





KATYNA RIVARD Strategic Planning Advisor, ANTOINE DUROCHER Administrator, Commercial Concessions , JUDITH LEBEAU Human Resources Advisor (compensation), LUCIE GRENON Secretary, DIMITRI JACQUES Parking and Traffic Control Agent, MANON CORTES Customer Service and General Sales Agent, MARIE-ÈVE LE SCHELLEUR Animator , MAGALI BILLARD-BIANCO Marketing Coordinator, YAN GAGNON Accounting Analyst, GAËTAN GAGNON Operations Supervisor (Maintenance), JEAN-SÉBASTIEN NOËL Network Administrator, MICHEL E. RAFIE Director, Public Relations and Alliance Marketing, MOUHSSINE MHAJI Operations Supervisor (Security) , NANCY BOURASSA Museology Technician, SIMON BISSONNETTE Port d'escale Attendant. © Pastis design

A CORPORATION WITH A HUMAN FACE	3
HIGHLIGHTS.....	5
MESSAGE FROM THE CHAIRMAN OF THE BOARD	7
MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER.....	8
THE CORPORATION	9
Mandate	9
Governing statutes.....	9
Mission	9
Products and services.....	9
Social responsibility	10
Values	11
Commitment to quality	11
Environmental responsibility	12
PERFORMANCE ASSESSMENT AND OPERATING REPORT	13
Quays of the Old Port	13
Performance indicator.....	13
Operating report.....	17
Montréal Science Centre.....	21
Performance indicator.....	21
Operating report.....	25
Corporate Services	31
GOVERNANCE	37
Board of Directors.....	37
Governance	39
Risk management.....	40
THE ORGANIZATION.....	42
Senior management.....	42
Human resources management	44
FINANCIAL RESOURCES	45
Financial analysis	45
Management’s responsibility regarding the financial statements.....	56
Auditor’s report	57
Financial Statements	58
Partners.....	78
OUR EMPLOYEES	79



The cornerstone of what makes the Old Port attractive

The Old Port of Montréal Corporation has been a part of Montréal for more than 25 years now—a quarter century with a presence and changes that have transformed the face of this major heritage site. However, it is especially the hard work and commitment of thousands of employees that support this very important recreational tourism site and make it evolve in Montréal. Not even 100 people worked at the Old Port in the 1980s. However, their numbers quickly grew in the 1990s throughout the Corporation's various development phases. When the Montréal Science Centre opened in 2000, more than 300 people were working for the Old Port—women, men, students, permanent or seasonal, unionized or non-unionized employees. Today, 400 people work for the Old Port of Montréal each year.

These 400 or so people handle responsibilities related to more than 100 different positions. Due to the variety of activities carried on at the Old Port, people in a wide array of fields, such as administration, maintenance, activities, architecture, accounting, horticulture, museology, logistics, marketing, human resources management, security, customer service, information technology and sales work together. This heterogeneous group of people is the cornerstone of what makes the Quays of the Old Port and the Montréal Science Centre attractive to the public. Thanks to the work of these hundreds of employees, this vast group of people, the Old Port can be proud to offer a unique and high-quality experience to millions of visitors in summer and in winter.

A first job for some, a family affair for others

The Old Port of Montréal Corporation provides a first job to a hundred or so young people each year. Often these are students generally filling seasonal positions. The Corporation also encourages them to pursue their studies by offering annual bursaries.

The experience that a person acquires working at the Old Port often serves as a springboard to find a job after finishing school. However, it can also be the first step in a longer career with the Corporation. Some of our managers began their careers as seasonal employees.

The Old Port of Montréal Corporation provides a first job for some, but it is also a family affair for others. Although it is still young, it has several employees with 10, 15, and even 20 years of service. We even have more than one generation of family. From fathers and daughters to mothers and sons, the Old Port is becoming a family tradition.

Human resources management and the human management of resources

The Corporation knows full well that people are its most valuable resource. From day one it has always tried to ensure that people develop in the best possible conditions. This is why occupational health and safety and ensuring competitive working conditions are some of its key concerns. These concerns have resulted in the implementation of policies that satisfy wage equity and employment equity principles. They also result in the development of safe practices and behaviour.

Consideration for human resources is also seen in the importance placed on training. The Corporation has always allowed its personnel to perfect their knowledge and professional skills via professional development, on-the-job training, or specific skills training. Over the years, it has made an important shift by allowing personnel to play a significant role in developing processes to identify training needs and to develop and deliver training content. This provides many benefits. Employee motivation, a key element, is improved.

Team spirit, commit and excellence are three mantras that ensure efficient and effective management. In addition, these values are a testament to the importance that the Corporation places on human management.

The Old Port of Montréal Corporation is more than just a place of work. It is a source of attachment for its employees. People are proud to be part of this great team and take its achievements and progress to heart. This is why as many employees attend bi-annual meetings with senior management as there are people at the annual Christmas party and the summer get together.

Key ambassadors and the people who have made the Corporation what it is today

The hundreds of people who work at the Corporation each and every day are more than just employees. Above all else, they are key to the Corporation's success, not to mention the fact that they are the first people to see exhibitions and remain its best ambassadors

Human resources are essential resources. We pay tribute to these women and men who have enabled the Old Port to become a leading player and a site that must be enjoyed in Montréal.

The Quays of the Old Port and the Montréal Science Centre are Major Montréal Attractions

In 2008-2009, the Quays of the Old Port were ranked among the top three recreational tourism attractions in Montréal and are the most widely recognized attraction in the city. After achieving a very respectable awareness rate of 91% last year, the Quays are now recognized by 96% of those surveyed.

The Quays had to deal with several constraints in terms of the number of visitors to the site. A total of 5,251,885 people visited the Quays this year, which is 5 % less than expected. This decrease is attributable to several factors, such as bad weather, especially on the weekends, Québec City's 400th birthday celebrations, as well as a decline in the number of U.S. tourists coming to Canada due to high gasoline prices and the economic slowdown in that country. Although 3.6 million visitors in the summer is less than expected, a 16% increase in attendance was recorded in the winter, which is equivalent to more than 1.6 million visitors.

Due to the exceptional attendance numbers recorded for the Montréal Science Centre (MSC) in 2007-2008 with the holding of *Body Worlds 2*, an international calibre exhibition, it is not possible to obtain a fair comparison for this year's performance. Although the number of visitors to the MSC was lower than last year, as was expected, the results are still satisfactory in that the targets were achieved or even exceeded. A total of 742,703 tickets were sold to the MSC, 10% more than the target set for 2008-2009. If the people who came to take part in free activities offered by the MSC are added to this result, a total of 816,792 people visited the MSC, which is 6% more than expected.

Programming That is Always Being Renewed

The renewal of the Corporation's offerings, which is a central part of the *2008-2013 Corporate Plan*, is a constant challenge for both the Quays and the MSC. Due to the Corporation's competitive environment, it must ensure the optimal operation of the site and its facilities. Partnerships make it possible to meet this challenge, which is why most of the new events or activities held this year, either on the Quays or in the MSC, were held as a result of alliances or collaborative efforts with other organizations.

New activities held this year include *Promenade des arts de la rue*, presenting various circus numbers free of charge throughout the summer. The Akyra Circus, which is geared towards youngsters, or the musical showcases provided by *M for Montréal* ensured that a more diverse clientele would be attracted to the Quays. *The Ephemeral Lighthouse*, an innovative project involving high-definition digital projections of light and sound onto the Conveyor Tower, was another new activity this year.

The Corporation is continuing to make efforts to ensure that products and services are offered year round at the Quays of the Old Port. The skating rink, the *Feux de glace Telus*, the *Igloofest*, the winter bar or the outdoor activities held as part of the *Montréal High Lights Festival* all contributed to make the Quays and, more generally speaking Montréal, more attractive in the winter.

The MSC's temporary exhibitions make it possible to renew and generate more interest in this great Montréal institution. Several temporary exhibitions were held in addition to the four permanent exhibitions inaugurated in 2007-2008: *The Science of Aliens*, already held in London and Paris, *Nomadic Forest* and *Beyond the Trees*, held in partnership with the Museum of Science and Technology in Ottawa, as well as *Hungry Planet*, developed by two artists, Peter Menzel and Faith D'Aluiso, featuring photographs of the daily meals of 15 families around the world.

In addition to these exhibitions, brand new educational and cultural activities are being offered. For example, the *Technofolies*, a new event held during March break, are based on visitor participation in various workshops and demonstrations thanks to contributions made by ten or so sponsors.

Commercial components, such as cruises, terraces and boutiques, also attract visitors to the site, in addition to generating revenues for the Corporation. *Bistro Vû*, which is located near the Yacht Club, and *La Scena*, a restaurant in the Jacques-Cartier Pavilion, are some of the new restaurants that opened at the Old Port in 2008-2009.

Measures to Ensure the Conservation and Enhancement of the Site

This year, the Corporation has made various efforts to improve its infrastructure, one of the major objectives in its *Corporate Plan*. In particular, construction of the Espace Bernard Lamarre in the MSC was completed and the Locks Garden in the western sector was turned into a green space for strolling. There was also work to restore the *Daniel McAllister*, one of the oldest tugboats in Canada (1907) sitting in Basin 1 in the Lachine Canal.

In developing and implementing a program for the interpretation of the Old Port's industrial and harbourfront heritage, the Corporation has amassed an impressive amount of historical

material allowing it to develop tools that will be used in the years to come to enrich the visitor's experience.

More generally speaking, the Corporation carried out work to maintain its assets and address the problem of deterioration in collaboration with PWGSC. Such work includes the completion of phase 1 of the repairs to the King Edward Pier, a major operation to be carried out over two years, as well as the final repairs to the lower docks on the north and west sides of the Clock Tower Pier.

Management Efforts Guided by the Objectives of Efficiency and Effectiveness

The Corporation has continued its efforts to improve its management tools and processes. These efforts include the final phase of the review of the job assessment system for unionized employees in connection with the updating of the Corporation's *Total Compensation Policy*.

Where management processes are concerned, the Corporation has developed an approach based on key competencies, which focuses on management values such as commitment, excellence and teamwork. This new approach will be implemented in the coming years. The Corporation has also performed an in-depth review of its marketing processes to focus on the customer's experience and to renew its strategies for attracting visitors and bringing them back to the Old Port.



MESSAGE FROM THE CHAIRMAN OF THE BOARD



The Old Port of Montréal's achievements in 2008-2009 once again confirm the site's wealth and great development potential. After spending more than two years at the helm of the Corporation, my Board colleagues and I are more convinced than ever that the Old Port plays an important role in the city's development. This extraordinary lever for social, cultural and economic development warrants all our efforts to optimize its development and its impact, especially on the city's positioning and its promotion.

The completion of the projects included in the *Vision for Development: A Window on the River* continues to be a key issue. Due to the federal election held last fall, we had to re-build our bridges and once again demonstrate the relevance of our *Vision* and show that it would be a driving force for the city. We are enthusiastic about this ambitious mission since we are confident that we will soon receive the public funding that we require to make it a reality.

The transfer of the custody of assets from PWGSC to the Corporation, which was to take place after recurring core funding was granted in April 2007, still has to be finalized. The current state of discussions leads us to believe that the matter will be settled in the coming fiscal year. We truly hope that this is the case.

Where the management of the Corporation's business is concerned, work was carried out this year to improve the efficiency of our risk management. Similarly, the Board's Audit Committee took action to ensure that the Corporation operated well from a financial standpoint. I would also like to mention the various efforts made regarding employee compensation to ensure that employees have fair working conditions. All of these achievements play a role in ensuring more effective and more efficient management of the Corporation.

Finally, I would like to thank H  l  ne Desmarais, who left her position as director of the Old Port of Montr  al, for her valuable contribution.

In closing, I would like to thank all of our directors for their commitment and efforts this year. I would also like to thank all the members of the Old Port of Montr  al Corporation team on their behalf for all of their hard work.

The Chairman of the Board,

Bernard A. Roy, Q.C.



This past year was marked by continuity. We have continued our efforts to address asset deterioration and enhance the Old Port site, and to ensure that the Quays of the Old Port and the Montréal Science Centre always offer very attractive products and services. We have also continued our work to prepare an updated and more specific plan for our *Vision for Development: A Window on the River*. We have maintained our efforts to strengthen the Corporation's organizational abilities and to enable the Old Port to effectively carry out its mandates. We have also continued to make strides to ensure that our employees have interesting working conditions and a stimulating working climate. Moreover, the Old Port of Montréal Corporation has continued to assert itself as a major player in our city's development. The

Corporation is staying the course.

In spite of a few minor setbacks, particularly related to factors beyond our control that have resulted in fewer visitors than expected coming to the Quays of the Old Port, the Corporation's overall performance for 2008-2009 was excellent. Most of our targets were achieved and higher-than-expected revenues were generated.

The efforts made by the teams in our six business units and departments have made it possible to once again enrich the experience of visitors to the Quays of the Old Port and the Montréal Science Centre. I would like to point out the key contribution made by our partners, who make it possible to develop high-quality products and services that are unique to the Old Port.

