Old Port of Montréal Corporation Inc.

Unaudited Interim Financial Statements

Second quarter, ended September 30, 2011

FINANCIAL ANALYSIS....................2

STATEMENT OF MANAGEMENT RESPONSIBILITY....................6

UNAUDITED INTERIM FINANCIAL STATEMENTS....................7

- SECOND QUARTER, ENDED SEPTEMBER 30, 2011

FINANCIAL ANALYSIS

The following section should be read in conjunction with the Corporation's unaudited interim financial statements for the second quarter, ended June 30, 2011, and the related notes.

Statement of operations (in thousands of dollars)

	Results as at September 30, 2011	Budget as at September 30, 2011	Variance between results and budget		Results as at September 30, 2010
			$	%	
Operating revenues	11,029	11,273	(244)	-2.2%	10,414
Amortization of deferred contributions	623	617	7	1.1%	618
Total revenue	**11,652**	**11,890**	**(238)**	**-2.00%**	**11,032**
Operating expenditures (before depreciation)	17,014	17,952	938	5.2%	16,627
Depreciation of capital assets	4,923	5,182	259	5.0%	4,547
Total expenditures	**21,937**	**23,134**	**1,197**	**5.17%**	**21,174**

The operating deficit (before depreciation) amounts to $5,985 K compared with $6,213 K in 2009–2010, a decrease of $228 K (3.7%). This decrease is attributable to an increase of $615 K in operating revenues, combined with an increase of $387 K in expenditures, most of which is due to increased costs for maintenance and professional services.

The operating deficit (before depreciation) is $694 K lower than the $6,679 K budgeted. This variance is attributable to an unfavourable variance of 2.2% in revenues and a reduction of 5.2% in our operating expenditures, due primarily to lower labour costs related to several unfilled positions, combined with a reduction in professional services.

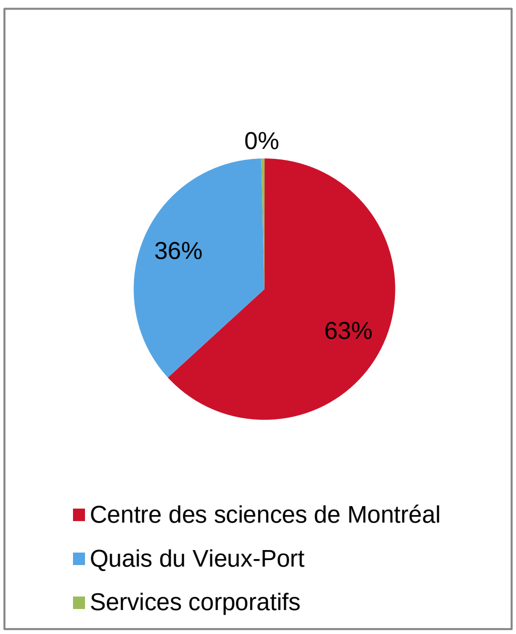
Revenues (in thousands of dollars)

	Results as at September 30, 2011	Budget as at September 30, 2011	Variance between results and budget $	Variance between results and budget %	Results as at September 30, 2010
Montréal Science Centre	6,970	7,217	(247)	-3.4%	5,990
Quays of the Old Port	4,015	4,001	14	0.3%	4,301
Corporate services	44	55	(11)	-0.2	123
`	**11,029**	**11,273**	**(244)**	**-2.2%**	**10,414**

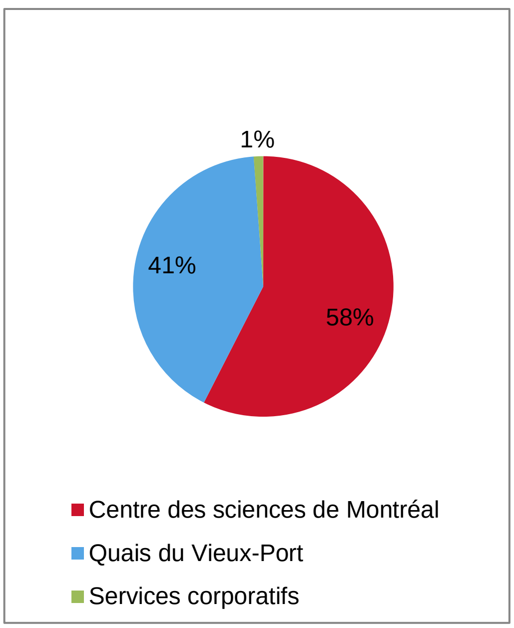
Self-generated revenues related to the Corporation's products as at September 30, 2011 amounted to $11,029 K compared with $10,414 K as at September 30, 2010, an increase of 5.9% or $615 K. The arrival of the exhibition *Indiana Jones* and rental revenues from the exhibitions *Sex* and *The Science of Glass*, versus a reduction in parking revenues due to the later arrival of the Cirque du Soleil this year, explain these variances.

