • JAMES OGER • HÉLÈNE OLIGNY-HÉBERT • BOUCHRA HANNA OUAÏK • GABRIELLE OUELLET • FRANCIS-OLIVIER OUELLET • JUDY OUELLET • LINDA OUELLET • RAPHAËL OUELLET-BÉLIVEAU • ALEXANDRE CLAUDE PAGÉ • BENOÎT PAPINEAU • GUYLAINE PARENT • MARC PARIZEAU • RONNY PARRA • ANTONIO PASSARELLI • VÉRONIC PATENAUE • CAROL PAUZÉ • LAURÉLISE PELLETIER-AUDETTE • CARL PÉPIN • ALAIN PERREAULT • MICHEL PERRON • ÉRIC PERREAULT • CAROLE-ANN PERRON • JUNE PERRY • NADIA PICARD • ROSALIE PIERRE • SARA PILOTE • MARIE-PIERRE PINARD • MARIE-PAULE PLANTE • JOSEF POMERLEAU • RODICA ANA POPA • NADIA POPIVANOVA • MARIE-ÈVE PRINCE • JOCELYNE PROVENCHER • LOIC QUESNEL • GUILLAUME RABY-MORIN • MICHEL RAFIE • HAJA RAMAHATRA • SACHA RATCLIFFE • JEAN-HUGUES RAYMOND • ANNE REIGNER • ANDRÉ RÉGIMBALD • BENOÎT RENAUD • FRANCA RICCI • SARAH RIOUX • KATYNA RIVARD • CYBÈLE ROBICHAUD • BENOÎT ROBITAILLE • MARIE-PIER ROULEAU-CHARBONNEAU • MARIE-STÉPHANIE ROUX • ROGER ROY • MAHMOUD SAADI • DOMINIC SABOURIN • ALINE SAFFORE • STÉPHANE SALVAÏ • TOMMY SAMSON • CATHERINE SAUVÉ • FRANÇOIS SAVARD • GUY SAVARD • PASCAL SEQUEL-REYNOLDS • CAROLE SÉGUIN • SYLVIE SÉGUIN • STÉPHANE SÉVIGNY • RICHARD SÉVIGNY • JEAN-FRANÇOIS SIMARD • JEAN-SÉBASTIEN SIROIS • GABRIELLE SMILGA-PALARDY • GABRIELLE SOUCY-GIRARD • MATHIEU ST-GERMAIN • KIM STOCKMEYER • JEAN SUZETTE STUTSMAN • DAVID TALL • STÉPHANIE ST-ONGE-ROSS • ISABELLE TARDIF • KARINE TARDIF • ANNE-VALÉRIE TCHIENGANG • CHRISTINE THÉRIAULT • LYNDY THIBODEAU • CLAIRE TIMPERLEY • MARIE-ÈVE TOUGAS • LISA TRAVERSY • RICHARD TREMBLAY • BENOÎT TREMBLAY • DOMINIQUE TREMBLAY • MARC TREMBLAY • MYRIAM TREMBLAY • PIERRE-LUC TREMBLAY-LEMOINE • LISE TRÉPANIER • PHILIPPE TRIEU • MARCEL TURCOTTE • BERNARD TURCOTTE • RÉMI VACHON • PHILIPPE VAILLANCOURT • VALENTIN VAKLINOV • STÉPHANE VAKOULA • MATHIEU VALIQUETTE • PIERRE-MARC VALLÉE • DANIEL VEILLEUX • PIERRE VEILLEUX • CHRISTOPHE VERRIER • SÉBASTIEN VERRIER • MARC-ALEXANDRE VINET-GIGUÈRE • ÉLISABETH WARREN • SIDNEY JOHN WATKINS • SÉBASTIEN WINIARSKI • TOUFIK YOUNES • JADE ZAKAIB • AMIR ZERROUGUI • JIMMY ZOLETTI

## Human Resources Management

Since the re-engineering, the Corporation's new organization chart includes five corporate departments: Building Development and Maintenance, Finance and Administration, Marketing, Human Resources and Programming.

The Corporation employed approximately 425 people this year, including 177 full-time employees. The remaining staff fills temporary, occasional and seasonal positions.

Employees have two opportunities each year to have an information meeting with the Corporation's President and Vice-presidents. The first meeting in 2011 was held on May 17. The fall meeting was held on September 9 to announce the organizational changes resulting from the re-engineering.

### Wellness Activities

The Corporation cares about its employees' health and therefore offers programs and supports initiatives that promote a healthy lifestyle, such as sports activities and a healthy diet.

The Human Resources Corporate Department organized an employee health and wellness activity in November 2011. Employees were invited to talk to representatives of various organizations, such as Alco Prevention, Acti-menu, the employee assistance program, the Heart and Stroke Foundation as well as nurses. This second edition of the activity was another huge success, with 92 employees in attendance, which is 50% of the employees working the day and evening shifts.

The Corporation issued the 5/30 health and wellness challenge to its employees. This challenge involves eating five servings of fruits and vegetables and doing 30 minutes of exercise each day and lasted for six weeks, from March 1, to April 11. Approximately 60 employees registered.

Seminar training was provided to managers and to a group of targeted employees regarding change management, stress management, and mental health issues in the workplace.

Finally, it is important to mention that the Corporation supports the initiatives of certain employees regarding pilates classes and cardio-vascular activities.

### Bursaries

To show its commitment to its employees, the Corporation has a series of policies, including a Total Compensation Policy as well as a Training and Development Program. Similarly, a Bursaries program is in place to encourage student personnel to continue to further their studies and hone their skills. This program increases employees' feeling of belonging. The two recipients this year are Annie Girard, a parking supervisor, and Sarah Rioux, an information supervisor at the Port d'escal. Each received a \$1,000 bursary, one for a Bachelor's degree in sexology and the other for a Master's degree in business administration.

### Increasing Cultural Diversity

In 2011, the proportion of women and members of visible minorities increased by 1.5% and 2% respectively compared to 2010.

A number of measures were put into place to continue to promote employment equity. Among other things, the Corporation took part in CAMO's Journée contact (CAMO is an organization that helps disabled individuals find employment). It also created new partnerships with various organizations representing disabled individuals and Aboriginal people, as well as with certain cegep and university student associations. In addition, the Corporation has heeded some requests for certain accommodations in the workplace.

## Recognizing Years of Service

Each year, the Corporation celebrates employment anniversaries by organizing a special celebration for employees with 10, 15 and 20 years of service.

On June 20, 2011, this special celebration honoured 19 employees, including one person who took retirement after many years of loyal service to the Corporation. This activity allows the Corporation to develop people's feeling of belonging and enables employees to develop personal ties.

This year, 71 children and their parents had an early Christmas party in late November. The ever-popular employees' Christmas Gala was then held on December 17 and was enjoyed by 204 employees and 19 spouses.

### Financial Analysis

The following section should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended March 31, 2012 and the related notes included in the financial statements section in this Annual Report.

### Financing (in thousands of dollars)

|                              | Results<br>2011-2012 | Budget<br>2011-2012 | Variance between results<br>and budget |     | Results<br>2010-2011 |
|------------------------------|----------------------|---------------------|--|-----|----------------------|
|                              |                      |                     | \$                                     | %   |                      |
| Parliamentary appropriations | 30,372               | 30,373              | 1                                      | 0.1 | 28,975               |

The Corporation is presenting a balanced budget for 2011-2012. The used parliamentary appropriations amounted to \$30,372, representing an increase of \$1,397 K (5%) compared to 2010-2011. The parliamentary appropriations attributed for the 2011-2012 budget totalled \$30,373 K and covered both operating and capital expenditures.

The increase in parliamentary appropriations represents the \$2,000 K received by the Corporation for infrastructures, less a credit for PILT in respect of parking facilities received in 2010-2011.

### Statement of income (in thousands of dollars)

|   | Results<br>2011-2012 | Budget<br>2011-2012 | Variance between results<br>and budget |            | Results<br>2010-2011 |
|---|----------------------|---------------------|--|------------|----------------------|
|   |                      |                     | \$                                     | %          |                      |
| Operating revenues                            | 18,217               | 16,855              | 1,362                                  | 8.1        | 15,750               |
| Amortization of deferred contributions        | 1,245                | 1,233               | 12                                     | 1.0        | 1,670                |
| <b>Total revenues</b>                         | <b>19,462</b>        | <b>18,088</b>       | <b>1,374</b>                           | <b>7.6</b> | <b>17,420</b>        |
| Operating expenditures (before depreciation)  | 35,211               | 33,630              | 1,581                                  | 4.7        | 33,415               |
| Depreciation of property, plant and equipment | 23,481               | 23,978              | (497)                                  | (2.1)      | 24,603               |
| <b>Total expenditures</b>                     | <b>58,692</b>        | <b>57,608</b>       | <b>1,084</b>                           | <b>1.9</b> | <b>58,018</b>        |

The operating deficit (before depreciation) amounts to \$16,994 K compared to \$17,665 K in 2010-2011, an increase of \$671 K (3.8 %). This increase is attributable to a rise of \$2,467 K in operating revenues, combined with an increase of \$1,796 K in expenditures.

The operating deficit (before depreciation) is \$219 K higher than the \$16,775 K budgeted. This result is attributable to a 8.1% favourable variance for revenues and an increase of only 4.7% in operating expenditures.