Although our *Vision for Development* has not yet received the necessary funding, we are continuing our efforts to set the guidelines and to plan future work on the site. The master plans and business plans developed this year have been added to the *Vision* portfolio and are a testament to the Corporation's stimulating ambitions for this unique heritage site.

New management approaches were developed to better equip the Corporation's managers. These new approaches, which are based on management by objectives, are expected to make our management practices more effective.

The changes being made to the Corporation's management structure in the past two years have resulted in significant progress to strengthen the Quays of the Old Port business unit and the Building Development and Maintenance department, and to reorganize the Marketing department. These major initiatives will ensure that the Corporation's organizational capacity is in keeping with its mandates and objectives.

André-Jean Lauzon, the Vice-president of the Quays of the Old Port, left the organization this year. I would like to thank him for his valuable contribution. I would also like to mention the arrival in August 2008 of Jérôme Dufour as Vice-president, Marketing and of Jacques LaGarde, our new Vice-president, Quays of the Old Port, who started with us in January 2009.

The Old Port of Montréal Corporation is, first and foremost, a corporation made up of people: human resources, employees, people who ensure the Corporation's continued success due to their expertise, their commitment and their devotion. I would like to take this opportunity to thank every member of our great team for all their hard work.

President and Chief Executive Officer,

A handwritten signature in cursive script 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.

The territory of the Old Port of Montréal, which represents an area of 47.3 hectares, is 2.7 km long and lies along the St. Lawrence River, bordering on Old Montréal. It has been recognized historically in two ways: the Eastern and Central sectors and part of the Western Sector were recognized in the historic Old Montréal burrough in 1997 and the Western Sector has been a part of the Lachine Canal National Historic Site since 1996.

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 is 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. The Corporation reports to Parliament on its operations through the Minister of Transport, Infrastructure and Communities, the Honourable John Baird, as well as the minister of State, the Honourable Rob Merrifield, who assists Mr. Baird in carrying out his responsibilities for Crown corporations.

At present, the Corporation fulfills its mandate in the name of, and on behalf of, the Minister of

Public Works and Government Services Canada (PWGSC), who holds title to the federal assets and has responsibility for their maintenance and conservation for the benefit of the Crown.

MISSION

The Corporation's mission is to manage, develop, and hold activities on an urban recreational, tourist, and cultural site and a centre for entertainment and discovery.

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. Their conservation and maintenance as well as urgent work satisfying health and safety standards are under the responsibility of PWGSC, the custodian of the assets. 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 business unit is 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;
- La Balade, which provides a guided visit to the site;
- the Port d'escale as well as locks 1 and 2 at the Lachine Canal;
- 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 business unit 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 and the interactive movie game;
- corporate rental services;

- restaurant and boutique concession holders.

Corporate services support the work of the two business units, 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 1985-86:

- **Improve urban living conditions and public access to the river**
 - *Everyone should have access to the site and be able to circulate 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 innovations 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 value 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 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. It continues to work with the office of the Montréal, Cultural Metropolis–Meeting in November 2007.

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.

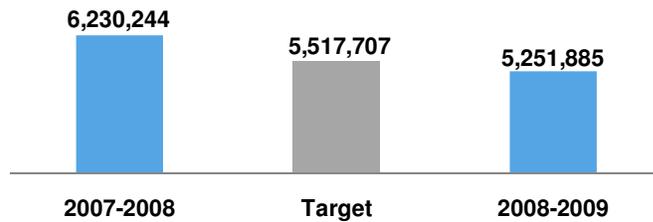
The Corporation plans to take the following steps to achieve this objective:

- 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 of the Old Port of Montréal** business unit is responsible for products and services which help disseminate the arts and Canadian diversity and which showcase the site's maritime and harbourfront history, as well as recreational and tourism activities, and commercial activities and services.

OBSERVATIONS

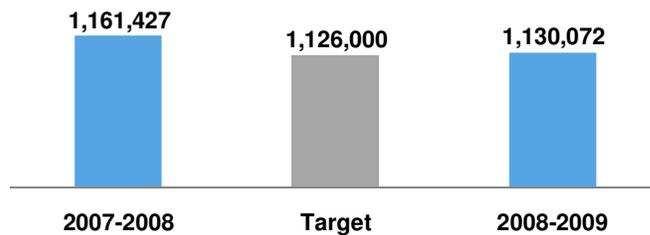
Total number of visitors to the Old Port site
(number of visitors)



- The number of visitors was 5% less than the target for 2008-2009.

The decline in the number of visitors during the summer this past year is attributable to bad weather, a decrease in the number of U.S. tourists visiting Québec and Québec City's 400th birthday celebrations. In addition, there were no major events, such as Cirque du Soleil shows or the *Body Worlds 2* exhibition, which were presented in 2007-2008.

Revenues from events and concessions Quays of the Old Port (\$)

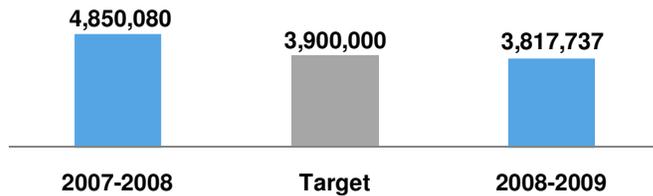


- The result recorded corresponds to the target for 2008-2009.

Attractive maritime offerings are a major contributing factor to achieving the set objective. Concession holders' involvement in activities held on the site also played a role in generating commercial revenues.

OBSERVATIONS

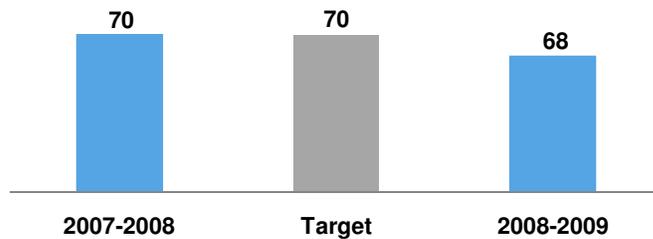
Parking revenues—Corporation (\$)



The decrease recorded compared to 2007-2008 is attributable to the fact that the Cirque du Soleil did not present any shows on the site this year and that no major event such as *Body Worlds 2* was held at the Quays. A temporary change in automobile traffic flow on de la Commune Street, which prompted many drivers to choose to park elsewhere than at the Clock Tower Pier, is the main factor that explains the negative variance compared to the target for 2008-2009.

- The target for 2008-2009 was almost achieved; results were 2% less than the targeted objective.

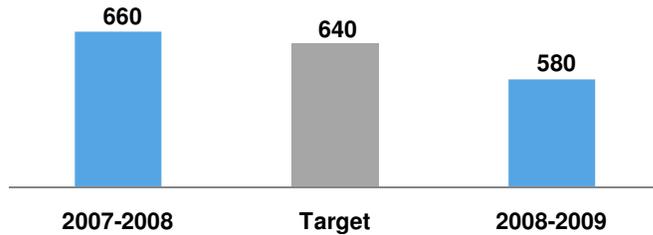
Events held on the Quays of the Old Port (number of events)



The cancellation of the Salsafolies and the premature closure of the Amakhosi Circus are two of the main factors that explain why the set target was not achieved.

- Two fewer events were held at the Quays of the Old Port in 2008-2009.

**Activities held on
the Quays of the Old Port**
(number of days of activities)

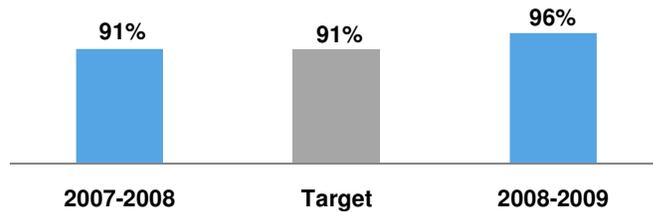


The variance compared to the target for 2008-2009 is attributable to the premature closure of the Amakhosi African Circus. This, coupled with the fact that the Cirque du Soleil did not hold any shows on the site, has resulted in a decline in the number of days of activities compared to 2007-2008.

OBSERVATIONS

- The target in terms of number of days of activities was not achieved. The result for 2008-2009 was 9% less than forecast.

**Awareness of
the Quays of the Old Port**



The target was exceeded once again this year. The Quays of the Old Port are among the best known recreational tourism attractions in the Greater Montréal Area, ranking third after La Ronde and the Montréal Botanical Garden.

- Overall awareness of the Quays has continued to grow. A five-point percentage increase has been recorded compared to the target for 2008-2009.



© Annick Gauthier



IGLOOFEST

Marie-Josée Biron, *Marketing Advisor* - Philippe Vaillancourt, *Cleaning Agent*
Roméo Carrelli, *Patroller* - Jean Bérubé, *Entertainment Manager* - Marc Randoll, *Entertainment Advisor*

The number of visitors to the Quays of the Old Port decreased by close to 20% compared to 2007-2008 due to a 26% drop in attendance during the summer. In spite of renewed and diverse programming, a combination of factors had a negative impact on the number of visitors not only to the Old Port but also to most recreational and tourist destinations in Québec. These factors include bad weather, especially on weekends, and Québec City's 400th birthday celebrations, which attracted many visitors. The economic slowdown and high gasoline prices also had a major impact on the number of U.S. tourists coming to Canada. In addition, no major events, such as Cirque du Soleil shows or the *Body Worlds 2* exhibition, were held on the site this year. These two events drew an exceptional number of visitors to the Quays in 2007-2008.

This decline in the number of visitors in the summer affected parking revenues, which declined compared to 2007-2008. However, our forecast was accurate since the target was almost achieved. Of course, the city's decision to make the eastern sector of de la Commune Street one way temporarily discouraged drivers from parking on the Clock Tower Pier.

Moreover, a marked increase of 16% in the number of visitors was recorded compared to 2007-2008. The Old Port's original and unique winter programming, which includes the skating rink and other main events such as the *Igloofest*, the *Feux de glace* and the outdoor portion of the *Montréal High Lights Festival*, enabled the Quays to attract a growing number of visitors to the site. In total, more than 1.6 million people visited the Quays this year.

Ever increasingly attractive maritime offerings

The Quays' maritime offerings, which help to assert the positioning of *Montréal on the River*, included a new major component this year: a permanent portmaster. Adding this new function enabled the Quays to improve the quality of services provided to boaters at the Port d'escale,

be it in terms of hospitality or personalized service. The Port d'escale put in place a fuel service for megayachts. This initiative, combined with improved service quality, enabled the Quays to attract 25 megayachts to the Old Port this year compared to six in 2007-2008. Overall revenues generated by the Port d'escale rose by 62.5% this year.

The study completed this year to make repairs to the Port d'escale will result in work to renew equipment in 2009-2010.

The Corporation also manages locks 1 and 2 of the Lachine Canal. Revenues from boats passing through the locks have been on the decline in recent years. They decreased 22% compared to 2007-2008. It is important to note that the lock configuration limits passage for the growing number of larger vessels. In addition, the conditions for passing through the locks and the time required to do so are meeting boater expectations less and less.

Maritime concession holders at the Old Port, i.e., the Bateau-mouche, Croisières AML, Latitude 45, Saute-Moutons and many others, play a key role in the Corporation's revenues. In fact, these concession holders account for just over 50% of revenues from commercial rent at the Quays of the Old Port. They therefore play a role in achieving commercial revenue targets, not to mention the fact that they contribute to diversifying and renewing offerings.

The many exceptional vessels that dock in the Old Port automatically make the Quays of the Old Port more attractive to visitors. Due to very effective press coverage, many people come to visit these ships. The most prestigious vessel, *Le Belem*, a French vessel classified as an historical monument, attracted some 30,000 visitors to the Quays during its four days at the Old Port in July 2008. It was also possible to visit several other such vessels at the Old Port this year, such as the *Blue Nose II*, a magnificent schooner that is part of Canadian history, the *Lois McClure* and the *Marie-Clarisse*, two ships that are part of the Musée maritime de Charlevoix, or the *HMCS Charlottetown* a frigate in the Canadian navy.



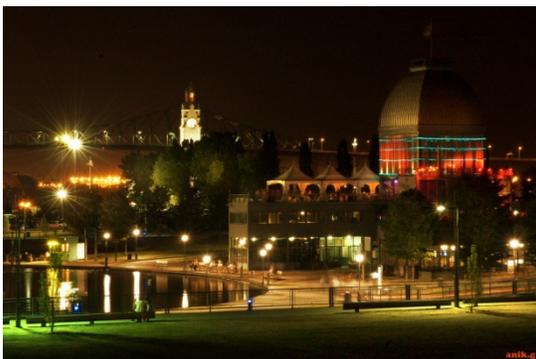
© Annick Gauthier



© Annick Gauthier



© Annick Gauthier



© Annick Gauthier

Our partners have enabled us to offer a wealth of unique summer activities

Visitors to the Quays of the Old Port during the summer months enjoy a rich and diverse experience. The *Promenade des arts de la rue*, which offers visitors three circus numbers several times daily, was added in the summer of 2008. This new approach was geared towards encouraging visitors to spend more time and money on the site.