Total revenues as at September 30, 2011 were $244 K lower than set out in the Corporate Plan. This reduction in revenues stems from unfavourable IMAX®TELUS Theatre and parking results.

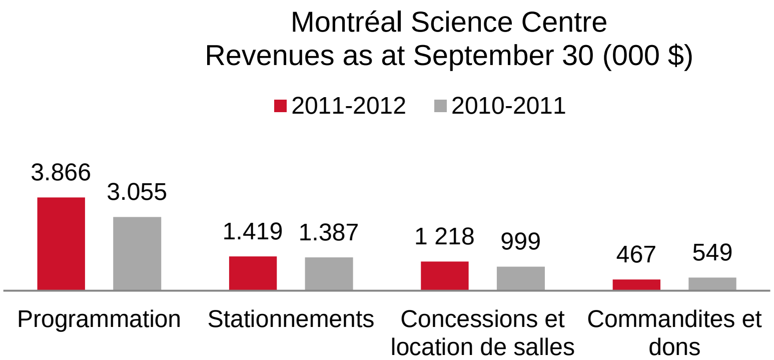
Revenues % as at September 30, 2011



Revenues % as at September 30, 2010

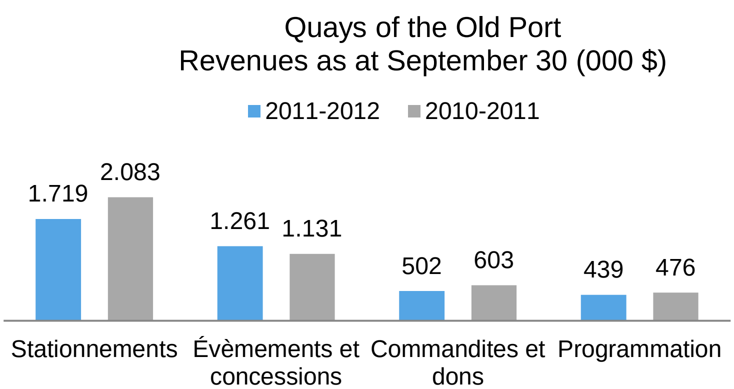


Montréal Science Centre



Programming revenues, which include revenues from the IMAX®TELUS Theatre and exhibitions, totalled $3,866 K in 2011–2012, compared with $3,055 K in 2010–2011. This increase is attributable to the exhibition *Indiana Jones*. Corporate rentals have also increased this year.

Quays of the Old Port



Parking revenues decreased by $364 K (17.5%). This decrease is attributable, in particular, to the later arrival of the Cirque du Soleil this year and to the closure of the Clock Tower Quay for major renovations until mid-June. Revenues from events and concessions increased by $130 K (11.5%), primarily due to the arrival of new concession holders.

Expenditures (in thousands of dollars)

	Results as at September 30, 2011	Budget as at September 30, 2011	Variance between results and budget		Results as at September 30, 2010
			$	%	
Montréal Science Centre	7,889	8,442	553	6.6%	7,794
Quays of the Old Port	6,475	6,387	(88)	-1.4%	6,380
Corporate services	2,650	3,123	473	15.1%	2,453
Total operating expenditures (before depreciation)	**17,014**	**17,952**	**938**	**5.2%**	**16,627**
Depreciation of capital assets	4,923	5,182	259	5.0%	4,547
Total expenditures	**21,937**	**23,134**	**1,197**	**5.2%**	**21,174**

Total operating expenditures (before depreciation) as at September 30, 2011 increased by $387 K (2.3%) compared with September 30, 2010, due primarily to increased costs for maintenance and professional services. Notable is a decrease in operating expenditures (before depreciation) of $ 938K (5.2%) compared to the budget in the 2011–2012 Corporate Plan. This is due to unfilled positions and professional services.