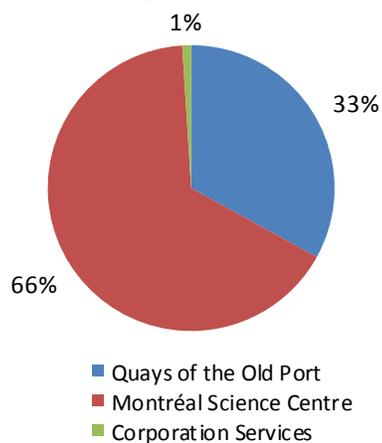
## Revenues (in thousands of dollars)

|                                | Results<br>2011-2012 | Budget<br>2011-2012 | Variance between results<br>and budget |            | Results<br>2010-2011 |
|--------------------------------|----------------------|---------------------|--|------------|----------------------|
|                                |                      |                     | \$                                     | %          |                      |
| <b>Montréal Science Centre</b> | 12,642               | 11,509              | 1,333                                  | 9.8        | 10,713               |
| <b>Quays of the Old Port</b>   | 6,235                | 5,844               | 391                                    | 6.7        | 6,194                |
| <b>Foundation</b>              | 468                  | 620                 | (152)                                  | (24.5)     | 287                  |
| <b>Corporate services</b>      | 117                  | 115                 | 2                                      | 1.7        | 226                  |
| <b>Total revenues</b>          | <b>19,462</b>        | <b>18,088</b>       | <b>1,374</b>                           | <b>7.6</b> | <b>17,420</b>        |

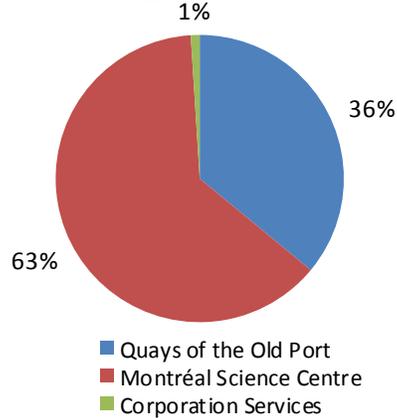
Self-generated revenues related to the Corporation's products in 2011-2012 amount to \$19,462 K, compared to \$17,420 K in 2010-2011, an 11.7% increase equivalent to \$2,042 K.

Excluding the Foundation's revenues, total revenues for 2011-2012 are \$1,526 K higher than forecast in the Corporate Plan. The principal variances stem from the results of exhibitions and exhibition rentals.

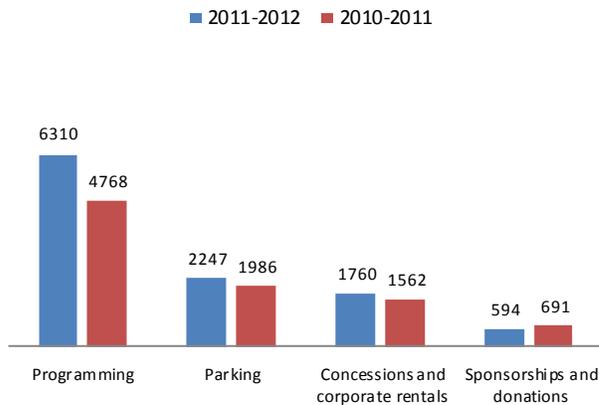
**Revenues (%) in 2011-2012**  
(excluding Foundation)



**Revenues (%) in 2010-2011**  
(excluding Foundation)



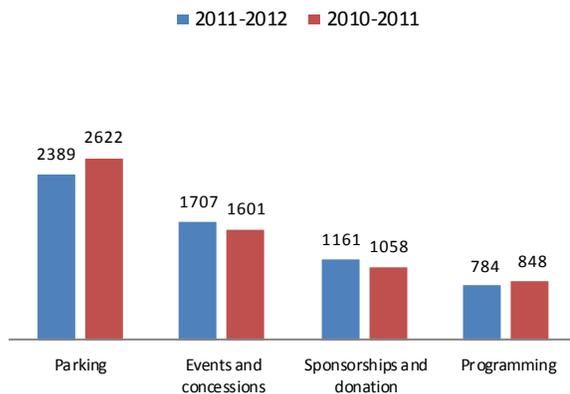
## Montréal Science Centre



Programming revenues, which include the revenues from the Imax®Telus Theatre and exhibition revenues, totalled \$6,310 K in 2011-2012, compared to \$4,768 K in 2010-2011.

Exhibition revenues increased by \$1,510 K or over 101%, due to the *Indiana Jones and the Adventure of Archeology* exhibition and the success of *Dinosaurs Unearthed*. This performance was also seen for parking revenues. Concession revenues and revenues from corporate rentals increased by \$198 K (12.7%).

## Quays of the Old Port



Parking revenues decreased by \$233 K (8.9%) since the Cirque du Soleil did not present shows for as long a period and since the Clock Tower Pier was closed until mid-June 2011. Events and concessions increased by \$106 K (6.6%), mainly due to the arrival of new concession holders and the impact on sales of the Tall Ships event in September. Programming revenues are down by \$64 K (7.5%), in particular due to a decline in revenues from film shoots and the abolishment of La Balade.

## Expenditures (in thousands of dollars)

|   | Results<br>2011-2012 | Budget<br>2011-2012 | Variance between results<br>and budget |            | Results<br>2010-2011 |
|---|----------------------|---------------------|--|------------|----------------------|
|   |                      |                     | \$                                     | %          |                      |
| <b>Montréal Science Centre</b>                                | 16,428               | 15,409              | 1019                                   | 6.6        | 14,897               |
| <b>Quays of the Old Port</b>                                  | 11,958               | 11,434              | 524                                    | 4.6        | 11,743               |
| <b>Foundation</b>   | 492                  | 522                 | (30)                                   | (5.7)      | 308                  |
| <b>Corporate services</b>                                     | 6,333                | 6,265               | 68                                     | 1.1        | 6,467                |
| <b>Total operating expenditures (before<br/>depreciation)</b> | <b>35,211</b>        | <b>33,630</b>       | <b>1,581</b>                           | <b>4.7</b> | <b>33,415</b>        |
| Depreciation of property, plant and<br>equipment              | 23,481               | 23,978              | (497)                                  | (2.1)      | 24,603               |
| <b>Total expenditures</b>                                     | <b>58,692</b>        | <b>57,608</b>       | <b>1,084</b>                           | <b>1.9</b> | <b>58,018</b>        |

Total operating expenditures (before depreciation) for 2011-2012 increased by \$1,796 K (5.4%) compared to 2010-2011.

### Montréal Science Centre

Expenditures related to the Montréal Science Centre totalled \$16,428 K, an increase of \$1,531 K (10.3%) compared to 2010-2011. The principal variance stems from the *Dinosaurs Unearthed* exhibition and the related advertising campaigns. Moreover, these variances are attributable, among other things, to the labour expenditures related to holding this exhibition as well as the *Indiana Jones and the Adventure of Archeology* exhibition.

### Quays of the Old Port

Quays expenditures totalled \$11,958 K in 2011-2012, an increase of \$215 K (1.8%) compared to 2010-2011. This variance is mainly attributable to site maintenance costs.

### Corporate services

Expenditures related to corporate services totalled \$6,333 K in 2011-2012, a decrease of \$134 K (2.1%) compared to 2010-2011. This variance is mainly attributable to the \$119 K decrease in labour costs caused by the staff reorganization as well as the annual statutory salary increase.

## Expenditure analysis by major category

|                                    | Results<br>2011-2012 | Budget<br>2011-2012 | Variance between<br>results and budget |            | Results<br>2010-2011 |
|------------------------------------|----------------------|---------------------|--|------------|----------------------|
|                                    |                      |                     | \$                                     | %          |                      |
| (in thousands of dollars)          |                      |                     |  |            |                      |
| Salaries and employee benefits     | 16,344               | 16,411              | (67)                                   | (0.4)      | 16,463               |
| Depreciation                       | 23,481               | 23,978              | (497)                                  | (2.1)      | 24,603               |
| Taxes, permits, rent and utilities | 4,587                | 4,845               | (258)                                  | (5.3)      | 4,592                |
| Advertising                        | 3,793                | 2,894               | 899                                    | 31.1       | 3,052                |
| Maintenance                        | 3,092                | 2,534               | 558                                    | 22.0       | 2,596                |
| Professional services              | 1,428                | 1,152               | 156                                    | 13.5       | 1,411                |
| Animation contracts                | 992                  | 800                 | 192                                    | 24.0       | 1,013                |
| Exhibitions                        | 962                  | 921                 | 41                                     | 4.5        | 792                  |
| Movie rentals                      | 795                  | 873                 | (78)                                   | (8.9)      | 835                  |
| Office expenses                    | 665                  | 540                 | 125                                    | 23.1       | 547                  |
| Development and research costs     | 347                  | 533                 | (66)                                   | (12.4)     | 257                  |
| Machinery and tools                | 357                  | 254                 | 103                                    | 40.6       | 296                  |
| Travel and entertainment costs     | 302                  | 302                 | -                                      | -          | 287                  |
| Insurance                          | 245                  | 243                 | 2                                      | 0.8        | 240                  |
| Bad debts                          | 237                  | 10                  | 227                                    | 2,270.0    | 10                   |
| Software maintenance               | 220                  | 228                 | (8)                                    | (3.5)      | 207                  |
| Telecommunications                 | 217                  | 264                 | (47)                                   | (17.8)     | 399                  |
| Vehicle and equipment rentals      | 137                  | 153                 | (16)                                   | (10.5)     | 137                  |
| Training                           | 57                   | 65                  | (8)                                    | 12.3       | 69                   |
| Other                              | 434                  | 91                  | 343                                    | 376.9      | 212                  |
| <b>Total expenditures</b>          | <b>58,692</b>        | <b>57,608</b>       | <b>1,084</b>                           | <b>1.9</b> | <b>58,018</b>        |

Compared to 2010-2011, the analysis of the major expenditure category for the current year reveals the following:

**% of expenditures  
(before depreciation)**

**46.4%**

**Salaries and employee benefits** decreased by \$119 K, or 0.7%. Unionized employees received a statutory increase of 2.5% this year. The overall favourable variance may be explained by the staff reorganization.