Among some of the new attractions this year, in June 2008 the Akya Circus presented some 30 shows under the big top on Bonsecours Island. This circus helped to diversify offerings and attracted close to 5,000 visitors, mainly young families.

Amakhosi, a South African circus, also presented shows on the Jacques-Cartier Pier in July and August. Unfortunately, the shows had to close down prematurely due to major problems for shipping the decor and problems experienced by some artists to come into Canada. This failure had a negative impact on the summer performance of the Quays.

Among new events held at the site this year, two very different and innovative events are noteworthy: *The Ephemeral Lighthouse* and *M for Montréal*. The first is a pilot project involving high-definition projections on the Conveyor Tower. Developed in partnership with sound and light artists and heritage interpretation experts, *The Ephemeral Lighthouse* was a successful project that shows that such offerings warrant exploration. *M for Montréal*, another successful event, provided a unique opportunity on the Place des Vestiges to see some extremely promising young musicians from our city perform. This one-day event attracted 5,000 visitors to the site.

Commercial offerings that stand out

Commercial offerings are an important part of the visitor's experience. The Quays of the Old Port team shifted its commercial offerings to better meet visitors' needs and expectations while renewing its identity and its positioning.

The Quays enriched offerings by proposing a new line of higher-quality products. *Bistro Vû*, a new Mediterranean-style restaurant, opened near the Yacht Club in the eastern sector of the site while the sandwich shop in the Jacques-Cartier Pavilion was replaced by *La Scena*, a bistro managed by the Agnus Dei group, which already operates other concessions on the site. *La Scena* offers dinner shows in partnership with *Les 7 doigts de la main*.

In addition to new restaurants, concession holders offering specialized products began operating on the site. Instead of offering commercial frozen goods that are so common in Montréal parks, the Quays associated themselves with Bilboquet, which offers gourmet frozen foods made here in Montréal.

All of these changes support the Corporation's desire to offer products and services that reflect its brand image and that have a positive impact on the number of visitors coming to the site and revenues.

A significant contribution to Montréal as a winter city!

In the past several years, increasing offerings and the number of visitors during the winter months has been a priority for the Corporation. Of course, this is a major challenge given that Montrealers are not very inclined to go out in the winter and that urban destinations are less popular among tourists at this time of year.

However, the Quays are continuing to record increases in the number of visitors during the winter period due to unique and original events that were supported by innovative marketing efforts this year. Thus, in spite of very cold temperatures, the *Feux de glace Telus* attracted more than 65,000 people over four evenings in November and December 2008. The *Igloofest* event took off, with an 80% increase in attendance compared to January 2008. Presented over three weekends this year, the *Igloofest* is becoming a showcase tourist event for Montréal. A growing number of tourists are coming to the city to enjoy this unique event and to dance in the cold.

Similarly, the winter bar attracted more visitors, as did the outdoor portion of the *Montréal High Lights Festival*, which was held on the Quays of the Old Port for a fourth consecutive year. More than 140,000 visitors came to the Quays to take part in this major winter event in Montréal, which is over 30% more than last year.

The skating rink, which ensures permanent activity on the Quays in the winter, is as attractive to Montrealers as it is to tourists. Although the number of individual tickets sold was down slightly this year, there was an increase in sales of season passes. This shows that customers are returning to enjoy this facility. In a competitive context where Montréal is offering many skating rinks, the Quays of the Old Port are doing well.

Outlook for the Quays of the Old Port

At the request of the Quays of the Old Port, in 2008-2009 a team from the Montréal Science Centre developed the heritage interpretation program. Some of the results of this initiative will take shape on the site this summer. The activities offered in connection with this initiative will include installing heritage interpretation panels and a new Balade tour to discover the Old Port's history.

Also on the heritage front, the restoration of one of the oldest tugboats in Canada, the *Daniel McAllister*, which is sitting in Basin 1 of the Lachine Canal, will be completed, thereby enriching the maritime offerings of the Quays.

In terms of enriching offerings, a partnership is about to be concluded with a "floating" urban spa docked by the Locks Garden. Of the many innovative projects, *The Ephemeral Lighthouse* and *M for Montréal* will be updated in 2009 and shows will be added for the *Promenade des arts de la rue*. Circus numbers will be developed and presented by *Les 7 doigts de la main*. This new concept ensures continuity for the long-term vision of circus arts on the site. This concept also helps to celebrate the 25th anniversary of the Cirque du Soleil, one of the Corporation's major partners which will present its new show, *Ovo*, in April 2009. This show will be held for several weeks in the summer on the Jacques-Cartier Pier.

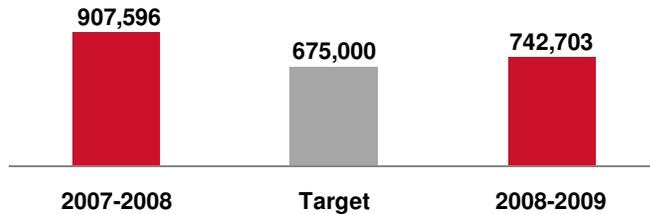
Where shows are concerned, the Corporation is proud to continue its business partnership with the Gillet Group by offering quality programming that presents a new generation of artists that are becoming increasingly known internationally.

Restaurant offerings on the Quays will continue to be renewed with the opening of a new business in the western sector of the site. This business will attract and meet the needs of many people who work in the western sector of Old Montréal.

The program to improve equipment and infrastructure will continue. Major repairs to the Port d'escale will begin. In addition, dynamic message signs for the Old Port's parking facilities installed in the spring of 2009 will help to improve access quality for visitors and will undoubtedly have a positive impact on the revenues generated.

OBSERVATIONS

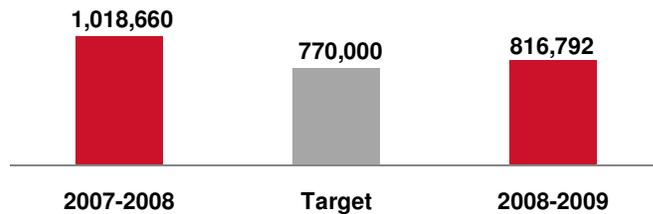
**Number of ticket sales
Montréal Science Centre**
(Number of tickets)



The MSC's record number of ticket sales last year, related among other things to the success of the *Body Worlds 2* exhibition, explains the relative decrease recorded this year. The target set for 2008-2009 was largely exceeded. Results recorded this year represent an increase compared to 2006-2007, which was a comparable year in terms of programming.

- MSC ticket sales targeted for 2008-2009 were exceeded by 10%.

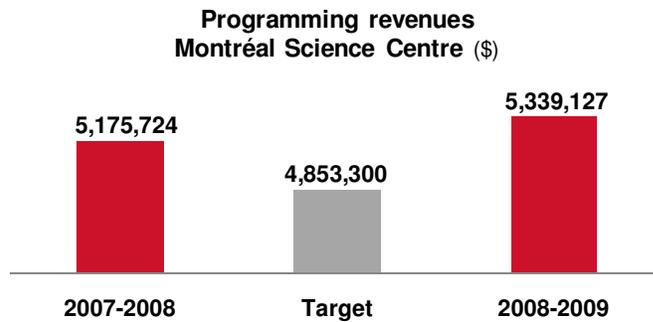
**Total attendance
Montréal Science Centre**
(number of visitors)



Total attendance includes the number of tickets sold as well as attendance generated by free activities, such as *Technophiles Take to the Road*, presented by the École de technologie supérieure, or the presentation of the James Webb telescope, two activities presented at the Old Port. The decrease recorded this year is attributable to the fact that no major event such as *Body Worlds 2* was held on the site. Other than this exceptional situation, the number of visitors to the MSC in 2008-2009 exceeds results recorded by the MSC in the past.

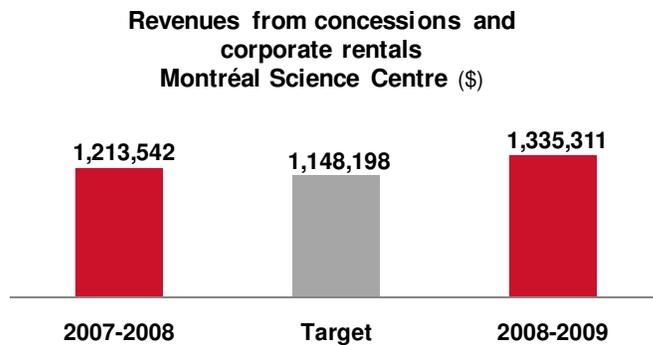
- The total number of visitors to the MSC exceeded the target for 2008-2009 by 6%.

OBSERVATIONS



The MSC's programming revenues have increased. The lack of an exhibition such as *Body Worlds 2* had no impact on revenues since part of the revenues generated by this exhibition went to the Montréal Science Centre Foundation, which presented it. The remarkable performance of the IMAX@TELUS Theatre this year is also noteworthy, in that it offsets the lower-than-expected revenues from exhibitions.

- Programming revenues have exceeded the 2008-2009 target by 10%.



The opening of the Belvedere following the completion of work to winterize the building and to re-develop its interior played a major role in increasing revenues from corporate rentals. Moreover, the exceptional number of visitors to the IMAX@TELUS Theatre had a positive impact on revenues from concessions.

- Revenues from concessions and corporate rentals have exceeded the target set for 2008-2009 by 16%.

OBSERVATIONS



The MSC brand is increasingly becoming known. The MSC maintained the level of brand awareness achieved last year due, in particular, to the presentation of the *Body Worlds 2* exhibition. It should be noted that in terms of brand awareness, the MSC has been ranked as the top centre for entertainment and scientific discovery in the Greater Montréal Area, ahead of the Biodome and the Planetarium.

- The overall level of MSC brand awareness nearly achieved the target set for 2008-2009.



© Roland Lorente



TECHNOFOLIES

Isabelle Biron, *Marketing Advisor* - Stéphane Vakoula, *Educator* - Marianne Groulx, *Project leader, Cultural and Educational Activities* - Frédéric Marchand, *Multimedia Technician*
André Nadeau, *Educator* - Chantale Boudreault, *Animation and Education Supervisor* - Anne-Valérie Tchiengang, *Customer Service and General Sales Agent*

This year, the Montréal Science Centre (MSC) benefitted from the extraordinary recognition provided in 2007-2008 by *Body Worlds 2*, an international calibre exhibition, and from the unveiling of its new permanent exhibitions. Its awareness rate remained at 70%, which resulted in benefits in terms of the number of visitors to the Centre.

The MSC's renewed programming enabled it to continue the growth recorded within the past few years in terms of total visitors and ticket sales. This does not take into account the results for 2007-2008, which was an exceptional year in terms of attendance numbers due to *Body Worlds 2*. If the results for 2008-2009 are compared to a similar year, such as 2006-2007, the total number of visitors increases from 767,000 to close to 820,000. In terms of ticket sales, this same comparison shows an increase of close to 40,000 tickets sold. The total number of visitors is different from the number of ticket sales since it includes attendance at free events.

The positive results in terms of attendance also had a favourable impact on programming revenues. These revenues have continued to increase compared to previous years and exceeded the set target by 10%.

MSC exhibitions are continuing to be renewed

Imagine!, *Mission Gaia*, *Science 26* and *idTV* are the four new permanent exhibitions presented in 2007-2008. They have become an important attraction among the MSC's targeted public, namely 9 to 14 year olds. Although many school groups visited the MSC this year, it is surprising to see the substantial increase in individuals visiting the centre. Compared to 2006-2007, the reference year, individual visits increased by more than 50% and now exceed the numbers for group visits. This result is attributable to the attractiveness of the MSC's exhibitions and to new advertising and communication strategies implemented this year. However, the effects of the *Body Worlds 2* exhibition must be taken into account. As has

already been mentioned, the incredible recognition provided by this international calibre exhibition has had positive repercussions on current attendance numbers.

In addition to the MSC's permanent exhibitions, several temporary exhibitions providing various forms of discovery in the vast themes of science and technology were presented this year. Families loved *The Science of Aliens*, an exhibition exploring the possibility of life on other planets already presented in London and Paris, during the summer period. In addition, two exhibitions relating to similar themes, *Nomadic Forest* and *Beyond the Trees*, opened in the fall of 2008. *Nomadic Forest*, a collaborative effort between Québec and Finland featuring the works of 29 artists and organized by the Atelier de l'Île de Val David, was a space for contemplating the precarious situation in our forests with a series of stamps. *Beyond the Trees*, which was developed by the Museum of Science and Technology of Ottawa, allowed visitors to enjoy a walk in the forest to learn more about Canadian forests and their evolution, use, responsible management and renewal.

On another topic, the MSC presented *Hungry Planet* in early 2009. This small exhibition features photographs of the weekly meals of 15 families around the world. It enjoyed extraordinary press coverage. Piquing people's curiosity, this exhibition attracted more visitors to the MSC in February and March 2009.