Montréal Science Centre

Expenditures related to the Montréal Science Centre were $7,889 K, an increase of $95 K (1.2%) compared with September 2010. This variation stemmed primarily from advertising costs.

Quays of the Old Port

Expenditures related to the Quays of the Old Port were $6,475 K as at September 30, 2011, an increase of $95 K (1.5%) compared with September 2010. This variance was due primarily to maintenance costs.

Corporate services

Expenditures related to corporate services totalled $2,650 K as at September 30, 2011, in increase of $197 K (8.0%) compared with September 2010. This variation was due primarily to professional services.

STATEMENT OF MANAGEMENT RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation, as at the date of and for the periods presented in the quarterly financial statements.

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

Mario De Fanti, CGA
Vice-president, Finance and Administration

Montréal, November 24, 2011

UNAUDITED INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

In thousands of dollars	**Note**	**September 30, 2011**	**March 31, 2011**	**April 1, 2010**
Financial assets				
Cash	**6**	420	1,298	628
Investments	**7**	7,000	4,000	7,000
Receivables	**8**	1,363	1,213	2,309
Financial assets		**8,783**	**6,511**	**9,937**
Liabilities				
Accounts payable and accrued liabilities	**9**	4,918	9,351	10,383
Repayable parliamentary appropriations		18	18	6
Deferred property, plant and equipment financing		86,561	91,481	89,574
Deferred contributions		2,535	3,352	4,899
Advances on parliamentary appropriations		7,507	-	-
Liabilities		**101,539**	**104,202**	**104,862**
Net debt		**(92,756)**	**(97,691)**	**(94,925)**
Non-financial assets				
Property, plant and equipment	**10**	94,204	96,416	96,118
Prepaid expenses		1,529	2,935	467
Non-financial assets		95,733	99,351	96,585
Share		-	-	-
Accumulated surplus		**2,977**	**1,660**	**1,660**

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

STATEMENT OF INCOME

In thousands of dollars	Note	September 30, 2011 Budget	September 30, 2011 Actuals	September 30, 2010 Actuals
Revenues				
Quays	11	4,001	4,015	4,301
Montréal Science Centre	11	7,834	7,593	6,608
Corporate services	11	55	44	123
Revenues	11	11,890	11,652	11,032
Operating expenditures				
Quays	11	6,387	6,475	6,380
Montréal Science Centre	11	8,442	7,889	7,794
Corporate services	11	3,123	2,650	2,453
Depreciation of plant, property and equipment		5,182	4,923	4,547
Operating expenditures	12	23,134	21,937	21,174
Excess of operating expenditures over revenue		(11,244)	(10,285)	(10,142)
Parliamentary appropriations – operating expenditures		6,563	6,679	6,756
Amortization of deferred property, plant and equipment financing		4,566	4,923	4,550
Fiscal year surplus (deficit)		(115)	1,317	1,164
Opening accumulated surplus			1,660	1,660
Closing accumulated surplus		(115)	2,977	2,824

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

STATEMENT OF CHANGE IN NET DEBT

In thousands of dollars	September 30, 2011 Budget	September 30, 2011 Actuals	September, 30 2010 Actuals
Fiscal period surplus (deficit)	(115)	1,317	1,164
Acquisition of property, plant and equipment	(6,750)	(2,711)	(2,174)
Depreciation of property, plant and equipment	5,182	4,923	4,547
Operations related to tangible capital assets	(1,568)	2,212	2,373
Acquisition of prepaid expenses	(450)	(1,529)	(1,277)
Use of prepaid expenses	450	2,935	467
Other operations	-	1,406	(810)
Reduction (Increase) in net debt	(1,683)	4,935	2,727
Net debt at start of fiscal period	(97,691)	(97,691)	(94,925)
Net debt at end of fiscal period	(99,374)	(92,756)	(92,198)