**13.0%**

**Taxes, permits, rent and utilities** decreased by \$5 K (0.1%). The amount of PILT is almost fixed and energy costs have decreased slightly.

|       |  |
|-------|--|
| 10.8% | <b>Advertising</b> costs amounted to \$3,793 K in 2011-2012, an increase of \$741 K, which is largely justified by the promotion of the <i>Tall Ships on the Quays</i> as well as the <i>Indiana Jones and the Adventure of Archeology</i> and the <i>Dinosaurs Unearthed</i> exhibitions. |
| 8.8%  | <b>Maintenance</b> costs related to the site and facilities represent a major expense for the Corporation. Considerable maintenance work is required due to the size of the Old Port site and the fact that certain assets are obsolete.   |
| 3.7%  | <b>Professional services</b> amounted to \$1,428 K, which is almost the same amount as in 2011-2012.   |
| 2.8%  | <b>Animation contracts</b> totalled \$992 K, which is essentially the same as last year.   |
| 2.7%  | <b>Exhibitions</b> represented an expense of \$962 K, which is 21.5% more than last year, mainly due to the cost of <i>Dinosaurs Unearthed</i> .   |
| 2.3%  | <b>Movie rentals</b> include the costs of the IMAX <sup>®</sup> TELUS Theatre and royalties.   |
| 1.9%  | <b>Office expenses</b> include stationery, postage and uniforms.   |
| 1.3%  | <b>Development and research costs</b> include surveys and marketing analyses in addition to the costs relating to the arrival of the Tall Ships.   |
| 1.0%  | <b>Machinery and tooling</b> expenses totalled \$357 K, which is \$61 K more than in 2010-2011.  |
| 0.9%  | <b>Travel and entertainment costs</b> totalled \$302 K, which is at the same level as last year.   |
| 0.7%  | <b>Insurance costs</b> totalled \$245 K, an increase of 2%, which is attributable to greater risk coverage.  |

0.7%

The **bad debt** expense totalled \$237 K, mainly due to the bankruptcy of one of our concession holders.

0.6%

**Software maintenance** costs totalled \$220 K, which is essentially the same as in 2010-2011.

0.6%

**Telecommunications costs** totalled \$217 K, a decrease of \$182 K (45.6%) resulting from the replacement of the entire computer inventory, which has been necessary for several years and which was carried out last year.

0.4%

Costs relating to **vehicle and equipment rentals** amounted to \$137 K, which is the same as last year.

0.2%

**Training costs** amounted to \$57 K.

1.2%

**"Other"** expenses amounted to \$434 K, representing various expenditures relating to the Corporation's operations.

## Consolidated statements of financial position (in thousands of dollars)

|                      | 31-03-2012 | 31-03-2011 |
|----------------------|------------|------------|
| Financial assets     | 11,793     | 8,978      |
| Liabilities          | 16,637     | 15,099     |
| Non-financial assets | 401,784    | 411,919    |
| Accumulated surplus  | 396,940    | 405,798    |

### Financial assets

Cash and investments totalled \$8,457 K compared to \$7,761 K in 2010-2011. Receivables totalled \$3,336 K compared to \$1,217 K last year. The variance stems primarily from the parliamentary appropriation receivable in the amount of \$2,000.

### Liabilities

Total accounts payable and accrued liabilities increased from \$9,403 K in 2010-2011 to \$11,251 K in 2011-2012.

## Capital expenditures (in thousands of dollars)

|                               | Actual<br>2011-2012 | Budget<br>2011-2012 | Variance between<br>results and budget |     | Actual<br>2010-2011 |
|-------------------------------|---------------------|---------------------|--|-----|---------------------|
|                               |                     |                     | \$                                     | %   |                     |
| Property, plant and equipment | 13,428              | 13,500              | (72)                                   | 0.5 | 11,390              |

Capital expenditures totalled \$13,428 K in 2011-2012, compared to \$11,390 K in 2010-2011 and a budgeted amount of \$13,500 K in the Corporate Plan.

The following projects represented capital expenditures in excess of \$100 K in 2011-2012:

|   |                   |
|---|-------------------|
| ■ Heritage interpretation material  | 132               |
| ■ Over-planting   | 134               |
| ■ Gasoline tank on the Alexandra Pier   | 135               |
| ■ Locks garden bridge   | 151               |
| ■ Bringing the Bonsecours Pavillion up to standards   | 159               |
| ■ Brining the MSC up to standards – plans and specifications                                      | 166               |
| ■ Relocation of the specialized maintenance workshop  | 172               |
| ■ Soundproofing the exhibition hall   | 175               |
| ■ “Music” exhibition  | 239               |
| ■ Landscaping plan and urban furniture  | 264               |
| ■ Repairs to balustrades on site  | 309               |
| ■ Repairs to the lower section of the Clock Tower Pier  | 333               |
| ■ Various lighting initiatives on the site  | 392               |
| ■ Repairs to the Jacques Cartier Pier   | 424               |
| ■ Consolidation of the rail bridge structure  | 657               |
| ■ Roof repairs  | 731               |
| ■ Creation of the beach area on the Clock Tower Pier– Furniture containers                        | 879               |
| ■ Repairs to the Conveyor Pier  | 1,306             |
| ■ Development work on the Clock Tower Pier–lower southern section and tip of the Clock Tower Pier | 4,623             |
| <b>Total</b>  | <b>\$11,391 K</b> |
| Sixteen (16) projects > \$50 K  | 1,141             |
| <b>Total</b>  | <b>\$12,532 K</b> |
|   | <b>906</b>        |

Finally, 16 other projects represented expenditures in excess of \$50 K during the year, which corresponded to a total amount of \$1,141 K. The considerable variety of the Corporation’s commercial and cultural activities, the size of its site, and the fact that its buildings and equipment are aging explain the Corporation’s extensive initiatives in the form of specific investments on the site.

## Management's responsibility regarding the financial statements

The Corporation's management is responsible for preparing the consolidated financial statements in the annual report. These have been prepared in accordance with the Canadian public sector accounting standards and necessarily contain estimates made by Management to the best of its judgment and for which Management is responsible. Management acknowledges its responsibility for choosing accounting principles and methods that are compatible with the Corporation's circumstances. Financial information presented elsewhere in the annual report is consistent with that of the consolidated financial statements. Management applies internal controls, accounting principles and practices to ensure with a reasonable degree of certainty that financial information is relevant and reliable, that the assets it manages are safeguarded and that corporate transactions have been in compliance with the appropriate authorizations. The Board of Directors is responsible for examining and approving the consolidated financial statements and for overseeing how Management discharges its responsibility for the presentation of financial information.

The Board exercises this responsibility primarily through the Audit Committee, which is composed exclusively of Directors who are neither part of Management nor employed by the Corporation. This Committee examines the consolidated financial statements with Management and representatives of the Office of the Auditor General of Canada, who is appointed as external auditor by the shareholder, before submitting them to the Board for approval. This Committee also examines the work plans submitted by internal and external auditors and meets with them in order to discuss their findings and observations regarding accounting issued, audit procedures and the presentation of financial information.

The Auditor General of Canada is responsible for auditing the transactions and the consolidated financial statements of the Corporation and for reporting on these consolidated financial statements. Management considers that the consolidated financial statements faithfully present the financial position of the Corporation, the results of its operations, and its cash flows. The Board of Directors has studied and approved the consolidated financial statements following a recommendation from the Audit Committee.



Claude Benoit, C.M.  
President and Chief Executive Officer



Bernard Jones  
Controller

Montréal  
June 21, 2012



## INDEPENDENT AUDITOR'S REPORT

To the Minister of Public Works and Government Services Canada

### Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Old Port of Montréal Corporation Inc., which comprise the consolidated statements of financial position as at 31 March 2012, 31 March 2011 and 1 April 2010, and the consolidated statements of income, consolidated statements of change in net debt and consolidated statements of cash flows for the years ended 31 March 2012 and 31 March 2011, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these consolidated financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

.../2

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

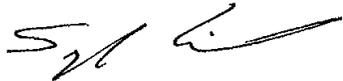
*Opinion*

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Old Port of Montréal Corporation Inc. as at 31 March 2012, 31 March 2011 and 1 April 2010, and the results of its operations, changes in its net debt and its cash flows for the years ended 31 March 2012 and 31 March 2011 in accordance with Canadian public sector accounting standards.

**Report on Other Legal and Regulatory Requirements**

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied, after giving retroactive effect to the adoption of the new standards as explained in Note 5 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Old Port of Montréal Corporation Inc. that have come to my notice during my audits of the consolidated financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act* and the articles and by-laws of the Old Port of Montréal Corporation Inc.



Sylvain Ricard, CPA auditor, CA  
Assistant Auditor General  
for the Auditor General of Canada

21 June 2012  
Montreal, Canada

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

| <i>In thousands of dollars</i>           | Note | March 31,<br>2012 | March 31,<br>2011 | April 1,<br>2010 |
|--|------|-------------------|-------------------|------------------|
| <b>Financial assets</b>                  |      |                   |                   |                  |
| Cash                                     |      | 2,457             | 2,761             | 1,170            |
| Investments                              | 6    | 6,000             | 5,000             | 8,000            |
| Receivables                              | 7    | 3,336             | 1,217             | 2,311            |
| <b>Financial assets</b>                  |      | <b>11,793</b>     | <b>8,978</b>      | <b>11,481</b>    |
| <b>Liabilities</b>                       |      |                   |                   |                  |
| Accounts payable and accrued liabilities | 8    | 11,251            | 9,403             | 10,443           |
| Deferred revenues                        | 10   | 5,386             | 5,696             | 6,252            |
| <b>Liabilities</b>                       |      | <b>16,637</b>     | <b>15,099</b>     | <b>16,695</b>    |
| <b>Net debt</b>                          |      | <b>(4,844)</b>    | <b>(6,121)</b>    | <b>(5,214)</b>   |
| <b>Non-financial assets</b>              |      |                   |                   |                  |
| Property, plant and equipment            | 11   | 398,940           | 408,984           | 422,168          |
| Prepaid expenses                         |      | 2,844             | 2,935             | 467              |
| <b>Non-financial assets</b>              |      | <b>401,784</b>    | <b>411,919</b>    | <b>422,635</b>   |
| <b>Accumulated surplus</b>               |      | <b>396,940</b>    | <b>405,798</b>    | <b>417,421</b>   |

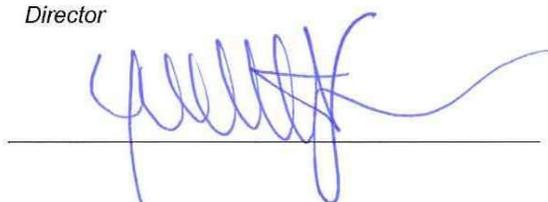
The accompanying notes are an integral part of the consolidated financial statements.