Educational activities that stimulate learning

The MSC offers an impressive range of educational activities to encourage young people to learn about science and technology. *Secrets of the Heart* is geared towards 8 to 10 year olds and shows them where the heart is located in the human body and to see its features. *Sounds FX* lets young visitors to create the sounds effects of a film clip. *Mysterious Machines* lets 10 to 12 year olds assemble mechanisms that will make strange creatures move. There is also *Cycling is Hot*,

which focusses on the environmental impacts of our consumption habits.

The MSC also reaches the school public at other locations. Kit *OOWatts*, which were developed through a partnership with Hydro-Québec, are a tool that facilitates the work of teachers to show young people the importance of conserving energy. These kits focus on several disciplines: science and technology, mathematics, the social universe, the French language or the dramatic arts. Close to 60 kits are currently being used in schools across Québec and more than 13,000 youngsters have had access to them. Teachers are very satisfied with them and the rate of satisfaction exceeds all expectations.

The MSC offers elementary school teachers pedagogical resources to help them prepare and present scientific activities through its *Éclair de sciences* program. Developed in partnership with the Conférence régionale des élus de Montréal, this program has been provided to several Montréal island schools free of charge for three years.

Finally, this year the MSC allowed 11,000 elementary and high school students from under-privileged areas to visit its exhibitions free of charge thanks to a contribution from the Lorne Trotter Foundation.

A sure value and new cultural activities

New activities were added to the MSC's cultural programming in 2008-2009. *The Technofolies* replaced the *Robofolies* during March break. This event, which is based on the participation of young people, is like a huge theme park featuring workshops, demonstrations, games and technology, creativity and an interactive experience. It was made possible through partnerships with ten or so sponsors. This new event exceeded expectations in terms of attendance numbers. Close to 20,000 visitors came to take part in this activity.

The second edition of the *Eurêka! Festival* saw attendance numbers that are comparable to the first time that this event was held. More than

40,000 people took part in the huge outdoor science and technology festival. This event, which is an initiative of the Conférence régionale des élus de Montréal, offers approximately 100 free activities and shows presenting the wealth, diversity and uniqueness of Montréal's scientific community. The *Eurêka! Festival* is a perfect opportunity to promote scientific culture with young and old alike. In 2008-2009 it was awarded the *Relève* prize by the Association de la recherche industrielle du Québec in recognition of its contribution for developing the next generation of scientists.

The MSC presented *Backstage Access* during the holiday period. The concept of this interactive activity was reviewed to be better suited to a teenage clientele. The National Theatre School of Canada, the Tohu and Laser Quantum Productions are some of the partners that have contributed their expertise to make *Backstage Access* a realistic experience (role playing) of the performing arts.

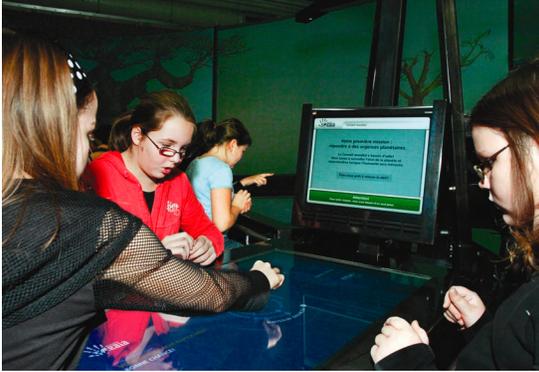
The MSC presented *Expo 3R* for the first time in 2008-2009. This activity features 50 or so booths from instrumental recyclers. It was presented in partnership with Action Re-Buts, a citizens coalition promoting ecological waste management.

The MSC presented youth forums again this year in partnership with the Centre de développement pour l'exercice à la citoyenneté. One forum allowed elementary school children to voice their opinions regarding the use of laboratory animals.

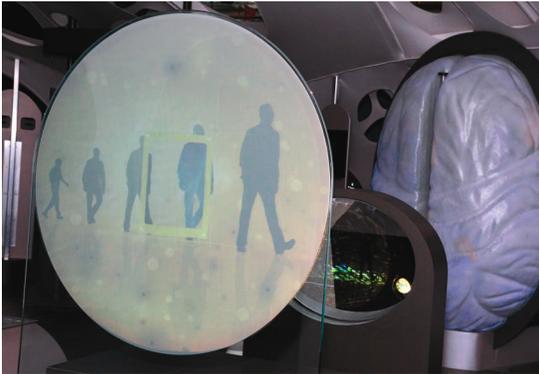
The MSC also provides visibility for the work of young scientists through various activities. The presentation of *Technophiles Take to the Road (2008)*, the *Défi genie inventif 2008*, and the *Science and Technology Symposium* organized in partnership with the Commission scolaire de Montréal meet this objective.

The IMAX®TELUS Theatre had an exceptional performance

The IMAX®TELUS Theatre had an exceptional performance in 2008-2009. It had the best box office performance of all IMAX theatres in the world for the films *U2 3D* and *Grand Canyon in 3D*.



© Marie-Josée Roy



© Marie-Josée Roy



© Marie-Josée Roy



© Marie-Josée Roy

Due to the popularity of these two films, more than 450,000 IMAX Theatre tickets were sold this year. The revenues generated are 23% higher than the target set for 2008-2009, which is equivalent to close to \$4 million.

Presenting high-quality IMAX programming means constantly adapting to technological innovations. The IMAX@TELUS Theatre in the Montréal Science Centre is no exception. After studies were completed, it was decided to renew the projection equipment to ensure that the theatre remains competitive. The equipment acquired with new special funding obtained from the federal government will be installed in 2009-2010. Operating costs will be reduced due to greater energy efficiency.

Commercial revenues are increasing

MSC concession revenues and revenues from corporate rentals rose 10% compared to 2007-2008. Corporate rentals represent a large proportion of MSC revenues, totalling close to \$1 million this year. The addition of the Belvedere, a multi-functional space, and the Espace Bernard-Lamarre, a 120-seat auditorium, helped the MSC to exceed the 2008-2009 target for rental revenues by more than 20%.

Revenues from business concessions also exceed the target for 2008-2009. The growing number of adults visiting the exhibitions and the IMAX@TELUS Theatre, as well as greater visibility for boutiques, account for this increase. For example the IMAX@TELUS Theatre snack bar generated close to \$400,000 in revenues this year, which is 13% more than expected.

Major strides for showcasing the site's heritage

At the request of the Quays of the Old Port, the MSC continued its planning, research, analysis and development activities for an interpretation program regarding the Old Port's industrial and harbourfront heritage. A wealth of historical material was amassed and confirmed with recognized historians. This step was more successful than expected and required an extension to the period for classifying and archi-

ving the material. The team in charge of the heritage interpretation program nonetheless achieved, and even exceeded, all objectives set for the year. Unexpected activities were held, in particular the MSC's participation in the experimental *Ephemeral Lighthouse* project on the Conveyor Tower.

The results of this work will enrich the visitor's experience to the Quays of the Old Port. Interpretation material for La Balade was reviewed in depth as was the script for its presentation. Interpretive panels were developed and will enhance the visitor's experience as people stroll through the Yacht Club and the western part of the site near the *Daniel McAllister* tugboat. Visitors may also purchase an interpretation booklet presenting the Old Port's rich heritage. Finally, all this work made it possible to prepare an historical summary on how the Old Port has changed over the years. No research had been available on this subject until then.

In terms of the conservation and enhancement of the Old Port's heritage, a virtual documentation centre has been put into service. For now, it includes more than 15,000 documents—monographs and pictures—many of which were found as part of vast research effort conducted in connection with the heritage interpretation program.

A major contribution to Montréal's vitality

As a major player in the world of science and technology, the MSC takes part in the development and visibility of Montréal in various ways.

The MSC also was part of Montréal's cultural dynamic in 2008-2009 by participating in *Nuit Blanche*, presented in connection with the *Montréal High Lights Festival* or *Museum Day*. In 2008-2009, the MSC stood out in particular as the host of the international ICOM-SECA conference on cultural tourism. This successful five-day event was attended by some 220 delegates, many of whom came from abroad. The contribution made by the Director of Cultural and Educational Activities, Josée Duhaime, was also recognized.

Ms. Duhaime received the grand prize for Québec tourism – Montréal region in the human resources-tourism supervisor category.

The MSC also received an award of excellence in 2008-2009 from the *Société des musées québécois* and the Canadian Museums Association for its new permanent exhibitions. *Mission Gaïa*, one of the four permanent exhibitions, was also awarded the "Prix Boomerang – Médias interactifs autres que le Web" in the hyperactive communications contest. Finally, the *Canadian Association of Science Centres* recognized the work of Carol Pauzé, the MSC's Exhibitions Director for her role in developing the institution's new permanent exhibitions.

In addition, the MSC takes an active part in the work of many scientific associations or organizations worldwide via its representatives. This year, the MSC was represented in Budapest during the annual conference of the *European Network of Science Centres and Museums*, in Toronto as part of the Canadian Museums Association conference and in Philadelphia to take part in the work of the *Association of Science-Technology Centers*.

The MSC's experience and expertise are recognized and appreciated. Once again this year, the MSC welcomed representatives from institutions around the world who are interested in science and technology.

Outlook for the MSC

In the coming year, the MSC will complete the installation of a new projection system in the IMAX@TELUS Theatre. It will also begin upgrading its ticket system to facilitate Internet sales. This project will be carried out over two years and should be completed by December 2010. Moreover, the food court and snack bar at the IMAX@TELUS Theatre will be adapted to enrich the visitor's overall experience.

Many initiatives are planned for 2009-2010 to enhance the site's heritage. They include developing a Website, a downloadable map or a maritime route. At the same time, documents will continue to be scanned to make a broader range

of current and historical information accessible via the virtual documentation centre.

Where cultural activities are concerned, the *Eureka! Festival* and *The Technofolies* will be back for a third and second year respectively. The MSC will also feature *Aqua*, an exhibition by the One Drop/Goutte de vie Foundation. This exhibition shows how urgent it is to conserve water. During the month of May, the MSC will also unveil an exhibition on the respiratory system and human anatomy and physiology to celebrate the 100th

anniversary of the Mount Sinai hospital in Montréal. In October 2009, a temporary interactive exhibition on new materials, whose working title is *Strange Matter*, will be presented.

Finally, the MSC is continuing its work to develop a temporary exhibition on glass. This exhibition will involve most Montréal museums in an event called *City of Glass*.



HORTICULTURAL PLAN

*Benoit Robitaille, Administration Technician - Éric Gauthier, Maintenance Technician - Johanne Picard, Procurement Analyst
Michel Gauthier, Horticulture Attendant - Linda Ouellet, Horticulture Coordinator - Diane Letizi, Horticulture Attendant*

Expert services related to the Corporation's business units are provided by the Building Development and Maintenance, Finance and Administration, Marketing, and Human Resources departments. These teams play a role in achieving the Corporation's objectives. In 2008-2009, the expertise provided was used to conserve and enhance the assets and ensure the renewal of offerings. These departments, which initiate and participate in various management processes, foster effective and responsible management that is based on an objective of sustainable development.

The Corporation's *Vision for Development* is still relevant today

Although the Corporation has still not received confirmation of the funding that it requires to implement its *Vision for Development: A Window on the River (Phase 4)* in 2008-2009 it developed master plans to oversee development work on the site in a coherent manner.

The five master plans developed relate to urban furniture, landscaping, lighting, architecture and traffic flow on the site. These plans include guidelines for future site and building development. At the same time, the Corporation updated the construction costs for the various projects included in its *Vision for Development* to ascertain performance and related economic impacts.

Where completion of the projects included in the *Vision for Development* is concerned, the work to winterize the Belvedere was completed in the spring of 2008. This work was recognized by the Ordre des architectes du Québec, which included them in the projects named for its *2009 award for architectural excellence* (interior development).

The work continues to ensure the conservation and enhancement of the Old Port site.

The Corporation regularly carries out work in cooperation with PWGSC to ensure asset maintenance and to address deterioration and obsolescence. In 2008-2009, several major

projects were carried out in collaboration with PWGSC with a budget of \$7.1 million. These projects include phase 1 of the repairs to the King-Edward Pier, a major endeavour that will be completed over a two-year period. In addition, the work to the lower sections of the Clock Tower Pier was finalized, the MSC's roof was replaced and the capacity of the site's electrical system was updated.

The Corporation has also made several improvements to the quality of its infrastructure. The construction of the Espace Bernard-Lamarre in the MSC was completed, as were new facilities in preparation for the move of parking and protection/prevention services from the Alexandra Pier to the MSC. There is also the expected restoration of the *Daniel McAllister* tugboat and the redevelopment of the Locks Garden in the western sector into a green space that is perfect for relaxation.

The Building Development and Maintenance department also installed a commercial signs lighting system to more easily identify products and services on the site and put in place a dynamic message signs system for its parking facilities in partnership with Stationnement Montréal.