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

STATEMENT OF CASH FLOWS

In thousands of dollars	**September 30, 2011 Actuals**	**September 30, 2010 Actuals**
Operating activities		
Fiscal period surplus (deficit)	1,317	1,164
Depreciation of property, plant and equipment	4,923	4,547
Amortization of deferred property, plant and equipment	(4,923)	(4,550)
Amortization of deferred contributions	(623)	(618)
Sponsorships recognized as revenue	(365)	(464)
Parliamentary appropriations recognized as revenue	(6,679)	(6,756)
Statement items having no effect on cash position	(6,350)	(6,677)
Reduction (increase) in receivables	(150)	1,306
(Reduction) increase in accounts payable and accrued liabilities	(4,433)	(6,509)
Reduction (increase) in prepaid expenses	1,406	(810)
Variance in non-cash financial elements	(3,177)	(6,013)
Cash flows from operating activities	**(9,527)**	**(12,690)**
Financing activities		
Parliamentary appropriations	14,186	21,055
Sponsorships received for the MSC	174	258
Cash flows from financing activities	14,360	21,313
Investment activities		
Disposal (increase) of investments	(3,000)	(5,000)
Acquisition of property, plant and equipment	(2,711)	(2,174)
Cash flows from investment activities	(5,711)	(7,174)
Increase (reduction) in liquid assets	(878)	1,449
Cash at start of fiscal period	1,298	628
Cash at end of fiscal period	420	2,077

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

1. AUTHORITY AND ACTIVITIES

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 FOR PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements are the second interim financial statements prepared under the Public Sector Accounting Standards (PSAS). They should be read in conjunction with the most recent financial statements prepared under the old frame of reference.

The conversion to the new system took effect on April 1, 2011, with application retroactive to April 1, 2010. The impact on the accumulated surplus as at April 1, 2010, as at September 30, 2010, and as at March 31, 2011 is presented in Note 5, and the related significant accounting principles in Note 4.

2.1. Exceptions to retroactive application

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

The estimates required by PSAS that were not necessary under Canada’s GAAP reflect the conditions that existed on the date of the initial statement of financial position prepared according to the PSAS.

2.2. Applied Exemptions

In compliance with section PS 2125, First-time Adoption by Government Organizations, the Corporation has chosen to apply the exemption for tangible capital asset impairment. The criteria and methods of impairment of tangible capital assets set out in section PS 3150 are therefore applied prospectively starting from the date of transition.

No other exemption under the new standard applies to the Corporation.

3. STANDARDS CHANGES

3.1. Published sections adopted in advance

Section PS 3410, Government Transfers

Section PS 3410 on government transfers was revised by the Public Sector Accounting Board (PSAB) in December 2010.

The primary changes deal with recognition criteria for government transfers by the recipient, which affects the accounting treatment of parliamentary appropriations received by the Corporation.

These amendments apply to fiscal periods beginning April 1, 2012, and their early adoption is encouraged. The Corporation therefore decided to apply it in advance for the fiscal year ending March 31, 2012.

Section PS 3450, Financial Instruments

The PSAB approved the new Section PS 3450, Financial Instruments, in March, 2011, along with related amendments to Section PS 1200, Financial Statement Presentation.

Section PS 3450 comes into effect on April 1, 2012 for government organizations, and on April 1, 2015 for governments. Early adoption is permitted. Government and government organizations 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 financial statements.

Section PS 2601, Foreign Currency Translation

The PSAB issued Section PS 2601 in March 2011, replacing the current Section PS 2600, Foreign Currency translation. Section PS 2601 comes into effect on April 1, 2012 for government organizations, and on April 1, 2015 for governments. Early adoption is permitted. Government and government organizations adopt Section PS 2601 during the same fiscal period that they adopt Section PS 3450, Financial Instruments.

As the Corporation does not have significant transactions in foreign currencies, these modifications had no impact on the OPMC's financial statements. The Corporation did, however, decide to adopt this standard in advance for the fiscal year ending March 31, 2012.

Section PS 1201, Financial Statement Presentation

The PSAB approved Section PS 1201 in March 2011, 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.

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 the OPMC's financial statements.

Government organizations must adopt Section PS 1201 during the same fiscal period as Section PS 2601, Foreign Currency Translation, and Section PS 3450, Financial Instruments. The Corporation therefore decided to apply Section PS 1201 in advance for the fiscal year ending March 31, 2012.