Approved on behalf of the Board of Directors

Director



Director



**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**

**CONSOLIDATED STATEMENTS OF INCOME**

Year ended March 31,

| <i>In thousands of dollars</i>                          | <b>Note</b> | <b>2012<br/>Budget</b> | <b>2012</b>     | <b>2011<br/>Budget</b> | <b>2011</b>     |
|---|-------------|------------------------|-----------------|------------------------|-----------------|
| <b>Revenues</b>   |             |                        |                 |                        |                 |
| Quays   | 13          | 5,844                  | 6,235           | 5,621                  | 6,194           |
| Montréal Science Centre                                 | 13          | 11,509                 | 12,642          | 9,750                  | 10,713          |
| Foundation  | 13          | 620                    | 468             | 646                    | 287             |
| Corporate services                                      | 13          | 115                    | 117             | 47                     | 226             |
| <b>Revenues</b>   | <b>13</b>   | <b>18,088</b>          | <b>19,462</b>   | <b>16,064</b>          | <b>17,420</b>   |
| <b>Operating expenditures</b>                           |             |                        |                 |                        |                 |
| Quays   | 13          | 11,434                 | 11,958          | 11,885                 | 11,743          |
| Montréal Science Centre                                 | 13          | 15,409                 | 16,428          | 14,685                 | 14,897          |
| Foundation  | 13          | 522                    | 492             | 525                    | 308             |
| Corporate services                                      | 13          | 6,265                  | 6,333           | 6,635                  | 6,467           |
| Amortization of property, plant and equipment           | 13          | 23,978                 | 23,481          | 18,286                 | 24,603          |
| <b>Operating expenditures</b>                           | <b>14</b>   | <b>57,608</b>          | <b>58,692</b>   | <b>52,016</b>          | <b>58,018</b>   |
| <b>Excess of operating expenditures over revenues</b>   |             | <b>(39,520)</b>        | <b>(39,230)</b> | <b>(35,952)</b>        | <b>(40,598)</b> |
| Parliamentary appropriations                            | 9           | 30,373                 | 30,372          | 28,987                 | 28,975          |
| <b>Surplus (deficit) for the year</b>                   |             | <b>(9,147)</b>         | <b>(8,858)</b>  | <b>(6,965)</b>         | <b>(11,623)</b> |
| <b>Accumulated surplus, beginning of year ( Note 5)</b> |             | <b>408,793</b>         | <b>405,798</b>  | <b>415,758</b>         | <b>417,421</b>  |
| <b>Accumulated surplus, end of year</b>                 |             | <b>399,646</b>         | <b>396,940</b>  | <b>408,793</b>         | <b>405,798</b>  |

The accompanying notes are an integral part of the consolidated financial statements.

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**

**CONSOLIDATED STATEMENTS OF CHANGE IN NET DEBT**

Year ended March 31,

| <i>In thousands of dollars</i>                            | <b>2012</b>    | <b>2012</b>    | <b>2011</b>    | <b>2011</b>    |
|---|----------------|----------------|----------------|----------------|
|   | <b>Budget</b>  |                | <b>Budget</b>  |                |
| <b>Surplus (deficit) for the year</b>                     | (9,147)        | (8,858)        | (6,965)        | (11,623)       |
| Acquisition of property, plant and equipment              | (13,500)       | (13,438)       | (11,200)       | (11,422)       |
| Gains/losses on the sale of property, plant and equipment | -              | -              | -              | 1              |
| Proceeds from the sale of property, plant and equipment   | -              | 1              | -              | 2              |
| Amortization of property, plant and equipment             | 23,978         | 23,481         | 18,286         | 24,603         |
| <b>Transactions relating to tangible capital assets</b>   | <b>10,478</b>  | <b>10,044</b>  | <b>7,086</b>   | <b>13,184</b>  |
| Acquisition of prepaid expenses                           | -              | (4,463)        | -              | (4,118)        |
| Use of prepaid expenses                                   | -              | 4,554          | -              | 1,650          |
| <b>Other transactions</b>                                 | <b>-</b>       | <b>91</b>      | <b>-</b>       | <b>(2,468)</b> |
| <b>Decrease (increase) in net debt</b>                    | <b>1,331</b>   | <b>1,277</b>   | <b>121</b>     | <b>(907)</b>   |
| <b>Net debt at start of fiscal period</b>                 | <b>(6,715)</b> | <b>(6,121)</b> | <b>(6,836)</b> | <b>(5,214)</b> |
| <b>Net debt at end of fiscal period</b>                   | <b>(5,384)</b> | <b>(4,844)</b> | <b>(6,715)</b> | <b>(6,121)</b> |

The accompanying notes are an integral part of the consolidated financial statements.

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Year ended March 31,

| <i>In thousands of dollars</i>  | <b>2012</b>     | <b>2011</b>     |
|---|-----------------|-----------------|
| <b>Operating activities</b>   |                 |                 |
| Surplus (deficit) for the year  | (8,858)         | (11,623)        |
| Amortization of property, plant and equipment                         | 23,481          | 24,603          |
| Gains/losses on the sale of property, plant and equipment             | -               | 1               |
| Amortization of deferred revenues                                     | (1,245)         | (1,670)         |
| Sponsorships recognized as revenues                                   | (429)           | (563)           |
| <i>Statement items having no effect on cash position</i>              | <i>21,807</i>   | <i>22,371</i>   |
| Decrease (increase) in receivables                                    | (2,119)         | 1,094           |
| Increase (decrease) in accounts payable and accrued liabilities       | 1,848           | (1,040)         |
| Decrease (increase) in prepaid expenses                               | 91              | (2,468)         |
| <i>Variance in non-cash financial items</i>                           | <i>(180)</i>    | <i>(2,414)</i>  |
| <b>Cash flows from operating activities</b>                           | <b>12,769</b>   | <b>8,334</b>    |
| <b>Investment activities</b>  |                 |                 |
| Acquisition of investments  | (25,000)        | (63,000)        |
| Proceeds from the disposal and redemption of investments              | 24,000          | 66,000          |
| <b>Cash flows from investment activities</b>                          | <b>(1,000)</b>  | <b>3,000</b>    |
| <b>Financing activities</b>   |                 |                 |
| Sponsorships received for the Montréal Science Centre                 | 1,364           | 1,677           |
| <b>Cash flows from financing activities</b>                           | <b>1,364</b>    | <b>1,677</b>    |
| <b>Investment activities related to property, plant and equipment</b> |                 |                 |
| Acquisition of property, plant and equipment                          | (13,438)        | (11,422)        |
| Proceeds from the sale of property, plant and equipment               | 1               | 2               |
| <b>Cash flows from investment activities</b>                          | <b>(13,437)</b> | <b>(11,420)</b> |
| <b>Increase (decrease) in cash</b>                                    | <b>(304)</b>    | <b>1,591</b>    |
| <b>Cash at start of fiscal period</b>                                 | <b>2,761</b>    | <b>1,170</b>    |
| <b>Cash at end of fiscal period</b>                                   | <b>2,457</b>    | <b>2,761</b>    |

The accompanying notes are an integral part of the consolidated financial statements.

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**  
(in thousands of dollars)

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## **1. AUTHORITY AND ACTIVITIES**

### **1.1. The Old Port of Montréal Corporation Inc.**

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The Old Port of Montréal Corporation Inc. (hereinafter referred to as the “Corporation”) was incorporated on November 26, 1981 under the *Canada Business Corporations Act* and is a wholly-owned subsidiary of Canada Lands Company Limited, a Crown corporation named in Part I of Schedule III of the *Financial Administration Act*. In accordance with Order in Council P.C. 1987-86, the Corporation is subject to certain provisions of the *Financial Administration Act* as if it were a parent Crown corporation, agent of the Crown, listed in Part I of Schedule III of the *Financial Administration Act*.

The Corporation’s mandate is to develop and promote the development of the lands of the Old Port of Montréal, and to administer, manage and maintain the properties of Her Majesty located thereon.

## **2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

On April 1, 2011, the Corporation adopted Canadian public sector accounting standards (“PSAS”). These consolidated financial statements are the first consolidated financial statements to which the Corporation has applied these standards.

The impact of converting to PSAS on the accumulated surplus as at April 1, 2010 and March 31, 2011 is presented in Note 5. These accounting changes have been applied retroactively with prior periods being restated.

### **2.1. Exceptions to retroactive application**

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The Corporation has ensured that the estimates reflected in the opening consolidated statement of financial position prepared according to PSAS are consistent with those on the balance sheet at the same date prepared according to the old accounting methods (Generally Accepted Accounting Principles— GAAP) adjusted, where necessary, for any changes in accounting policies.

The estimates required by PSAS that were not necessary under Canadian GAAP reflect the conditions that existed at the date of the opening consolidated statement of financial position prepared according to PSAS.

### **2.2. Exemptions applied**

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In accordance with Section PS 2125, *First-time Adoption by Government Organizations*, the Corporation has chosen to apply the exemption for tangible capital asset impairment. Accordingly, the Corporation has applied the terms and criteria for the recognition of impairment of a tangible capital asset set out in Section PS 3150, *Tangible Capital Assets* on a prospective basis starting on the transition date.

The Corporation has examined the standard for first-time adoption and has determined that no other exemption proposed applies to it.

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**  
(in thousands of dollars)

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### **3. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The significant accounting policies are outlined below.