These examples of improvements show the Corporation's desire to offer high-quality products to its customers so as to attract more visitors and increase the amounts spent on the site.

This commitment to quality also results in continued improvements to access to the Old Port site. The work carried out together with Société de transport de Montréal made it possible to put in place a bus route leaving from downtown Montréal and passing through Old Montréal in June 2008. The pilot project, which was aimed at encouraging and increasing movement towards the city's historic district year round, is crucial for the development of the Old Port's offerings. By dealing with public transit deficiencies in this part of the city, this new service makes it possible to reach a larger number of potential visitors while

facilitating access for people already familiar with the area.

In 2008-2009, the Corporation continued to participate in studies carried out by the city of Montréal to complete the development of de la Commune Street. This included talks with the Montréal Port Authority to secure the eventual passage of a tramway on the northern section of the train tracks, a variable that must be taken into account in the plan for developing de la Commune Street. Discussions are continuing and the conclusions should be made in the coming fiscal year.

Finally, work for the transfer of the custody of assets from PWGSC to the Corporation has resumed, which allows us to hope that this will be completed during 2009-2010.

Consolidating the Corporation's organizational structure

In 2008-2009, adjustments to the types of positions managed by the Quays of the Old Port business unit and Building Development and Maintenance department will make it possible to increase maintenance, management and construction project capacity.

Work to reorganize the Marketing department initiated during the last fiscal year to ensure the shift from a mandate to communicate the Corporation's products and services to marketing efforts that are centred more on a customer-based approach continued. For example, a new communications consultant position for brand marketing was created to ensure that brands result in a customer and a product experience. All of these efforts are based on developing strong brands for the Quays of the Old Port and the MSC.

Emphasizing the customer's experience

The customer's experience is the cornerstone of the efforts of the Marketing department. The main marketing challenges are meeting customer needs, prompting people to take part in activities on the site and encouraging them to spend more time on the site and to return for future visits. It is with this objective in mind that efforts were made

this year to thoroughly review the marketing processes. The initiatives include updating the Corporation's brand vision and implementing brands more concretely in the efforts of the units concerned. This also includes putting in place a process for incorporating various market research initiatives, which will provide more detailed information and allow this information to be used better. This will also enable the Corporation to have better knowledge of its customers and to develop effective assessment tools and performance indicators.

A needs analysis of the Corporation's Websites was performed. This resulted in the definition of a vision and an action plan for a better adapted Website. The vision and action plan will be implemented in the coming fiscal year.

The Marketing department has put in place new targeted strategies to attract customers to the products and services offered by the Quays and the MSC in a different way. For example, where the MSC is concerned, efforts were made to reach its two targeted publics, namely young visitors and their parents. Radio advertising targeting parents helped to make the MSC and its brand image better known. Where young people are concerned, the partnership with VRAK TV and the advertising campaign helped to position the MSC as a "cool" place to be and a must-see.

Where the Quays are concerned, the Marketing department made efforts to promote the three major summer products, namely terraces, cruises and shows. It also proposed different, dynamic and inviting images to make its products more recognizable among its different clientele. Efforts were focussed on positioning the Quays as a unique winter destination to attract a young, urban clientele to rediscover the pleasures of winter and to make the most of this season in Montréal.

These new strategies provided remarkable results, exceeding the performance indicators for industry standards for this type of endeavour. Assessments showed that, in all cases, the targeted public appreciated and understood the message being conveyed by the Corporation. The shift that was made should help to increase the number of visitors to events and activities in the medium term and to increase total amounts spent on the site.



© A.P.E.S.



© SVPM



© A.P.E.S.



© SVPM

Human resources management is continuing to be improved

The work begun in 2005 in connection with the review of the Corporation's total compensation policy was completed in 2008-2009. The required salary adjustments, which are the result of joint efforts by the Corporation and the unions, ensure that wage parity and internal equity measures for the Corporation's unionized positions were implemented. In the same spirit, the Corporation also updated its compensation policy for non-unionized staff, which was put into place in April 2007. These various efforts allowed the Corporation to standardize its compensation practices and reduce wage issues and their impacts on the working climate.

Also relating to compensation, at the request of the Board, the working conditions of senior management were reviewed. This review confirmed that the Corporation's practices are in line with those of comparable Canadian institutions.

Where labour relations are concerned, the petition to review the scope of union accreditation remained in effect. Discussions between the Corporation and union representatives have continued. Based on the latest discussions, it would appear that an agreement will be signed within the coming fiscal year.

To increase day-to-day efficiency, the meetings between managers of unionized employees, a practice put in place during the last fiscal year, continued on a regular basis. These meetings, which were in the form of discussions, encourage the sharing and pooling of each person's reality in managing collective agreements. These meetings resulted in interesting progress regarding the standardization of management practices. This initiative is part of the overall objective to improve human resources management, which has also given rise to other types of involvement, such as offering tailored training to management personnel. In addition, various processes were put into place to support the work of managers.

Where management abilities are concerned, the Corporation has developed a management by key competency approach this year.

To emphasize cohesion within the organization and better translate the types of behaviour being sought within the organization, senior management worked to define corporate values, namely team spirit, excellence and commitment.

Continual progress to achieve more effective management processes

The project and portfolio management structure put in place in 2007-2008 is an effective tool for managing investment and major corporate projects. The impacts of this new structure on organizational performance have resulted in better work coordination among the stakeholders in various departments. The Corporation's tools and practices continued to be improved in 2008-2009.

The implementation of scorecards, that is performance indicators for the Corporation's activities, was postponed since it required the contribution of managers in positions that were not filled during the year. However, research and assessment efforts continued, in particular in terms of assessing mission costs, estimating the social impacts and testing an initial version of the quantitative performance report.

The desire to renew and improve computerized management systems resulted in the acquisition of various software tools this year that are better adapted to the Corporation's business processes and operations ensuring the security of the Corporation's computer network. IT management renewed its five-year computer resources master plan.

The Finance and Administration department continued its work to convert its accounting standards in order to satisfy the International Financial Reporting Standards adopted by the Accounting Standards Board of Canada by 2011. The assessment and the conversion plan have been completed and the conversion will be finalized at the end of 2010.

Improving accident prevention and reducing occupational health and safety risks

There was more of a focus on accident prevention relating to occupational health and safety this year. In fact, the Human Resources team made the additional efforts required to re-emphasize the various security rules and ensure that corrective measures are implemented. Specific training was also provided and workshops were organized to show the proper use of equipment.

To support these prevention activities, a risk analysis relating to health and safety issues applying to the 37 unionized position titles was begun. At the end of this fiscal year, 10 positions had been assessed and other positions will be evaluated in the coming year. This proactive approach has already provided significant results. The Corporation has recorded a 26% drop in work-related accidents, which translated into a 70% decrease in the number of work days lost.

Moreover, as part of the internal audit based on risk management, the Corporation's training and human resource development procedures were assessed and the results were considered satisfactory. Recommendations were also made and improvements are being completed.

Improved environmental performance

The Corporation has set some major objectives regarding respect for the environment and sustainable development. With this in mind, possible energy savings were studied in 2008-2009. The Corporation also purchased hybrid automobiles as part of the renewal of its fleet of vehicles.

One of the sustainable development objectives was to increase concession holder participation in the environmental management systems. All MSC concession holders signed their environmental commitment and put in place the necessary measures. In addition, the Corporation is including two clauses pertaining to the management of residual waste and energy consumption in its leases with MSC and Quays concession holders as these leases are renewed.

Like the 75 other Montréal organizations, the Old Port of Montréal Corporation joined the First Strategic Plan for Sustainable Development, led by the city of Montreal. The Corporation is therefore committed to contribute to the four strategic directions being targeted in this plan and to implement at least five practical initiatives in keeping with the plan's priorities. The Corporation is therefore confirming its desire to contribute to the city's prosperity and quality of life.

The Corporation is a major and essential player in Montréal

The Corporation, which is concerned about the major issues being faced by the city in terms of economic, social and cultural development and the quality of life of citizens, has made its voice heard with various authorities, in particular for new projects in the city, such as the Quartier des spectacles, the Griffintown project, Tourisme Montréal's cultural tourism strategy or the follow-up for the *Montréal, Cultural Metropolis—Meeting in November 2007*. Representatives of the Old Port of Montréal Corporation sit on the Boards of several Montréal organizations and institutions and on various committees, including the Board of Trade of Metropolitan Montréal. The Corporation is also a member of the Table de concertation du Vieux-Montréal and the Regroupement des organismes culturels du Vieux-Montréal. By taking part in discussions, the Corporation asserts its role as a major player that is able to influence the city's development decisions.

From another perspective, providing a location for film shoots allows the Corporation to make Montréal better known both nationally and internationally. The Old Port is a very popular location for Québec film shoots and has been used for feature films, television series and programs and commercials. For example, it was featured in the first production of Marilou Wolfe, *Les pieds dans le vide*, and in a new film by Fernand Dansereau. Television series such as *La vie en vert*, *Dossiers justice*, *3 600 secondes d'extase* and several others were filmed at the Old Port. Finally, commercials for Ford, Honda, Milk, Reitmans, Mexx and several other companies were shot at the Old Port. It should be mentioned that the Hollywood dispute with the screen writers

guild had a negative impact on U.S. film shoots at the Old Port and in Montréal in general in 2008-2009.

Outlook for corporate services

Where human resources management is concerned, the decision made by the Canada Industrial Relations Board regarding the scope of accreditation is expected in the 2009-2010 fiscal year. This decision could translate into more unionized employees and will require certain adjustments in the Corporation's way of doing business.

Where unions are concerned, the Human Resources department will begin preparing the renewal of labour agreements with its unionized employees in late fall. Given the good relations between the Corporation and its unions in recent years and the successful efforts with the unions to resolve several issues, it is hoped that the upcoming negotiations will be in a "win-win" context.

The implementation of management by key competencies and the communication of corporate values will provide initial results in 2009-2010. With a renewed management team, the stability of the organization will allow for the review of key processes and improvements in the Corporation's performance regarding environmental management and project and portfolio management in 2009-2010. This management will be marked by an improvement plan that will allow for the necessary adjustments. The Marketing department plans to systematize the measurement of marketing and communication efforts as well as customer satisfaction.

As a major player in Montréal's development, the Corporation plans to have a greater presence and to participate more in the city's affairs in the years to come. Its positioning among community leaders will be audited. Intervention strategies and better adapted communication and assessment tools will be developed and implemented.

The current recession will clearly have an impact on the Corporation's sponsorships. The Corporation plans to adapt its way of doing things to

attract new partners, who are essential for its development based on the uniqueness and operability of its offerings, its large number of visitors and its accessibility to all types of customers.

Where infrastructure is concerned, the repairs to and re-development of traffic areas on the site as

well as the repairs to the Port d'escale will begin, as will a series of asset maintenance efforts.

The state of discussions leads us to believe that custody of assets will be transferred from PWGSC to the Corporation within the coming fiscal year.

BOARD OF DIRECTORS

Following the resignation of one director in mid-February 2009, the Corporation's Board of Directors has included six members:

Chairman



Bernard Roy, Q.C.

Mr. Roy is a well-known Montréal lawyer who specializes in civil, commercial and administrative law. Currently Counsel at Ogilvy Renault, he has acted as an arbitrator and litigator before courts of provincial and federal jurisdiction and administrative tribunals. Mr. Roy has also served as lead Counsel to many federal and provincial commissions of inquiry, including the Gomery Commission. He was Principal Secretary to the Prime Minister of Canada from 1984 to 1988. Mr. Roy is a member of the Canadian Bar Association and the Bar of Quebec and sits on the boards of several public companies.

Directors



Yves-André Godon

Over the course of his career, Mr. Godon has developed solid expertise in international real estate investment. He is currently Senior Vice-President, Canada for SITQ, and is in charge of all of the company's investment and asset management activities in this market. Mr. Godon holds a Bachelor's degree in Law from Université de Sherbrooke and is a member of the Québec Bar Association. He is also a chartered real estate broker. Moreover, Mr. Godon is the Chairman of the Board of Axima Services and is a board member of the Mount Bruno Country Club and the Fondation du pensionnat des Sacrés-Cœurs. As an active participant in the business community with his expertise, Mr. Godon was a panelist for several real estate conferences.



Patrick Kenniff

Mr. Kenniff is a partner in the Montréal-based management consulting firm Kenniff & 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 for 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.



Tasha Kheiriddin

An author, lawyer and television personality, Ms Kheiriddin is currently a lecturer at McGill University and the director for Québec and the francophonie with the Fraser Institute, a non-partisan, privately funded think-tank that promotes free-market solutions to social problems. Ms Kheiriddin currently serves as a member of the Advisory Committee in Judicial Appointments to the Tax Court of Canada and is a Board member of the Civitas Society and the University Club of Montréal.