3.2. Published sections not adopted by the Corporation

Section PS 3260, Liability for Contaminated Sites

The PSAB issued Section PS 3260, which establishes standards for 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 does not foresee that its adoption will affect its financial statements.

Section PS 3510, Tax Revenue

The PSAB issued Section PS 3510, which establishes standards on accounting for and reporting related to 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 financial statements.

Sections PS 4200 to 4270, accounting standards applicable to not-for-profit organizations

The PSAB issued chapters PS 4200 to 4270 in September 2010, which apply solely to public-sector not-for-profit organizations. These standards come into effect for fiscal periods starting January 1, 2012.

Given that these sections concern only not-for-profit organizations, they are not applicable to the Corporation's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with public sector accounting standards. Significant accounting policies are described below.

4.1. Cash

The Corporation's cash position is composed entirely of cash on hand.

4.2. Investments

Investments are made up of deposit certificates redeemable at any time and maturing less than 12 months from the transaction date and are recorded as the lesser of their cost and their market value.

4.3. Financial instruments

All of the Corporation's financial instruments are accounted for at cost or at amortized cost in the Statement of Financial Position.

Financial assets are made up of assets that could be used to reimburse existing debts or to fund future activities and that are not earmarked for use in the normal course of the Corporation's activities. Investments are recognized at their initial cost. Other receivables are listed under assets as amounts receivable, net of provisions for bad debts.

Accounts payable and accrued liabilities, along with balances with related parties, are recorded as the amount of the initial invoice. Repayable parliamentary appropriations are recorded as the amount of the surplus of expenditures compared with the parliamentary appropriations received during the fiscal period.

4.4. Non-financial assets

Non-financial assets are made up of property, plant and equipment and prepaid expenses

Property, plant and equipment and prepaid expenses are recorded at the amount of the initial invoice. Prepaid expenses are recorded as expenditures in the periods during which the services are used.

4.4.1 Property, plant and equipment

With the exception of land, property, plant and equipment are recorded at their original cost and are depreciated on a straight-line basis over their estimated useful lives, starting on the date they are put into service. Moreover, all property, plant and equipment transferred to the OPMC by the PWGSC on November 2, 2009, are listed at their book value as submitted by the PWGSC. Depreciable property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and structures	
Buildings	15 to 25 years
Bridges, quays and structures	5 to 40 years
Amenities and facilities	
Leasehold improvements	15 to 25 years or on duration of lease
Amenities and facilities related to land	15 to 25 years
Signage	4 to 10 years
Street furniture	15 to 25 years
Furniture, materials and equipment	
Automotive equipment	5 years
Office furniture and equipment	7 years
Machinery, tooling and equipment	10 years
Computer hardware and software	
Hardware	3 years
Software	3 years
Exhibitions	
Exhibitions	Dependant on duration of exhibition

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 book value, the cost of the asset must be reduced to reflect its reduction in value if that reduction is expected to be permanent.

Accrued loss in value is measured as the surplus of the asset's book value over the revised estimated value of the asset's remaining service potential for the Corporation.

4.5. Revenue

Quays, Montréal Science Centre and Corporate services

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

The Corporation has signed agreements with sponsors that provide cash, products, advertising and other services in exchange for various benefits, including exclusive marketing rights and visibility. Sponsorships are recorded in the fiscal period to which they relate.

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

4.6. Parliamentary appropriations

The Government of Canada funds the Corporation through parliamentary appropriations, which must be used during the fiscal period in which they are granted; otherwise, the Corporation must repay the unused portion.

This requirement constitutes a provision describing how a recipient should use the transferred resources or what actions must be undertaken to retain the transfer.

Government transfers that are accompanied by stipulations are recorded by the Corporation as revenue in the fiscal period for which the appropriations are approved and in which the Corporation satisfies all admissibility criteria, except where the transfer creates an obligation that amounts to a liability.

The appropriations are used during the fiscal period to finance operating expenditures (operations) and to acquire capital assets (investments).

Funds assigned to operations offset expenditures for the fiscal period.

Funds assigned to investments create a liability for the Corporation commensurate with an obligation to use the assets acquired to provide services. They are therefore deferred to liabilities and recorded in the statement at the same rate as the depreciation of the capital property financed thereby.