#### **3.1. Consolidation**

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The Corporation has determined that the financial statements of the Montréal Science Centre Foundation (the "Foundation") should be consolidated with its own financial statements. The Corporation has concluded that it controls the Foundation in accordance with the guidance in Section PS 1300, Government Reporting Entity.

The consolidated financial statements present the assets, liabilities, revenues and expenses of the Corporation and the Foundation, an organization controlled by the Corporation. All balances and transactions between the Foundation and the Corporation were eliminated upon consolidation.

The Foundation is a not-for-profit organization founded on March 27, 2000. It manages the funds and fund-raising activities for the sole benefit of the Montréal Science Centre.

Funds remitted to the Corporation must be used for activities of the Montréal Science Centre.

#### **3.2. Cash**

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Cash includes only cash.

#### **3.3. Investments**

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Investments include deposit certificates redeemable at any time and maturing less than 12 months from the transaction date. They are recognized at cost.

#### **3.4. Financial instruments**

---

Cash, investments, receivables and accounts payable and accrued liabilities are part of financial instruments in the normal course of the Corporation's activities. The Corporation's financial instruments are recognized at cost or amortized cost using the effective interest method on the consolidated statement of financial position. Fair value measurement was not applied since the Corporation does not hold any derivative or equity instruments listed on an active market. Accordingly, the Corporation has not prepared a statement of remeasurement gains and losses.

Financial assets comprise assets that may be used to repay existing debt or to fund future activities not intended for consumption in the normal course of operations.

Parliamentary appropriations repayable are accounted for at an amount equivalent to the excess of amounts paid over parliamentary appropriations received during the year.

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**  
(in thousands of dollars)

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**3.5. Non-financial assets**

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Non-financial assets comprise property, plant and equipment and prepaid expenses. Property, plant and equipment and prepaid expenses are recognized at cost, except for property, plant and equipment transferred to the Corporation by Public Works and Government Services Canada ("PWGSC") on November 2, 2009, which are recorded at fair value at the contribution date. Prepaid expenses are recorded as expenditures in the periods during which the services are used.

**3.6. Property, plant and equipment**

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With the exception of land and the property, plant and equipment transferred by PWGSC to the Corporation on November 2, 2009, which are recorded at fair value at the contribution date, property, plant and equipment are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives, starting on the date they are put into service. Depreciable property, plant and equipment are depreciated over the following periods:

**Buildings and structures**

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|                               |                |
|-------------------------------|----------------|
| Buildings                     | 15 to 25 years |
| Bridges, quays and structures | 15 to 40 years |

**Amenities and facilities**

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|  |                                   |
|--|-----------------------------------|
| Leasehold improvements                   | 15 to 25 years or over lease term |
| Amenities and facilities related to land | 15 to 25 years                    |
| Signage                                  | 4 to 10 years                     |
| Urban furniture                          | 15 to 25 years                    |

**Furniture, materials and equipment**

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|                                  |               |
|----------------------------------|---------------|
| Automotive equipment             | 5 years       |
| Office furniture and equipment   | 7 years       |
| Machinery, tooling and equipment | 3 to 25 years |

**Computer hardware and software**

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|          |              |
|----------|--------------|
| Hardware | 3 years      |
| Software | 3 to 5 years |

**Exhibitions**

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|             |                                     |
|-------------|-------------------------------------|
| Exhibitions | Depending on duration of exhibition |
|-------------|-------------------------------------|

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**  
(in thousands of dollars)

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When conditions indicate that a tangible capital asset no longer contributes to the Corporation's ability to provide goods and services, or that the value of future economic benefits from the capital asset is lower than its net carrying amount, the cost of the asset must be reduced to reflect its reduction in value if that reduction is expected to be permanent.

The amount of impairment loss is measured as the amount by which the asset's carrying amount exceeds the revised estimated residual value of the capital asset's service potential for the Corporation.

The government accounts for property, plant and equipment and other non-financial assets as assets since they may be used to provide government services in the future. These assets normally do not provide any resources that may be used by the government to settle its debts unless they are sold.

### **3.7. Revenues**

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#### **Quays, Montréal Science Centre, the Foundation and Corporate services**

Revenues from programming sales and parking, concession revenues, and other revenues, including revenues from La Balade, the Port d'Escale and the skating rink, are recorded during the fiscal period in which the services are rendered. Investment interest revenues are recorded on an accrual basis.

The Corporation has signed agreements with a number of sponsors that provide cash, products, advertising and other services in exchange for various benefits, including exclusive marketing rights and visibility. Sponsorships are recognized in the period to which they relate. Non-monetary transactions are recorded at fair value.

Donations and sponsorships restricted by the sponsor for specific uses are recorded under deferred revenues, while the rest are recorded under revenues.

#### **The Foundation**

Revenues are recognized during the fiscal period in which they are received or receivable if the amount receivable is reasonably estimable and its collection is reasonably assured.

### **3.8. Parliamentary appropriations**

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The Corporation receives funding in the form of parliamentary appropriations from the government of Canada (also referred to as "transfer payments"), which must be used during the year in which the funds were granted, failing which the Corporation will be required to repay the unused portion.

The parliamentary appropriations are used during the year to finance operating expenditures and acquire property, plant and equipment.

This requirement constitutes a stipulation as to how the Corporation must use the resources transferred to it or measures that it must take to maintain the transfer.

Amounts restricted for operations and acquisition of property, plant and equipment offset expenditures incurred during the year. Any excess of financing over expenditures during the year results in the recognition of a liability in respect of the parliamentary appropriation to be repaid.

The Corporation records parliamentary appropriations including stipulations as revenues during the year in which they are authorized and the Corporation meets all of the eligibility criteria, except where there is a stipulation that creates an obligation meeting the definition of a liability.

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**  
(in thousands of dollars)

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**3.9. Deferred revenues**

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Unrestricted revenues are recognized as revenues when they are received or receivable provided that collection is reasonably assured.

Externally restricted revenues are deferred and recognized as revenues during the year in which the underlying expenses are incurred. These revenues are intended for the renewal of the exhibitions or for other specific activities for the Montréal Science Centre. Revenues restricted for the acquisition of depreciable capital assets are amortized over the estimated useful lives of the capital assets acquired.

**3.10. Retirement savings plan**

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The Corporation has set up a group retirement savings plan that provides for the creation of a single trust with a corporation in the private sector to receive contributions to be used to provide retirement income for employees through individually registered retirement savings plans. The Corporation acts solely as an agent and assumes no financial responsibility or obligation regarding this plan.

**3.11. Foreign currency translation**

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Upon their initial recognition, transactions in foreign currencies are translated into Canadian dollars at the market exchange rate in effect on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are re-measured at the exchange rate in effect at the date of the consolidated financial statements.

Non-monetary items denominated in foreign currencies are kept at the historical exchange rate unless they constitute a financial instrument classified as being at fair value.

**3.12. Measurement uncertainty**

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The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Allowances for bad debts, claims from suppliers, accrued liabilities and the useful life of tangible capital property are the most significant items for which estimates must be made. Actual figures may differ substantially from these estimates.

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**  
(in thousands of dollars)

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## **4. CHANGES IN ACCOUNTING STANDARDS**

### **4.1. Published sections adopted in advance**

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#### **Revised Section PS 3410, Transfer Payments**

On April 1, 2011, the Corporation adopted revised Section PS 3410, Transfer Payments, in advance. Considering that adoption of this revised standard results in retrospective restatement, the comparative figures for 2011 were restated.

Previously, parliamentary appropriations to be used to acquire property, plant and equipment were recognized as “Deferred property, plant and equipment financing” and were amortized on the same basis and over the same periods and the related property, plant and equipment. Under revised Section PS 3410, parliamentary appropriations to be used to acquire property, plant and equipment are recognized as revenue during the period in which they are authorized and the Corporation meets all of the eligibility criteria.

The impacts of adopting PS 3410 are as follows:

- “Deferred property, plant and equipment financing” in the amount of \$89,574 and \$91,481 as at April 1, 2010 and March 31, 2011, respectively, has now been included in the accumulated surplus as at April 1, 2010 and March 31, 2011, respectively.
- “Amortization of deferred property, plant and equipment financing” for the year ending March 31, 2011, which previously was recorded as revenue in the amount of \$9,420, has been reversed in the accumulated surplus.
- Parliamentary appropriations totalling \$13,500 (\$11,200 as at March 31, 2011) received by the Corporation during the year ending March 31, 2012 and to be used to acquire property, plant and equipment in the future have been included in revenues from parliamentary appropriations.

#### **Section SP 3450, “Financial Instruments”**

The PSAB approved new Section PS 3450, Financial Instruments, in June 2011, along with conforming amendments to Section PS 1201, Financial Statement Presentation.

This new section addresses recognition and de-recognition criteria, bases of measurement and related issues as well as presentation matters and reporting obligations specific to financial instruments.

Section PS 3450 comes into effect on April 1, 2012 for government organizations, and on April 1, 2015 for governments. Early adoption is permitted. Governments and government organizations need to adopt Section PS 3450 during the same fiscal period that they adopt Section PS 2601, Foreign Currency Translation.

The Corporation adopted this standard in advance for the fiscal year ending March 31, 2012, and this did not have a significant impact on its consolidated financial statements.

#### **Section PS 2601, “Foreign Currency Translation”**

In June 2011, the PSAB approved Section PS 2601, replacing current Section PS 2601, Foreign Currency Translation. Section PS 2601 comes into effect on April 1, 2012 for government organizations and April 1, 2015 for governments. Early adoption is permitted. Governments and government organizations need to adopt Section PS 2601 during the same fiscal period that they adopt Section PS 3450, Financial Instruments.

**OLD PORT OF MONTRÉAL CORPORATION INC.**  
**Consolidated financial statements as at March 31, 2012**  
(in thousands of dollars)

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Section PS 2601 recommends the deferral and amortization of foreign exchange gains and losses resulting from the conversion of foreign currency-denominated monetary items at the financial statement date. This treatment requires the preparation of a statement of financial position for items that do not meet the definition of an asset or a liability. This Section was modified in light of the final recommendations resulting from the financial instruments project and the conceptual framework to ensure the consistency of accounting standards.