Yvon Martin

Mr. Martin is the President of Les Placements Solicom inc. in Montréal. He has more than 25 years of marketing and communications experience. He is also a director of the Fondation de l'Hôpital du Sacré-Cœur de Montréal and a governor of the Orchestre Métropolitain du Grand Montréal. In addition, Mr. Martin is the Honorary Consul General for the Republic of Madagascar to Québec.



Claude Thibault

Mr. Thibault is Vice-President, Finance, and Chief Financial Officer of NuEra International Inc., a holding company of private investment owning three manufacturing and distribution business unit in the USA and Canada. Over the past ten years, he has been the CFO of a number of public and private companies, including most recently Mediagrif Interactive Technologies Inc., a TSX-listed corporation, and PTT Poly Canada, a Shell joint venture. Mr. Thibault had previously gained significant investment banking and corporate finance experience while at Merrill Lynch Canada and KPMG. He is a chartered accountant, a chartered business evaluator and he holds an MBA from McGill University. He is a member of the Institute of Corporate Directors.

GOVERNANCE

The Corporation reports to Parliament on its operations through the Minister of Transport, Infrastructure and Communities, the Honourable John Baird, as well as the minister of State, the Honourable Rob Merrifield, who assists Mr. Baird in carrying out his responsibilities for Crown corporations.

During 2008-2009, 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, as defined in the agreement signed with the Crown on January 25, 1982 and in accordance with the applicable provisions of the *Financial Administration Act*.

The Board met on seven occasions in 2008-2009 and 74% of these meetings were attended by its members. Some of the strategic issues examined include the approval of the strategic objectives and initiatives in the *2009-2010 to 2013-2014 Corporate Plan*, priority projects and options for implementing the *Vision for Development: A Window on the River (Phase 4)* and a request for an additional parliamentary appropriation to replace the IMAX projection system.

Where the oversight of the Corporation's management activities is concerned, the Board examined the budget situation, the monthly statements of operations, the various reports on the planning and holding of activities, the hiring of two vice-presidents (Marketing and Quays of the Old Port), the updating of the travel and entertainment expenses policy and contract awards.

During the course of each of their meetings, the Board members had an opportunity to hold discussions with management and various external consultants, as necessary.

The Board also evaluated its own performance as well as that of its committees during the year.

Audit Committee

The Audit Committee met on four occasions during 2008-2009 and 88% of these meetings were attended by members. In particular, the Audit Committee, chaired by Mr. Claude Thibault C.A., examined the Corporation's audited annual financial statements for the preceding year, the annual audit plan for 2008-2009, the internal auditors' reports issued for 2008-2009 and the preceding year, the Corporation's budget for the coming year as well as the record of risks related to the Corporation's activities and the action plans to mitigate these risks and ensure management and oversight.

The Audit Committee also monitored the implementation of the recommendations made by the Office of the Auditor General of Canada in its auditor's report following its most recent special examination performed in 2004. Moreover, it followed up on the process developed and work performed to convert the appropriate systems to international financial reporting standards within the required timeframe.

Finally, the Audit Committee advised the Board of Directors after these follow-ups and examinations were completed.

Human Resources Committee

The Human Resources Committee met on two occasions in 2008-2009 and 100% of these meetings were attended by members. The committee, which is chaired by Mr. Patrick Kenniff, followed up on a benchmark study carried out by a consulting firm regarding the working conditions of non-unionized employees and senior management and examined the recommendations made following this study. The Committee also examined the recommendations regarding salary reviews pertaining to non-unionized employees for 2009-2010, senior management performance assessments for the year as well as recommendations regarding a salary review for 2009-2010.

The Human Resources Committee advised the Board of Directors after these follow-ups and examinations were completed.

RISK MANAGEMENT

Managing an organization like the Old Port of Montréal Corporation involves risks that the directors and the management team must identify, analyze, minimize and eliminate. The Corporation focusses on developing its Corporate Plan to guide and control its action and to organize its reporting to Parliament. In that spirit, it has put in place an integrated work program to satisfy the recommendations following the annual audit and the special examination performed by the Office of the Auditor General (OAG) in 2004.

Internal Risks

Each year, the Corporation carries out internal audit activities to confirm practices and make the necessary improvements to its existing policies and procedures. In 2007-2008, the Corporation put in place a five-year internal audit plan based on a risk management approach. This plan, which helps to ensure that internal audit engagements have more of a strategic impact and allows for better risk management, is based on 10 specific internal audit engagements to be carried out over a period of five years based on the Corporation's strategic priorities. In 2008-2009, the first year following implementation of the five-year plan, two engagements were carried out, namely the internal audit of human resources management processes and of personal and property security management. These internal audits make it possible to address risks by proposing the appropriate measures.

The project and portfolio management system being used by managers to manage, monitor and control capital and major corporate projects is also an effective risk management tool. This five-part process ensures that risks are analyzed and that the related impacts are measured. Progress reports and the approval of each phase of the project by the Executive Committee are some of the measures included in this system to ensure a strict follow-up and control.

Asset conservation and maintenance represent substantial risks for the Corporation. The Corporation ensures the maintenance of its equipment, facilities and infrastructure. It prevents a certain amount of asset deterioration with the means at its disposal, in particular using its preventive maintenance system, which allows for a constant and close follow-up of work performed and the related impacts.

PWGSC, the custodian of the assets, updates the Building Condition Report (BCR) every five years in collaboration with the Corporation, which enables it to list the work that is required and have it carried out with the funds that are available. An updated report is expected in 2009-2010.

The Corporation's environmental commitment and its environmental management system contribute to asset conservation and maintenance as well as to the quality of a customer's visit to the site. The environmental management system includes applications that are regularly reviewed whereas the commitment of each business unit and department to protect the environment is audited regularly to ensure that objectives are achieved and the necessary corrective measures are put into place.

Where environment commitment is concerned, the Corporation also ensures that its concession holders adhere to its environmental principles by including environmental clauses in their leases calling upon them to comply with the rules for managing residual waste and for energy consumption. This reduces environmental risks regarding operations on the site, even though they do not fall under the Corporation's direct authority.

Personal, property and information security is another area where the Corporation faces significant risks. The Corporation's security management framework is a tool that helps to prevent and manage these risks. This framework identifies security and risk management measures to protect all human, material, financial or computer resources. It includes a business continuity plan providing various procedures to follow in order to ensure that the Corporation continues to operate in the event of trouble or a disaster.

The Corporation's IT department regularly performs security analyses to test the systems in place. The Corporation also relies on a computer backup site when necessary.

The implementation of a document management and archiving system is another risk management measure. This system allows the Corporation to process and retrieve information and use it in a more controlled manner.

The Corporation's compliance with Bureau de normalisation du Québec's accreditation standards also helps it to prevent and manage risks. Internal control measures as well as employee training regarding such standards helps to ensure that they are strictly followed.

The Corporation has developed and this year began implementing an occupational health and safety action plan. This action plan aims to raise awareness and to equip employees to reduce risks and prevent work accidents. This plan includes a series of measures including the assessment of the risks related to various types of position, various training and awareness activities as well as corrective measures to be put into place to ensure that people have a healthy and safe work environment. In addition, where work safety is concerned, the Corporation can rely on the work of the internal committee in charge of assessing health and safety related efforts and proposing measures to optimize the Corporation's practices in this area.

Training is clearly one of the most effective preventive measures. The Corporation develops training to address situations that may result in risks for users, employees and the facilities. The Corporation identifies situations involving risks and tries to understand the mechanisms to ensure that

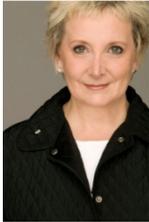
appropriate action is taken, including employee training. This year, training was developed regarding muscular skeletal problems for sectors that are at risk. This training raised awareness regarding the importance of adopting safe behaviour and following safety rules, especially those relating to the use of specialized equipment.

External risks

The Corporation's revenues depend upon the number of visitors who come to the site year round. Attendance numbers are also determined by events which are often beyond the Corporation's control, such as the economic situation, exchange rates, the weather, fuel prices, international security issues and labour conflicts in the recreational tourism sector. To address these risks, the Corporation operates prudently and shows versatility and flexibility in managing its advertising investments. Also, based on its experience, which has provided it with a reliable record of organizational performance over the years, the Corporation has scenarios and models to simulate impacts and draft the appropriate measures to be put into place. Performance indicators are also tools to detect and quickly deal with risks. The Corporation is developing new performance indicators to optimize risk management. This work is furthered by the analysis of measures taken by institutions comparable to the Old Port of Montréal Corporation.

Finally, over the years the Corporation has reviewed and adjusted its partnership agreements and pricing strategies to adapt to changing situations and to react quickly to unforeseen events.

SENIOR MANAGEMENT



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



Patrick Goineau
Vice-president, Building Development and Maintenance



Jacques LaGarde
Vice-President, Quays of the Old Port



Benoît Légaré
Vice-president, Montréal Science Centre



Luc Nadeau
Vice-president, Human Resources



Richard Tardif, C.A., C.M.A.
Vice-president, Finance and Administration



Jérôme Dufour
Vice-president, Marketing



ENGAGEMENT

Nadia Popivanova, Human Resources Advisor (Labor Relations) - Gilles Desrosiers, Human Resources Advisor (Payroll) - Jamal Elbaz, Cleaning Agent
Haja Ramahatta, Marketing Analyst - Madeleine Martin, Human Resources Advisor (Training) - Nadia Picard, Customer Service and General Sales Agent

HUMAN RESOURCES MANAGEMENT

The Old Port of Montréal Corporation's organizational structure is based on two primary business units—the Quays of the Old Port and the Montréal Science Centre. The work of these two business units is supported by corporate services (Building Development and Maintenance, Finance and Administration, Marketing and Human Resources departments).

The Corporation has more than 160 permanent full-time employees, in addition to temporary, occasional and seasonal staff. It therefore employs close to 400 people annually. Although the development of winter activities has a positive impact on seasonal jobs, seasonal employment is mainly a summer phenomenon. The Corporation holds many more activities on the site during the summer. For example, more than 150 unionized seasonal positions were filled in the summer of 2008. Most seasonal employees are full-time students.

The Corporation has more than 100 different positions. In 2008-2009, approximately 71% of the Corporation's employees were unionized. This proportion has remained fairly constant in recent years. Employees are relatively young; the average age for all employees was 34 in 2008-2009. Given the Corporation's wide range of responsibilities and the activities that it carries out, it requires various types of expertise. Profiles are extremely varied, from museology technicians to maintenance employees, from accounting analysts to Webmasters, from logistical officers to educators.

The Corporation seeks to offer competitive and fair compensation and working conditions. Every employee plays a role in achieving the Corporation's objectives and management makes

sure to provide a healthy, stimulating and safe working environment. It also makes it its duty to keep its personnel abreast of the Corporation's business. The Corporation's President and Chief Executive Officer regularly holds meetings for this purpose.

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 increases employees' feeling of belonging. The two recipients this year are Amélie Bleau, a presenter in the Science Centre, and Maude Poirier, an information supervisor. The Corporation also has a *Policy on managing and preventing harassment and discrimination in the workplace*.

For example, 170 people took mandatory training in 2008-2009 for new employees, which is equivalent to more than 200 hours of training, provided by our internal team of instructors.

The Corporation recognizes the work done by its employees. Each year, it celebrates employment anniversaries by organizing a special celebration for employees with 5, 10, 15 and 20 years of service. Social activities are important. In addition to providing an opportunity to thank employees, the people who have made the Corporation what it is today, they help ensure internal cohesion and foster a feeling of belonging. Annual celebrations play the same role. Some 225 employees attended the *Christmas Gala* this past year, while 164 people took part in the summer country festival for employees and their families with the theme of "the colours and flavours of Haiti."

FINANCIAL ANALYSIS

The following section should be read in conjunction with the Corporation's audited financial statements for the year ended March 31, 2009 and the related notes included elsewhere in this Annual Report.

Financing (in thousands of dollars)

	Results 2008-2009	Budget 2008-2009	Variance between results and budget		Results 2007-2008
			\$	%	
Parliamentary appropriations	21,146	21,150	4	0.02	18,899

The Corporation is presenting a balanced budget for 2008-2009, with a \$4 K (0.02%) surplus. The used parliamentary appropriations amounted to \$21.146 million, representing an increase of \$2.247 million (11.9%) compared to 2007-2008. The parliamentary appropriations attributed for the 2008-2009 budget totalled \$21.150 million and covered both operating and capital expenditures.

An amount of \$600 K pertaining to the IMAX projection system has been carried forward to next year.

Statements of Operations (in thousands of dollars)

	Results 2008-2009	Budget 2008-2009	Variance between results and budget		Results 2007-2008
			\$	%	
Operating revenues	15,075	14,255	820	5.8	16,049
Amortization of deferred contributions	1,738	357	1,381	386.8	658
Total revenues	16,813	14,612	2,201	15.1	16,707
Operating expenditures (before depreciation)	30,479	30,112	367	1.2	29,226
Depreciation of property, plant and equipment	4,398	3,466	932	26.9	2,810
Total expenditures	34,877	33,578	1,299	3.9	32,036

The operating deficit (before depreciation) amounts to \$15.404 million compared to \$13.177 million in 2007-2008, an increase of \$2.227 K (16.9%). This increase is attributable to a 6.1% decrease in operating revenues whereas expenditures before depreciation rose by 4.3%.