Any surplus in funding over expenditures and investments carried out over the fiscal period results in the recording of a liability for repayable parliamentary appropriations.

4.7. Deferred contributions

The Corporation follows the deferral method of accounting for contributions, which are mainly in the form of donations and sponsorships. Unrestricted contributions are recorded as revenue when they are received or receivable provided that collection is reasonably assured.

Externally restricted contributions are deferred and recorded as revenue during the fiscal year in which the underlying expenses are incurred. These contributions are intended for exhibition renewal or other activities specific to the Montréal Science Centre. Contributions restricted for the acquisition of depreciable capital assets are amortized over the estimated useful lives of the assets acquired.

Donations from the Foundation of the Montréal Science Centre are recorded as revenue during the fiscal year in which they are received or receivable.

4.8. Retirement savings plan

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 administer the contributions it receives 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.

4.9. Foreign currency translation

Upon their initial recording, operations in foreign currencies are converted into Canadian dollars at the market exchange rate in effect on the transaction date.

Assets and monetary liabilities made out in foreign currencies are re-evaluated at the exchange rate in effect on the date of the financial statement.

Non-monetary items made out in foreign currencies are kept at their historic exchange rate, unless they are financial instruments classified as being at a fair value.

4.10. Measurement uncertainty

The preparation of financial statements in accordance with 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 financial statements and the reported amounts of revenues and expenditures declared 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.

5. FIRST-TIME ADOPTION OF PSAS

As mentioned in Note 2, these financial statements are the second ones prepared by the Corporation using 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 is 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	**Cf.**	**March 31, 2011**	**September 30, 2010**	**April 1, 2010**
Retained earnings – according to GAAP		**1,660**	**2,824**	**1,660**
Adjustments under PSAS	i	-	**-**	-
Accumulated surplus – under PSAS		**1,660**	**2,824**	**1,660**

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

Reclassification due to conversion	**Cf.**	**March 31, 2011**	**September 30, 2010**	**April 1, 2010**
Cash				
GAAP – Restricted cash	ii	(257)	(13)	(130)
PSAS – Cash		257	13	130
Software				
GAAP – Intangible assets	iii	(2,061)	-	(364)
PSAS – Tangible capital assets		2,061	-	364
Deferred contributions				
GAAP – Current portion of deferred contributions	iv	1,474	1,834	1,833
PSAS – Deferred contributions		(1,474)	(1,834)	(1,833)

5.2. Reconciliation of financial statements as at transition date

The table below illustrates the effects of the conversion on the fiscal-period surplus for the comparison period, i.e., the 12 months ended March 31, 2011.

Reconciliation of comparative statement	Cf.	September 30, 2011	March 31, 2011
Net income – under GAAP		**1,164**	**-**
Adjustments under PSAS	i	-	-
Surplus (deficit) for fiscal period – under PSAS		**1,164**	**-**

5.3. Nature of adjustments and reclassifications

i. Adjustments affecting the accumulated surplus

No adjustments affected either the accumulated surplus as at the transition date or the surplus for the comparative period ended March 31, 2011.

ii. Cash

The PSAS standard on restricted assets requires that internally restricted assets not be recorded separately in the statement of financial position.

Restricted cash has therefore been merged with the overall cash balance. Details concerning restricted amounts appear in Note 6.

iii. Software

The public sector accounting standards do not recognize intangible assets as items in the statement of financial position, with the exception of computer software, which are considered tangible capital assets.

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

iv. Deferred contributions

As the distinction between current and long-term deferred contributions is no longer required in the statement of financial position under the PSAS, the current portion has been folded into deferred contributions as a whole.

6. CASH

	September 30, 2011	March 31, 2011	April 1, 2010
Unrestricted cash	170	1,041	498
Restricted cash	250	257	130
Cash	**420**	**1,298**	**628**

Restricted cash represents cash received that is externally restricted for the acquisition of capital assets or for other activities specific to the Montréal Science Centre.

The restricted cash balance represents amounts received whose considerations are recorded in the statement of financial position under deferred contributions, $250 as at September 30, 2011 ($257 as at March 31, 2011) ($130 as at April 1, 2010).