However, the Corporation chose to adopt this standard in advance for the year ended March 31, 2012. Given that the Corporation has no significant foreign currency transactions, these changes have no material impact on its financial statements.

**Section PS 1201, “Financial Statement Presentation”**

The PSAB has approved Section PS 1201, replacing the current Section PS 1200, “Financial Statement Presentation”. Section PS 1201 comes into effect on April 1, 2012 for government organizations, and on April 1, 2015 for governments. Early adoption is permitted. Government organizations are required to adopt Section PS 1201 during the same fiscal period as Section PS 2601, “Foreign Currency Translation”, and Section PS “3450, Financial Instruments”.

The new section introduces a new statement of remeasurement gains and losses, in connection with the new sections on financial instruments and foreign currency translation. The Corporation has concluded that there is no significant impact on its consolidated financial statements since it does not hold any derivative or equity instruments listed on an active market. Consequently, the Corporation has not prepared a statement of remeasurement gains and losses.

**4.2. Published sections not adopted by the Corporation**

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**Section PS 3260, “Liability for Contaminated Sites”**

In June 2010, the PSAB issued Section PS 3260, which establishes standards on accounting for and presenting a liability related to the remediation of contaminated sites. This clarifies the application of the provisions set out in sections PS 3300, “Contingent Liabilities”, and PS 3390, “Contractual Obligations”, but does not replace them.

Application of this section is mandatory starting April 1, 2014. The Corporation is in the process of evaluating the impact that its adoption will have on its consolidated financial statements.

**Section PS 3510, “Tax Revenue”**

In February 2010, the PSAB issued Section PS 3510, which establishes standards on accounting for and reporting tax revenue in government financial statements.

Adoption of this section is mandatory starting April 1, 2012. The Corporation does not foresee that its adoption will affect its consolidated financial statements.

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## 5. FIRST-TIME ADOPTION OF PSAS

As mentioned in Note 2, these consolidated financial statements are the first ones prepared by the Corporation using Canadian public sector accounting standards. In accordance with Section PS 2125, "First-time Adoption by Government Organizations", the Corporation has prepared a detailed account reconciliation in order to illustrate the effects of the conversion on its financial position and its comparative results.

### 5.1. Reconciliation of financial position as at transition date

The table below illustrates the effects of the conversion on the accumulated surplus as at the transition date, April 1, 2010, and at the adoption date, March 31, 2011.

| Equity reconciliation   | Ref. | March 31, 2011 |         | April 1, 2010 |         |
|---|------|----------------|---------|---------------|---------|
|   |      | Budget         | Actual  | Budget        | Actual  |
| <b>Retained earnings – according to GAAP</b>                                |      | (3)            | 1,660   | (3)           | 1,660   |
| Adjustments under PSAS  |      |                |         |               |         |
| Deferred property, plant and equipment financing                            | i    | 95,997         | 91,481  | 89,574        | 89,574  |
| Adjustment of property, plant and equipment transferred on November 2, 2009 | ii   | 312,541        | 312,541 | 326,050       | 326,050 |
| <b>Adjustments related to the adoption of PSAS</b>                          |      | 408,535        | 405,682 | 415,621       | 417,284 |
| Consolidation of the Foundation   |      | 258            | 116     | 137           | 137     |
| <b>Accumulated surplus – according to PSAS</b>                              |      | 408,793        | 405,798 | 415,758       | 417,421 |

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On these same dates, the Corporation also made the following reclassifications:

| <b>Reclassifications</b>                    | <b>Ref.</b> | <b>March 31, 2011</b> | <b>April 1, 2010</b> |
|---|-------------|-----------------------|----------------------|
| <b>Cash</b>                                 |             |                       |                      |
| GAAP — Restricted cash                      | iii         | (257)                 | (130)                |
| PSAS — Cash                                 |             | 257                   | 130                  |
| <b>Software</b>                             |             |                       |                      |
| GAAP — Intangible assets                    | iv          | (2,061)               | (364)                |
| PSAS — Property, plant and equipment        |             | 2,061                 | 364                  |
| <b>Deferred revenues</b>                    |             |                       |                      |
| GAAP — Current portion of deferred revenues | v           | (1,474)               | (1,833)              |
| PSAS — Deferred revenues                    |             | 1,474                 | 1,833                |

## 5.2. Income reconciliation

The following table illustrates the effects of the conversion on the surplus for the year ended March 31, 2011.

| <b>Reconciliation of comparative income</b>  | <b>Ref.</b> | <b>March 31, 2011</b> |
|--|-------------|-----------------------|
| <b>Net income — according to GAAP</b>  |             | -                     |
| Adjustments under PSAS   |             |                       |
| GAAP – Parliamentary appropriations – operating expenditures                         |             | (17,648)              |
| GAAP – Amortization of deferred property, plant and equipment financing              |             | (9,420)               |
| PSAS – Parliamentary appropriations  | i           | 28,975                |
| PSAS – Amortization of property, plant and equipment transferred on November 2, 2009 | ii          | (13,509)              |
| <b>Adjustments related to the adoption of PSAS</b>                                   |             | (11,602)              |
| Consolidation of the Foundation  |             | (21)                  |
| <b>Surplus (deficit) for the year — according to PSAS</b>                            |             | (11,623)              |

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**5.3. Nature of adjustments and reclassifications**

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**i. Deferred property, plant and equipment financing**

Section PS 3410, “*Government Transfers*”, requires that parliamentary appropriations received to acquire property, plant and equipment be recognized as revenues during the year in which they are authorized. For this reason, the Corporation reclassified these appropriations, net of related amortization, under Accumulated surplus.

**ii. Property, plant and equipment at fair value**

Under Section PS 3150, “*Tangible Capital Assets*”, the assets transferred on November 2, 2009 by PWGSC must be recognized at fair value at the contribution date.

**iii. Cash**

Section PS 3100, “*Restricted Assets and Revenues*”, does not require for restricted cash to be presented separately. Consequently, restricted cash was included with the cash balance.

**iv. Software**

Under PSAS, software is considered to constitute property, plant and equipment rather than an intangible asset.

As all of the Corporation’s intangible assets consisted of software, this item was reclassified under tangible capital assets during the conversion.

**v. Deferred revenues**

As the distinction between current and long-term is not required under PSAS, deferred revenues have been grouped together.

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## 6. INVESTMENTS

Investments include deposit certificates redeemable at any time, as follows:

|                                      | March 31,2012 | March 31, 2011 | April 1, 2010 |
|--------------------------------------|---------------|----------------|---------------|
| 1.06%, falling due February 21, 2013 | 2,000         |                |               |
| 1.05%, falling due February 4, 2013  | 1,000         |                |               |
| 1.28%, falling due June 10, 2012     | 2,000         |                |               |
| 1.40%, falling due April 19, 2012    | 1,000         |                |               |
| 1.46%, falling due February 4, 2012  |               | 1,000          |               |
| 1.46%, falling due January 26, 2012  |               | 4,000          |               |
| 0.82%, falling due March 25, 2011    |               |                | 8,000         |
| <b>Investments</b>                   | <b>6,000</b>  | <b>5,000</b>   | <b>8,000</b>  |

## 7. RECEIVABLES

|                     | March 31,2012 | March 31, 2011 | April 1, 2010 |
|---------------------|---------------|----------------|---------------|
| Accounts receivable | 322           | 434            | 1,748         |
| Other receivables   | 3,014         | 783            | 563           |
| <b>Receivables</b>  | <b>3,336</b>  | <b>1,217</b>   | <b>2,311</b>  |

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

|   | March 31,2012 | March 31, 2011 | April 1, 2010 |
|---|---------------|----------------|---------------|
| Suppliers                                       | 6,928         | 5,020          | 7,411         |
| Accrued costs                                   | 2,686         | 2,836          | 1,553         |
| Other accounts payable                          | 1,637         | 1,547          | 1,479         |
| <b>Accounts payable and accrued liabilities</b> | <b>11,251</b> | <b>9,403</b>   | <b>10,443</b> |

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## 9. GOVERNMENT FUNDING

The Corporation receives its funding from the Government of Canada based on cash flow requirements. The Treasury Board Secretariat allotted a parliamentary appropriation in the amount of \$30,373 for the 2012 fiscal year (\$28,987 in 2011).

Items recognized in the Consolidated statement of income in one year may be funded by the Government of Canada in different years. Accordingly, the Corporation has different net results of operations for the year on a government funding basis than on a Canadian public sector accounting standards basis. These differences are outlined below:

|   | March 31, 2012 | March 31, 2011 |
|---|----------------|----------------|
| Excess of operating expenditures over revenues                              | 39,230         | 40,598         |
| Items not affecting government funding:                                     |                |                |
| Foundation income   | (24)           | (21)           |
| Net of revenues and expenditures between the Corporation and the Foundation | (26)           | 4              |
| Amortization of the Foundation's property, plant and equipment              | (11)           | (5)            |
| Amortization of the Corporation's property, plant and equipment             | (23,470)       | (24,598)       |
| Amortization of deferred revenues   | 1,245          | 1,670          |
| Parliamentary appropriations required to fund operations                    | 16,944         | 17,648         |
| Amount used to acquire property, plant and equipment                        | 13,428         | 11,327         |
| <b>Total parliamentary appropriations used</b>                              | <b>30,372</b>  | <b>28,975</b>  |
| Parliamentary appropriations approved                                       | 30,373         | 28,987         |
| Parliamentary appropriations received                                       | 28,373         | 28,987         |
| Parliamentary appropriations receivable                                     | 2,000          | -              |
| Repayable parliamentary appropriations for the current year                 | (1)            | (12)           |
| Repayable parliamentary appropriations for previous years                   | (18)           | (6)            |
| <b>Parliamentary appropriations receivable (repayable)</b>                  | <b>1,981</b>   | <b>(18)</b>    |