The operating deficit is \$453 K lower than the \$15.857 million budgeted. This result is attributable to a 5.8% favourable variance for revenues and an increase of only 1.2% in operating expenditures.

Revenues (in thousands of dollars)

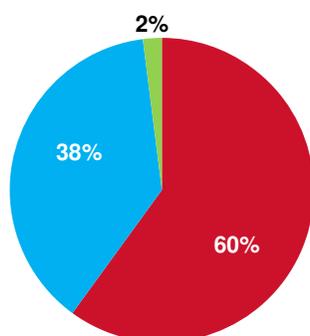
	Results 2008-2009	Budget 2008-2009	Variance between results and budget		Results 2007-2008
			\$	%	
Montréal Science Centre	11,356	8,979	2,377	26.5	10,105
Quays of the Old Port	5,232	5,418	(186)	(3.4)	6,340
Corporate services	225	215	10	4.7	262
Total revenues	16,813	14,612	2,201	15.1	16,707

Self-generated revenues related to the Corporation's products in 2008-2009 amount to \$16.813 million compared to \$16.707 million in 2007-2008, a 0.6% increase corresponding to \$106 K. This increase is attributable to the outstanding performance of the IMAX@TELUS Theatre in spite of the fact that two major events which were so important in 2007, namely the *Body Worlds 2* exhibition and the Cirque du Soleil shows, were not held this year.

Self-generated revenues of \$14.612 million were budgeted in the 2008-2009 Corporate Plan, whereas results for 2008-2009 total \$16.813 million, up 15.1% or \$2,201 K. The principal variances compared to budgeted amounts pertain to the IMAX Theatre (\$675 K), corporate rentals (\$184 K) and the Port d'escal (102 K).

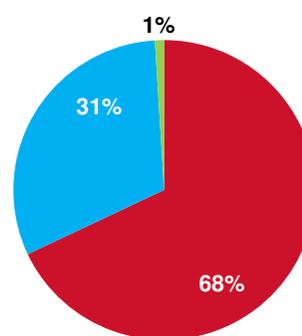
In addition, the amortization of deferred contributions totalling \$1,080 K resulted in a favourable variance.

Revenues (%) in 2007-2008



- Montréal Science Centre
- Quays of the Old Port
- Corporate Services

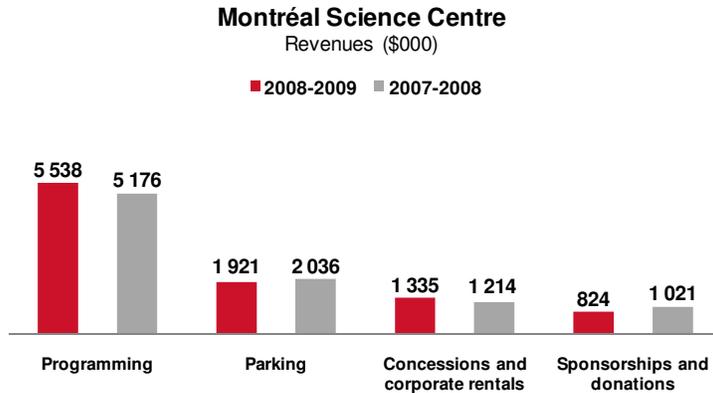
Revenues (%) in 2008-2009



- Montréal Science Centre
- Quays of the Old Port
- Corporate Services



Montréal Science Centre



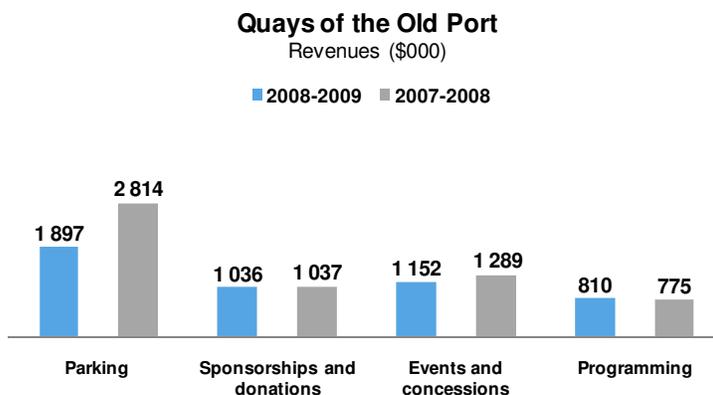
Programming revenues, which include revenues from the IMAX®TELUS Theatre and exhibitions, totalled \$5.538 million in 2008-2009 compared to \$5.176 million in 2007-2008. This result represents an increase of \$362 K (7%). Revenues from the IMAX®TELUS Theatre increased by \$675 K (22.5%). Exhibition revenues increased by \$758 K (119%) compared to 2007-2008; when the exhibition halls were closed for almost three months to prepare the new MSC 2007 permanent exhibitions. Parking revenues decreased by \$115 K (5.6%) due to

the fact that the Cirque du Soleil did not hold any shows on the site and that the *Body Worlds 2* exhibition was not held again this year.

Where concessions and corporate rentals are concerned, revenues increased by \$121 K (10%), primarily due to rentals for corporate events and the fact that the new and entirely renovated Belvedere opened in June 2008. The \$197 K decrease in sponsorships and donations is attributable to lower amounts received for educational projects.



Quays of the Old Port



Parking revenues decreased by \$917 K (32.6%) due to the absence of two major events, the Cirque du Soleil shows and the *Body Worlds 2* exhibition.

Revenues from events and concessions decreased by \$137 K (10.6%) due to the absence of the Cirque du Soleil. Programming revenues rose by \$35 K (4.5%) associated with the Port d'escale and the arrival of several mega-yachts.

Expenditures (in thousands of dollars)

	Results 2008-2009	Budget 2008-2009	Variance between results and budget		Results 2007-2008
			\$	%	
Montréal Science Centre	13,389	12,273	1,166	9.1	12,693
Quays of the Old Port	10,471	10,203	268	2.6	9,814
Corporate Services	6,619	7,636	(1,017)	(13.3)	6,719
Total operating expenditures (before depreciation)	30,479	30,112	367	1.2	29,226
Depreciation of property, plant and equipment	4,398	3,466	932	26.9	2,810
Total expenditures	34,877	33,578	1,299	3.9	32,036

Total operating expenditures (before depreciation) for 2008-2009 increased by \$1.253 million (4.3%) compared to 2007-2008. Operating expenditures also rose by \$367 K (1.2%) compared to the amount budgeted for 2008-2009 in the Corporate Plan.



Montréal Science Centre

Expenditures relating to the Montréal Science Centre amounted to \$13.389 million, an increase of \$696 K (5.5%) compared to 2007-2008. The variations relate primarily to IMAX film rental costs, which are up \$355 K (52.8%) in relation to IMAX film revenues. Exhibition costs are also up by \$471 K (\$29 K in 2007), due to the rental of the *Aliens* exhibition. The lower amount for educational projects, down \$373 K (67%), is reflected in sponsorship revenues.



Quays of the Old Port of Montréal

Expenditures relating to the Quays of the Old Port total \$10.471 million in 2008-2009, an increase of \$657 K (6.7%) compared to 2007-2008. The principal items that explain this variance include an increase in animation contracts for the street performing arts and the winter bar (increase of \$227 K) and the impact of costs charged to PWGSC in 2007-2008 (\$377 K).



Corporate Services

Expenditures relating to corporate services total \$6.619 million in 2008-2009, a decrease of \$100 K compared to 2007-2008. This decline is essentially attributable to lower advertising costs.

Expenditure Analysis by Major Category:

	Results 2008-2009	Budget 2008-2009	Variance between results and budget		Results 2007-2008
			\$	%	
(in thousands of dollars)					
Salaries and employee benefits	15,185	15,461	(276)	(1.8)	15,562
Depreciation	4,398	3,466	932	26.9	2,810
Advertising	2,994	3,110	(116)	(3.7)	3,156
Maintenance	2,950	3,088	(138)	(4.5)	2,235
Taxes, permits, rents and utilities	1,945	2,100	(155)	(7.4)	2,000
Professional services	1,357	1,086	271	25.0	955
Exhibitions	1,329	1,030	299	29.0	1,181
Movie rentals	1,141	841	300	35.7	782
Animation contracts	975	703	272	38.7	869
Office expenses	458	595	(137)	(23.0)	685
Travel and entertainment costs	376	335	41	12.2	309
Research and development costs	359	375	(16)	(4.3)	341
Telecommunications	296	257	39	15.2	222
Insurance	238	437	(199)	(45.5)	261
Software maintenance	149	165	(16)	(9.7)	171
Vehicle and equipment rentals	139	77	62	80.5	99
Machinery and tools	137	144	(7)	(4.9)	103
Bad debts	116	10	106	1,060.0	35
Training	67	93	(26)	(28.0)	80
Other	268	205	63	30.7	180
Total expenditures	34,877	33,578	1,299	3.9	32,036

Compared to 2007-2008, the analysis of the major expenditure categories for the current year reveals the following:

**% of expenditures
(before depreciation)**

49.8 %

Salaries and benefits decreased by \$377 K, or 2.4%. Some of the main reasons for this rise are the automatic increase of 2.5% received by unionized employees and the lower number of employees at the MSC due to a decrease in staff requirements compared to the preceding year, when the *Body Worlds 2* exhibition was held, and delays in replacing certain management staff.

9.8 %

Advertising expenditures (excluding salaries) totalled \$2.994million in 2008-2009, down \$162 K. This is equivalent to 17.8% of total revenues, compared to 18.9% in 2007-2008.

9.7 %

Site **maintenance** and the maintenance of facilities represent a significant expense for the Corporation. Due to the size of the site and the age of certain assets, rigorous maintenance work is required, which explains the expense.

6.4 %

Taxes, permits, rents and utilities decreased by \$55 K (2.8%) due to the abolishment of the water tax and the service tax on the rental value.

4.5 %

Professional services amount to \$1,357 K, up 42.1% resulting from progress regarding work related to the Vision 2005-2015 development projects, i.e. developing master plans, overall plans, updating construction costs and developing business plans.

4.4 %

Exhibitions represented an expense of \$1,329 K, an increase of \$148 K (12.5%) resulting from the rental of the *Aliens* exhibition.

3.7 %

Movie rentals include the cost of movies shown at the IMAX®TELUS Theatre and as part of the movie game. The \$359 K increase relates to royalties owing from the fact that ticket office revenues are up 22.5%.

3.2 %

Animation contracts totalled \$975 K, up \$106 K (12.2%) due to the addition of new winter activities and street performing arts.

1.5 %

Office expenses include stationery, postage and uniforms.

1.2 %

Travel and entertainment expenses amounted to \$376 K, up 21.7%. Several projects required recruiting and analysis work, such as the replacement of the facilities at the Port d'escale and the renewal of the ticket system.

1.2 %

Research and development costs include surveys and marketing analyses.

1.0 %

Telecommunications expenses totalled \$296 K, an increase of \$74 K (33.3%), due to the addition of and changes to telecommunications equipment.

0.8 %

Insurance costs totalled \$238 K, down 8.8%.

0.5 %

Software maintenance costs totalled \$149 K compared to \$171 K in 2007-2008.

0.4 %

Vehicle and equipment rentals totalled \$139 K, up \$40 K, or 40%, due to the replacement of printers with multi-function photocopiers.

0.4 %

Machinery and tooling expenses totalled \$137 K, up \$34 K, due primarily to more lamps being purchased for the IMAX@TELUS Theatre.

0.4 %

Bad debt expenses totalled \$116 K due to the bad debt allowance from a concession holder for which collection is uncertain.

0.2 %

Training costs totalled \$67 K, down \$13 K compared to 2007-2008.

0.9 %

“Other” expenses totalled \$268 K and include many components. Other expenses increased by \$88 K compared to 2007-2008.

Balance Sheet (in thousands of dollars)

	31-03-2009	31-03-2008
Total assets	34,111	31,932
Total liabilities	34,114	31,775
Shareholder's equity	(3)	157

Total assets as at March 31, 2009 amount to \$34.111 million compared to \$31.932 million at the end of the last fiscal year, an increase of \$2.179 million (6.8%).



Assets

Cash and cash equivalents, restricted cash and investments total \$4,230 K compared to \$6,057 K in 2007-2008. Accounts receivable decreased by \$543 K (36.2%) in comparison with amounts as at March 31, 2008. This variance results mainly from reimbursements of commodity taxes receivable and of amounts receivable from the Montréal Science Centre Foundation. The bad debt allowance totals \$171 K.



Liabilities

The total amount of accounts payable and accrued liabilities (excluding the repayable parliamentary appropriations) decreased from \$8.869 million in 2007-2008 to \$7.261 million in 2008-2009. This variance is attributable to repairs made to the Belvedere, the relocation of offices and the construction of the auditorium. The repayable parliamentary appropriations total \$4 K for 2008-2009.