7. INVESTMENTS

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

	September 30, 2011	March 31, 2011	April 1, 2010
1.46%, falling due January 26, 2012	-	4,000	-
1.46%, falling due February 4, 2012	1,000	-	-
1.28%, falling due June 10, 2012	2,000	-	-
1.03%, falling due August 5, 2012	4,000	-	-
0.82%, falling due March 25, 2011		-	7,000
Investments	**7,000**	**4,000**	**7,000**

8. RECEIVABLES

	September 30, 2011	March 31, 2011	April 1, 2010
Clients	1,053	1,213	766
Other receivables	310	0	100
Receivables	**1,363**	**1,213**	**866**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2011	March 31, 2011	April 1, 2010
Suppliers	1,168	4,887	8,587
Accrued costs	2,145	1,543	1,195
Other accounts payable	1,605	636	546
Accounts payable	**4,918**	**7,066**	**10,328**

10. PROPERTY, PLANT AND EQUIPMENT

The Corporation's tangible capital assets break down as follows:

Cost	September 30, 2011	Acquisitions	Disposals	March 31, 2011	Acquisitions	Disposals	April 1, 2010
Land	1,863	-	-	1,863	-	-	1,863
Buildings and structures	157,348	308	-	157,040	6,098	(2)	150,944
Amenities and facilities	17,048	425	-	16,623	785	(1)	15,839
Furniture, materials and equipment	16,807	92	-	16,715	1,531	(37)	15,221
Computer hardware and software	7,652	119	-	7,533	2,603	(288)	5,218
Exhibitions	11,053	2	-	11,051	1,279	-	9,772
Work in progress	7,305	1,765	-	5,540	(906)	-	6,446
Total – Costs	**219,076**	**2,711**	**-**	**216,365**	**11,390**	**(328)**	**205,303**

Depreciation	September 30, 2011	Amortization	Reversal due to impairment loss	March 31, 2011	Amortization	Reversal due to impairment loss	April 1, 2010
Buildings and structures	85,826	1,000	-	84,826	5,165	-	79,661
Amenities and facilities	11,192	2,100	-	9,092	1,087	-	8,005
Furniture, materials and equipment	11,931	645	-	11,286	1,084	(38)	10,240
Computer hardware and software	5,412	632	-	4,780	948	(288)	4,120
Exhibitions	10,511	546	-	9,965	2,806		7,159
Total - Depreciation	**124,872**	**4,923**	**-**	**119,949**	**11,090**	**(326)**	**109,185**

Net book value	September 30, 2011	Acquisitions	Disposals	March 31, 2011	Acquisitions	Disposals	April 1, 2010
Land	1,863	-	-	1,863	-	-	1,863
Buildings and structures	71,522	(692)	-	72,214	933	(2)	71,283
Amenities and facilities	5,856	(1,675)	-	7,531	(302)	(1)	7,834
Furniture, materials and equipment	4,876	(553)	-	5,429	447	1	4,981
Computer hardware and software	2,240	(513)	-	2,753	1,655	-	1,098
Exhibitions	542	(544)	-	1,086	(1,527)	-	2,613
Work in progress	7,305	1,765	-	5,540	(906)	-	6,446
Total – net value	**94,204**	**(2,212)**	**-**	**96,416**	**300**	**(2)**	**96,118**

No loss in value of the Corporation's assets was recorded for the period ended September 30 2011.

11. SEGMENTED INFORMATION

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

With regard to the Science Centre, the Corporation organizes permanent and temporary exhibitions to offer an interactive and pedagogical approach to the sciences, technology and innovation. The Science Centre is also home to an IMAX theatre, meeting spaces, and various commercial concessions.

With regard to the Quays, the Corporation showcases and maintains the historical, cultural and tourism heritage of the Old Port of Montréal, in particular by organizing events and seasonal activities.

Old Port of Montréal Corporation Inc.