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## 10. DEFERRED REVENUES

Deferred revenues represent the unrecognized portion of externally restricted revenues used to acquire capital assets or to be used for other specific activities for the Montréal Science Centre. The principal deferred revenues relate primarily to financing the construction of the Belvédère, amounts received for the Montréal Science Festival to be held in June 2012 and the fund-raising campaign to renew the Montréal Science Centre's permanent exhibitions. Changes in the balance of deferred revenues may be explained as follows:

|   | <b>2012</b> | <b>2011</b> |
|---|-------------|-------------|
| Balance, beginning of year  | 5,696       | 6,252       |
| Plus:   |             |             |
| Sponsorships  | 1,364       | 1,677       |
| Additions   | 1,364       | 1,677       |
| Less:   |             |             |
| Sponsorships recognized as revenues   | 429         | 563         |
| Amortization of revenues restricted for the purchase of depreciable property, plant and equipment | 1,245       | 1,670       |
| Subtractions  | 1,674       | 2,233       |
| Balance, end of year  | 5,386       | 5,696       |

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**11. PROPERTY, PLANT AND EQUIPMENT**

The Corporation's property, plant and equipment are detailed as follows:

| Cost                                     | March 31,<br>2012 | Acquisitions  | Disposals  | March 31,<br>2011 | Acquisitions  | Disposals  | April 1,<br>2010 |
|--|-------------------|---------------|------------|-------------------|---------------|------------|------------------|
| Land                                     | 39,427            | -             | -          | 39,427            | -             | -          | 39,427           |
| Buildings                                | 68,030            | 1,615         | -          | 66,415            | 1,646         | 2          | 64,771           |
| Leasehold improvements                   | 64                | -             | -          | 64                | -             | -          | 64               |
| Amenities and facilities related to land | 30,502            | 377           | -          | 30,125            | 154           | -          | 29,971           |
| Automotive equipment                     | 1,384             | 59            | 72         | 1,397             | 155           | 38         | 1,280            |
| Office furniture and equipment           | 2,863             | 49            | 18         | 2,832             | 209           | -          | 2,623            |
| Urban furniture                          | 1,658             | 274           | -          | 1,384             | 476           | 1          | 909              |
| Computer hardware                        | 3,188             | 160           | 129        | 3,157             | 389           | 289        | 3,057            |
| Software                                 | 4,468             | 152           | 92         | 4,408             | 2,247         | -          | 2,161            |
| Machinery, equipment and tooling         | 15,257            | 1,118         | 95         | 14,234            | 1,169         | 1          | 13,066           |
| Exhibitions                              | 10,695            | 57            | 413        | 11,051            | 1,279         | -          | 9,772            |
| Bridges, quays and structures            | 286,626           | 1,812         | -          | 284,814           | 4,452         | -          | 280,362          |
| Signage                                  | 1,673             | -             | -          | 1,673             | 152           | -          | 1,521            |
| Work in process                          | 13,305            | 7,765         | -          | 5,540             | (906)         | -          | 6,446            |
| <b>Total - Cost</b>                      | <b>479,140</b>    | <b>13,438</b> | <b>819</b> | <b>466,521</b>    | <b>11,422</b> | <b>331</b> | <b>455,430</b>   |

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| Amortization                             | March 31,<br>2012 | Amortization<br>expense | Disposals  | March 31,<br>2011 | Amortization<br>expense | Disposals  | April 1,<br>2010 |
|--|-------------------|-------------------------|------------|-------------------|-------------------------|------------|------------------|
| Buildings                                | 8,590             | 2,945                   | -          | 5,645             | 2,861                   | 1          | 2,785            |
| Leasehold improvements                   | 25                | 3                       | -          | 22                | 3                       | -          | 19               |
| Amenities and facilities related to land | 6,117             | 2,047                   | -          | 4,070             | 2,030                   | -          | 2,040            |
| Automotive equipment                     | 1,098             | 89                      | 72         | 1,081             | 62                      | 38         | 1,057            |
| Office furniture and equipment           | 2,328             | 177                     | 17         | 2,168             | 189                     | -          | 1,979            |
| Urban furniture                          | 253               | 113                     | -          | 140               | 93                      | -          | 47               |
| Computer hardware                        | 2,762             | 426                     | 129        | 2,465             | 431                     | 289        | 2,323            |
| Software                                 | 3,055             | 828                     | 92         | 2,319             | 522                     | -          | 1,797            |
| Machinery, equipment and tooling         | 8,728             | 1,089                   | 95         | 7,734             | 1,048                   | -          | 6,686            |
| Exhibitions                              | 10,619            | 1,068                   | 413        | 9,964             | 2,805                   | -          | 7,159            |
| Bridges, quays and structures            | 35,674            | 14,528                  | -          | 21,146            | 14,401                  | -          | 6,745            |
| Signage                                  | 951               | 168                     | -          | 783               | 158                     | -          | 625              |
| <b>Total - Amortization</b>              | <b>80,200</b>     | <b>23,481</b>           | <b>818</b> | <b>57,537</b>     | <b>24,603</b>           | <b>328</b> | <b>33,262</b>    |

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| Net book value                           | March 31,<br>2012 | March 31,<br>2011 | April 1,<br>2010 |
|--|-------------------|-------------------|------------------|
| Land                                     | 39,427            | 39,427            | 39,427           |
| Buildings                                | 59,440            | 60,770            | 61,986           |
| Leasehold improvements                   | 39                | 42                | 45               |
| Amenities and facilities related to land | 24,385            | 26,055            | 27,931           |
| Automotive equipment                     | 286               | 316               | 223              |
| Office furniture and equipment           | 535               | 664               | 644              |
| Urban furniture                          | 1,405             | 1,244             | 862              |
| Computer hardware                        | 426               | 692               | 734              |
| Software                                 | 1,413             | 2,089             | 364              |
| Machinery, equipment and tooling         | 6,529             | 6,500             | 6,380            |
| Exhibitions                              | 76                | 1,087             | 2,613            |
| Bridges, quays and structures            | 250,952           | 263,668           | 273,617          |
| Signage                                  | 722               | 890               | 896              |
| Work in process                          | 13,305            | 5,540             | 6,446            |
| <b>Total – Net book value</b>            | <b>398,940</b>    | <b>408,984</b>    | <b>422,168</b>   |

The value of the work of art owned by the Foundation has not been taken into account in the amount of property, plant and equipment since it is impossible to make a reasonable estimate of the related future economic benefits.

During the years ended March 31, 2012 and March 31, 2011, no impairment loss was recorded in respect of the Corporation's assets.

## **12. CAPITAL STOCK**

The Corporation is authorized to issue a single share with a par value of \$1, to be held in trust for Her Majesty in Right of Canada. The share may not be transferred without the consent of the Governor General in Council. The authorized share has been issued in consideration of services rendered.

The accumulated surplus comprises the accumulated surplus (deficit) related to operations and capital stock.

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### **13. SEGMENTED INFORMATION**

For financial reporting purposes, the sectors representing the Corporation's main activities are the Quays, the Montréal Science Centre and the Foundation. Items that do not fall under these sectors are grouped under the heading "Corporate services."

The Corporation's activities relating to the Quays include maintaining and showcasing the historical, tourism and cultural heritage of the Old Port of Montréal, which particularly include organizing festivities and seasonal activities.

Where the Science Centre is concerned, the Corporation organizes permanent and temporary exhibitions to propose an interactive educational approach to science, technology and innovation. The Science Centre also has an Imax Theatre, conference space and various commercial concessions.

The Foundation manages the funds and fund-raising activities for the sole benefit of the Montréal Science Centre.

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|                                   | Quays        |              | Montréal Science Centre |               | Foundation |            | Corporate services |            | Total         |               |
|-----------------------------------|--------------|--------------|-------------------------|---------------|------------|------------|--------------------|------------|---------------|---------------|
|                                   | 2012         | 2011         | 2012                    | 2011          | 2012       | 2011       | 2012               | 2011       | 2012          | 2011          |
| <b>Revenues</b>                   |              |              |                         |               |            |            |                    |            |               |               |
| Parking                           | 2,389        | 2,622        | 2,247                   | 1,986         | -          | -          | -                  | -          | 4,636         | 4,608         |
| Events/corporate rentals          | 287          | 262          | 1,132                   | 1,002         | 294        | 208        | -                  | -          | 1,713         | 1,472         |
| Concessions                       | 1,420        | 1,339        | 628                     | 560           | 105        | 50         | -                  | -          | 2,153         | 1,949         |
| Member contributions              | -            | -            | -                       | -             | -          | -          | -                  | -          | -             | -             |
| Sponsorships and donations        | 1,161        | 1,058        | 594                     | 691           | 3          | -          | -                  | -          | 1,758         | 1,749         |
| Programming                       | 784          | 848          | 6,310                   | 4,768         | -          | -          | -                  | -          | 7,094         | 5,616         |
| Amortization of deferred revenues | -            | -            | 1,245                   | 1,670         | -          | -          | -                  | -          | 1,245         | 1,670         |
| Interest                          | -            | -            | -                       | -             | 57         | 17         | 97                 | 155        | 154           | 172           |
| Other                             | 194          | 65           | 486                     | 36            | 9          | 12         | 20                 | 71         | 709           | 184           |
| <b>Total revenues</b>             | <b>6,235</b> | <b>6,194</b> | <b>12,642</b>           | <b>10,713</b> | <b>468</b> | <b>287</b> | <b>117</b>         | <b>226</b> | <b>19,462</b> | <b>17,420</b> |

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|   | Quays         |               | Montréal Science Centre |               | Foundation |            | Corporate services |              | Total         |               |
|---|---------------|---------------|-------------------------|---------------|------------|------------|--------------------|--------------|---------------|---------------|
|   | 2012          | 2011          | 2012                    | 2011          | 2012       | 2011       | 2012               | 2011         | 2012          | 2011          |
| <b>Expenditures</b>                           |               |               |                         |               |            |            |                    |              |               |               |
| Management and administrative services        | -             | -             | -                       | -             | 355        | 171        | 5,475              | 5,325        | 5,830         | 5,496         |
| Parking                                       | 1,148         | 1,250         | 225                     | 257           | -          | -          | -                  | -            | 1,373         | 1,507         |
| Events/corporate rentals                      | 1,267         | 1,298         | 414                     | 417           | 110        | 136        | -                  | -            | 1,791         | 1,851         |
| Concessions                                   | 248           | 158           | 50                      | 10            | -          | -          | -                  | -            | 298           | 168           |
| Sponsorship and donation costs                | 389           | 211           | 123                     | 199           | -          | -          | -                  | -            | 512           | 410           |
| Programming                                   | 917           | 982           | 8,835                   | 8,089         | -          | -          | -                  | -            | 9,752         | 9,071         |
| Maintenance, repairs, prevention              | 4,994         | 4,721         | 1,646                   | 1,252         | -          | -          | 369                | 339          | 7,009         | 6,312         |
| Communications                                | 1,180         | 1,241         | 1,793                   | 1,239         | 27         | 1          | 66                 | 270          | 3,066         | 2,751         |
| Public relations                              | 116           | 129           | 247                     | 164           | -          | -          | -                  | 89           | 363           | 382           |
| Utilities                                     | 1,320         | 1,311         | 2,574                   | 2,557         | -          | -          | 120                | 119          | 4,014         | 3,987         |
| Information technology                        | 205           | 163           | 311                     | 287           | -          | -          | 303                | 325          | 819           | 775           |
| Clothing                                      | 72            | 55            | 31                      | 10            | -          | -          | -                  | -            | 103           | 65            |
| Other   | 102           | 224           | 179                     | 416           | -          | -          | -                  | -            | 281           | 640           |
| <b>Total expenditures before amortization</b> | <b>11,958</b> | <b>11,743</b> | <b>16,428</b>           | <b>14,897</b> | <b>492</b> | <b>308</b> | <b>6,333</b>       | <b>6,467</b> | <b>35,211</b> | <b>33,415</b> |
| Amortization                                  |               |               |                         |               |            |            |                    |              | 23,481        | 24,603        |
| <b>Total expenditures</b>                     | <b>11,958</b> | <b>11,743</b> | <b>16,428</b>           | <b>14,897</b> | <b>492</b> | <b>308</b> | <b>6,333</b>       | <b>6,467</b> | <b>58,692</b> | <b>58,018</b> |

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**14. SUMMARY OF OPERATING EXPENDITURES BY CATEGORY**

|                                     | 2012          | 2011          |
|-------------------------------------|---------------|---------------|
| Salaries and benefits               | 16,344        | 16,463        |
| Amortization                        | 23,481        | 24,603        |
| Taxes, permits, rent and utilities  | 4,587         | 4,592         |
| Advertising                         | 3,793         | 3,052         |
| Maintenance                         | 3,092         | 2,596         |
| Professional fees                   | 1,428         | 1,411         |
| Activity contract                   | 992           | 1,013         |
| Exhibitions                         | 962           | 792           |
| Film rentals                        | 795           | 835           |
| Office expenses                     | 665           | 547           |
| Development and research costs      | 347           | 257           |
| Equipment and tooling               | 357           | 296           |
| Travel and entertainment            | 302           | 287           |
| Insurance                           | 245           | 240           |
| Bad debts                           | 237           | 10            |
| Software maintenance                | 220           | 207           |
| Telecommunications                  | 217           | 399           |
| Vehicle and equipment rentals       | 137           | 137           |
| Training                            | 57            | 69            |
| Other                               | 434           | 212           |
| <b>Total operating expenditures</b> | <b>58,692</b> | <b>58,018</b> |

**15. NON-MONETARY TRANSACTIONS**

The Corporation has granted exclusive rights to certain sponsors for the sale of their products in exchange primarily for advertising. These non-monetary transactions were carried out with related parties and arm's length parties and were recorded equally in revenues and expenditures. They were valued at \$524 (\$384 in 2011), which represents the fair value attributed to the goods and services received. If the fair value of the goods and services received cannot be reliably assessed the non-monetary transactions are measured at the fair value of the goods and services provided in exchange.

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## **16. CONTINGENCIES**

The Corporation's activities are governed by many federal, provincial and municipal laws and by-laws to ensure sound environmental practices, in particular for the management of emissions, sewage, hazardous materials, waste and soil contamination. Decisions relating to the ownership of real estate assets and any other activity carried on by the Corporation have an inherent risk relating to environmental responsibility.

The Corporation assessed all of its activities and all of its sites and facilities involving risks to determine potential environmental risks. Sites and facilities considered to represent an environmental risk were or will be examined in detail and corrective measures have been or will be taken, as necessary, to eliminate or mitigate these risks. The ongoing risk management process currently in place enables the Corporation to examine its activities and property under normal operating conditions and to follow up on accidents that occur. The property that may be contaminated, or the activities or property that may cause contamination, are taken charge of immediately as soon as contamination is noted, thanks to an action plan developed depending upon the nature and extent of the repercussions as well as the applicable requirements. We therefore have no guarantee that material liabilities and costs relating to environmental issues will not be incurred in the future or that such liabilities and costs will not have significant negative impacts on the Corporation's financial situation.

In the normal course of its activities, the Corporation is either a claimant or a defendant in a number of claims or lawsuits. Various claims have been filed or lawsuits instituted against the Corporation. In management's opinion, the outstanding issues are of a current nature. Management is of the opinion that the resolution of these contingencies should not have a major impact on the Corporation's financial situation.

## **17. COMMITMENTS**

### **17.1. Commitments relating to operating expenditures and acquisitions of property, plant and equipment**

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As at March 31, 2012, the Corporation's total commitments amounted to \$1,449 (\$817 in 2011), including \$464 (\$776 in 2011) for maintenance services, advertising contracts and professional services and \$985 (\$41 in 2011) for the acquisition of property, plant and equipment. Payments under these contracts must be made within the next five years.

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**17.2. Operating leases**

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Operating leases mainly pertain to the rental of space to operate parking facilities and administrative offices and to the rental of property. Future minimum lease payments to be made annually under these operating leases are as follows in the next five years:

|  |       |
|--|-------|
| 2012—2013                                    | 2,474 |
| 2013—2014                                    | 766   |
| 2014—2015                                    | 549   |
| 2015—2016                                    | 537   |
| 2016—2017                                    | 398   |
| <hr/>  |       |
| Total minimum lease payments in future years | 4,724 |

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Of this amount, the commitment under a lease with the Montréal Port Authority, a related party, represents \$2,426 (\$375 in 2011).

## **18. ASSET RETIREMENT OBLIGATIONS**

The Corporation operates certain structures under an operating lease. The agreement signed by the parties includes a clause which stipulates that upon expiry of the lease the owner will retake control of these structures without providing any compensation for any additions or modifications made by the Corporation to the initial structures, provided that the owner considers them to be in satisfactory condition. According to the Corporation, the changes made to the structures since it has had responsibility for management thereof satisfy the lessor's requirements. Accordingly, no liability relating to the retirement of these assets has been recognized in the consolidated financial statements.

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**19. MANAGEMENT OF RISKS RELATED TO FINANCIAL INSTRUMENTS**

*Credit risk*

Credit risk is the risk that a party to a financial instrument will fail to meet one of its obligations, causing the other party to incur a financial loss. The Corporation's credit risk relates mainly to its receivables. The Corporation manages credit risk by monitoring and analyzing its balances receivable on a continual basis. The Corporation's exposure to bad debts is not material. Finally, since there is no concentration of receivables, the credit risk is low.

The Corporation's maximum credit risk exposure is equivalent to the carrying amount of receivables as at March 31 and the Corporation establishes an accumulated bad debt allowance for all of its clients:

|  | <b>March 31, 2012</b> | <b>March 31, 2011</b> |
|--|-----------------------|-----------------------|
| Current - 30 days                      | 3,221                 | 911                   |
| 31 — 90 days                           | 78                    | 185                   |
| 91 days and more                       | 300                   | 153                   |
| Bad debt allowance                     | (263)                 | (32)                  |
| <b>Total</b>                           | <b>3,336</b>          | <b>1,217</b>          |
| Allowance — Balance, beginning of year | 32                    | 26                    |
| Bad debt expense                       | 237                   | 10                    |
| Receivables written off and recoveries | (6)                   | (4)                   |
| <b>Balance, end of year</b>            | <b>263</b>            | <b>32</b>             |

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*Liquidity risk*

Liquidity risk is the risk that an entity will have difficulty meeting its commitments related to financial liabilities. The Corporation manages its liquidity risk in a manner to maintain a sufficient amount of cash. The Corporation establishes budget and cash forecasts in order to ensure that it has the necessary funds to meet its obligations.

Contractual maturities as at March 31 for accounts payable are presented below:

|                   | <b>March 31, 2012</b> | <b>March 31, 2011</b> |
|-------------------|-----------------------|-----------------------|
| Current - 30 days | 10,335                | 9,007                 |
| 31 — 90 days      | 411                   | 41                    |
| 91 days and more  | <b>505</b>            | <b>355</b>            |
| <b>Total</b>      | <b>11,251</b>         | <b>9,403</b>          |

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*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate according to changes in market price. Market risk includes interest rate and foreign currency risk. The Corporation's investment policy provides that any excess cash should be invested in top-quality redeemable term deposits.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rate. In order to manage this risk, the Corporation invests in fixed-rate short-term securities. A variation in the interest rates would not have a significant impact on the net results.

*Currency risk exposure*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Corporation carries on activities for which certain expenditures are in U.S. dollars. Given that these expenditures represent a minor portion of the Corporation's expenditures, the variation between the Canadian and U.S. dollars cannot have a significant impact on the Corporation's net results, its financial position or its cash flows. The Corporation has not hedged its currency risk exposure.

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