Unaudited Interim Quarterly Financial Statements
Second Quarter, ended September 30, 2011

Second quarter	Quays		Montréal Science Centre		Corporate services		Total	
Ended September 30, 2011	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Revenue								
Parking	1,719	2,083	1,419	1,387	-	-	3,138	3,470
Events/concessions/ corporate rentals	1,261	1,131	1,218	999	-	-	2,479	2,130
Sponsorships and donations	502	603	467	549	-	-	969	1,152
Programming	439	476	3,866	3,055	-	-	4,305	3,531
Amortization of deferred contributions	-	-	623	618	-	-	623	618
Interest	-	-	-	-	44	123	44	123
Other	94	8	-	-	-	-	94	8
Total revenue	**4,015**	**4,301**	**7,593**	**6,608**	**44**	**123**	**11,652**	**11,032**
Expenditures								
Management and administrative services	-	-	-	-	1,907	1,973	1,907	1,973
Parking	501	580	150	175	-	-	651	755
Events/concessions/ corporate rentals	839	734	196	185	-	-	1,035	919
Sponsorship and donation costs	218	242	69	77	-	-	287	319
Programming	453	582	4,271	4,402	-	-	4,724	4,984
Maintenance, repairs, prevention	2,988	2,615	735	626	489	225	4,212	3,466
Communications	745	818	889	782	26	33	1,660	1,633
Utilities	541	618	1,250	1,205	58	56	1,849	1,879
Information technology	85	83	150	146	170	166	405	395
Clothing	1	-	-	-	-	-	1	-
Other	104	108	179	196	-	-	283	304
Total expenditures before depreciation	**6,475**	**6,380**	**7,889**	**7,794**	**2,650**	**2,453**	**17,014**	**16,627**

12. SUMMARY OF OPERATING EXPENDITURES BY CATEGORY

	September 30, 2011	September 30, 2010
Salaries and fringe benefits	8,487	8,613
Depreciation	4,923	4,547
Advertising	1,852	1,751
Maintenance	1,415	1,187
Taxes, permits, rents and utilities	2,229	2,189
Exhibitions	445	546
Professional fees	631	438
Animation contract	102	172
Movie rental	449	583
Office expenses	309	240
Research and development costs	493	346
Travel and entertainment costs	162	161
Insurance	112	124
Telecommunications	113	122
Software maintenance	97	109
Bad debts	1	-
Vehicle and equipment rentals	93	88
Machinery and tooling	48	48
Training	19	37
Other	(43)	(127)
	21,937	21,174

13. FINANCIAL INSTRUMENTS RISK

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 an ongoing basis. Its exposure to bad debts is therefore insignificant; since there is no concentration of receivables, credit risk is low.

The Corporation's maximum exposure to credit risk is equivalent to the book value of receivables as at September 30, and the Corporation establishes an allowance for credit losses for all clients:

In thousands of dollars	**September 30, 2011**	**March 31, 2011**	**April 1, 2010**
Current – 30 days	660	907	653
31–90 days	211	185	1 572
91 days or more	524	153	110
Receivables - Gross	**1,395**	**1,245**	**2,335**
Allowance – Opening balance	(32)	(26)	(171)
Expenditures for bad debts	-	(10)	-
Amounts written off and recoveries	-	4	145
Closing balance	**(32)**	**(32)**	**(26)**
Receivables - Net	**1,363**	**1,213**	**2,309**

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in honouring its commitments related to financial liabilities. The Corporation manages its liquidity risk such that it maintains a sufficient amount of cash on hand. The Corporation establishes budget and cash forecasts to ensure that it has the funds required to meet its obligations.

Contractual deadlines for accounts payable as at September 30 are as follows:

In thousands of dollars	**September 30, 2011**	**March 31, 2011**	**April 1, 2010**
Current – 30 days	2,395	6,676	9,876
31–90 days	809	2,281	49
91 days or more	1,714	394	458
Total	**4,918**	**9,351**	**10,383**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to market price variations. Market risk includes interest rate risk and exchange rate risk. The Corporation's investment policy provides for the investment of cash surpluses in top-quality redeemable term deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to market interest-rate variations. To manage this risk, the Corporation invests in fixed-rate short-term certificates, meaning that interest-rate variations do not have a significant effect on net results.

Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to foreign currency exchange rate variations. Although some of the Corporation's transactions take place in US currency, given that they represent only a small portion of its expenditures, variations in the Canadian and US dollar exchange rate will not significantly affect the Corporation's net results, financial position or cash flow. The Corporation has not hedged its exposure to exchange rate risk.