Capital Expenditures (in thousands of dollars)

Capital expenditures	Actual 2008-2009	Budget 2008-2009	Variance between results and budget		Actual 2007-2008
			\$	%	
Property, plant and equipment	7,616	5,650	1,966	34.8	9,534

Capital expenditures totalled \$7,616 K in 2008-2009 compared to \$9,534 K in 2007-2008 and compared to the budgeted amount of \$5,650 K included in the Corporate Plan. Disbursements in 2008- 2009 include capital expenditures totalling \$2,158 K for repairs to the Belvedere. This amount is entirely financed through donations made by the Montréal Science Centre Foundation. Excluding this item, expenditures comparable to the budgeted amount for 2008-2009, totalling \$5,458 K, were recorded, which is \$192 K lower than the budget.

The following projects represented capital expenditures in excess of \$100 K in 2008-2009:

■ IT network switches	\$106 K
■ IT network equipment	\$108 K
■ Integration of the MSC brand	\$112 K
■ Lavatory facilities – Clock Tower and Jacques Cartier piers	\$132 K
■ Site surveillance cameras and servers	\$144 K
■ Repairs to washroom facilities – Allan building	\$149 K
■ Lavatory facilities – Port d’escale	\$183 K
■ Concession holder – Jacques Cartier Pavilion	\$200 K
■ Lighting of commercial signs	\$233 K
■ Relocation of offices, as well as parking, prevention and protection services	\$262 K
■ Permanent exhibitions	\$301 K
■ Horticultural plan	\$393 K
■ Repairs to the <i>Daniel McAllister</i> tugboat	\$488 K
■ Arrangement of the Locks Garden	\$510 K
■ Equipment for the IMAX projection hall	\$751 K
	TOTAL
	\$4,072 K

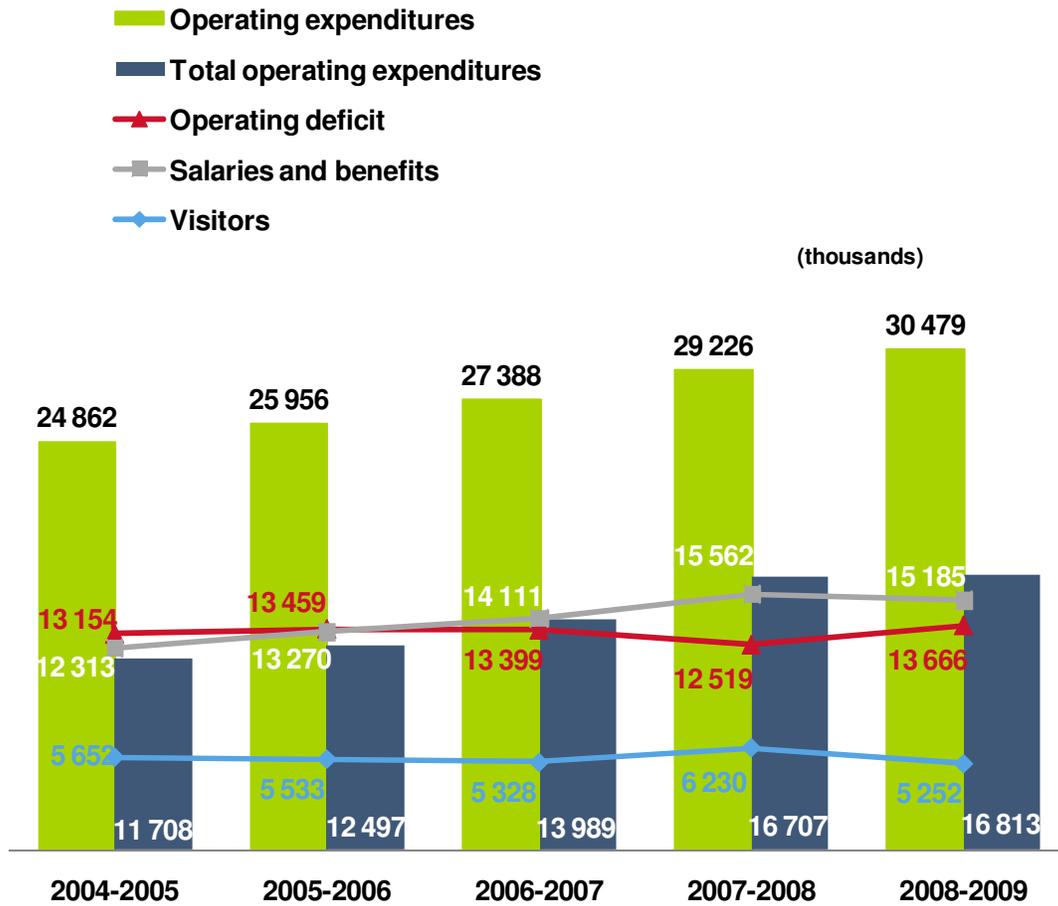
Finally, 10 other projects represented expenditures in excess of \$50,000 during the year, which corresponded to a total amount of \$665 K. The considerable variety of the Corporation’s commercial and cultural activities, the size of its site, and the fact that its buildings and equipment are aging explain the Corporation’s extensive initiatives in the form of specific investments on the site.

Five-year Summary (in thousands of dollars)

	Budget	Results				
	2008-2009	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Statement of operations						
Revenues						
Montréal Science Centre (\$)	8,979	11,356	10,105	8,424	6,882	6,537
%	61,4	67,5	60,5	60,2	55,1	55,8
Quays of the Old Port (\$)	5,418	5,232	6,340	5,347	5,383	4,975
%	37,1	31,1	37,9	38,2	43,1	42,5
Corporate services (\$)	215	225	262	218	232	196
%	1,5	1,4	1,6	1,6	1,8	1,7
Total operating revenues	14,612	16,813	16,707	13,989	12,497	11,708
Expenditures						
Operating expenditures	30,112	30,479	29,226	27,388	25,956	24,862
Salaries and benefits	15,461	15,185	15,562	14,111	13,270	12,313
Salaries and benefits to operating expenditures	51,3	49,8	53,2	51,5	51,1	49,5
Depreciation	3,466	4,398	2,810	2,695	2,567	2,636
Operating Deficit (before depreciation)	15,500	13,666	12,519	13,399	13,459	13,154
Financing						
Parliamentary appropriations and contributions	21,150	21,146	18,899	15,199	16,231	15,775

	Budget	Results				
	2008-2009	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Balance sheet						
Assets						
Cash and cash equivalents, restricted cash and investments	1,562	4,230	6,057	5,145	3,808	3,329
Receivables and balance receivable from related corporations	1,000	2,042	2,568	1,397	758	652
Parliamentary appropriations receivable	-	1,244	-	-	-	-
Prepaid expenses	600	430	337	364	479	408
Property, plant and equipment	20,136	26,165	22,970	16,246	16,328	15,529
Liabilities						
Accounts payable and balance payable to related corporations	2,500	7,261	8,869	5,819	4,617	4,227
Parliamentary appropriations repayable	-	-	2	1	94	325
Deferred contributions	3,631	6,921	6,214	3,094	2,490	1,399
Deferred property, plant and equipment financing	16,472	19,932	16,690	12,917	13,548	13,076

Key operating statistics	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Operating revenues to operating expenditures (excluding depreciation)	55%	57%	51%	47%	46%
Number of visitors to the Old Port of Montréal (in thousands)	5,252	6,230	5,328	5,533	5,652



MANAGEMENT'S RESPONSIBILITY REGARDING THE FINANCIAL STATEMENTS

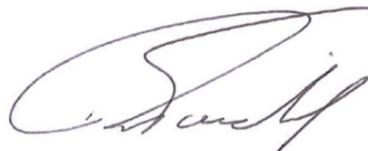
The Corporation's management is responsible for preparing the financial statements in the annual report. These have been prepared in accordance with generally accepted accounting principles in Canada and necessarily contain estimates made by Management to the best of its judgment and for which Management 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 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 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 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 the 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 financial statements of the Corporation and for reporting on these financial statements. Management

considers that the 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 financial statements following a recommendation from the Audit Committee.



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



Richard Tardif, ca, cma
Vice-president, Finance and Administration

Montréal,
June 1st, 2009



AUDITOR'S REPORT

To the Minister of Transport, Infrastructure and Communities

I have audited the balance sheet of the Old Port of Montréal Corporation Inc. as at March 31, 2009, and the statements of operations and comprehensive income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation that have come to my notice during my audit of the 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 the by-laws of the Corporation and the Agreement between the Corporation and Her Majesty in Right of Canada represented by the Minister of Public Works and Government Services.

René Béliveau, CA auditor
Principal
for the Auditor General of Canada

Montréal, Canada
June 1st, 2009

FINANCIAL STATEMENTS

OLD PORT OF MONTRÉAL CORPORATION INC.

Balance Sheets as at March 31

(in thousands of dollars)

	2009	2008
Assets		
Current		
Cash and cash equivalents	1,012	795
Restricted cash (Note 5)	218	262
Investments (Note 6)	3,000	5,000
Receivables	957	1,500
Balance receivable from related parties (Note 16)	1,085	1,068
Parliamentary appropriations receivable (Note 20)	1,244	-
Prepaid expenses	430	337
	<u>7,946</u>	<u>8,962</u>
Long-term		
Property, plant and equipment (Note 7)	26,165	22,970
	<u>34,111</u>	<u>31,932</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	7,221	8,717
Balance payable to related parties (Note 16)	40	152
Repayable parliamentary appropriations (Note 20)	-	2
Current portion of deferred contributions (Note 8)	2,058	1,859
	<u>9,319</u>	<u>10,730</u>
Long term		
Deferred contributions (Note 8)	4,863	4,355
Parliamentary appropriations - Deferred property, plant and equipment financing (Note 9)	19,932	16,690
	<u>24,795</u>	<u>21,045</u>
	<u>34,114</u>	<u>31,775</u>
Shareholders' equity		
Retained earnings	(3)	157
Accumulated other comprehensive income (Note 10)	-	-
	<u>(3)</u>	<u>157</u>
Capital stock (Note 11)	-	-
	<u>(3)</u>	<u>157</u>
	<u>34,111</u>	<u>31,932</u>

Contingencies (Note 17)

Commitments (Note 18)

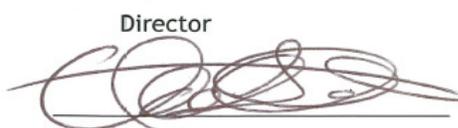
The notes are an integral part of the financial statements.

Approved on behalf of the Board of Directors

Director



Director



OLD PORT OF MONTRÉAL CORPORATION INC.

Statements of Operations and of Comprehensive Income

For the year ended March 31

(in thousands of dollars)	2009	2008
<i>Revenues</i>		
Quays (Note 12)	5,232	6,340
Montréal Science Centre (Note 12)	11,356	10,105
Corporate services (Note 12)	225	262
	<hr/> 16,813	<hr/> 16,707
<i>Operating expenditures (Note 13)</i>		
Quays (Note 12)	10,471	9,814
Montréal Science Centre (Note 12)	13,389	12,693
Corporate services (Note 12)	6,619	6,719
Depreciation of property, plant and equipment	4,398	2,810
	<hr/> 34,877	<hr/> 32,036
<i>Excess of operating expenditures over revenues</i>	(18,064)	(15,329)
Parliamentary appropriations - operating expenditures (Note 20)	15,404	13,177
Amortization of the parliamentary appropriation - deferred property, plant and equipment financing (Note 9)	2,500	1,949
	<hr/>	<hr/>
Net results	(160)	(203)
<i>Other comprehensive income (Note 10)</i>		
Donations from non-owners	-	(961)
	<hr/>	<hr/>
Comprehensive income	(160)	(1,164)

The notes are an integral part of the financial statements.

OLD PORT OF MONTRÉAL CORPORATION INC.

Statements of Retained Earnings

For the year ended March 31

(in thousands of dollars)	2009	2008
<i>Balance, beginning of year</i>	157	360
Net results	(160)	(203)
<i>Balance, end of year</i>	(3)	157

The notes are an integral part of the financial statements.

OLD PORT OF MONTRÉAL CORPORATION INC.

Statements of Cash Flows
For the year ended March 31

(in thousands of dollars)	2009	2008
<i>Operating activities</i>		
<i>Net results</i>	(160)	(203)
Non-cash items:		
Depreciation of property, plant and equipment	4,398	2,810
Gain on the disposal of property, plant and equipment	-	(189)
Amortization of deferred property, plant and equipment financing	(2,500)	(1,949)
Amortization of deferred contributions	(1,738)	(658)
Sponsorships recognized as revenue	(644)	(834)
Donations recognized as revenue	(80)	(80)
Changes in non-cash working capital items	(2,421)	1,907
<i>Cash flows from operating activities</i>	(3,145)	804
<i>Financing activities</i>		
Sponsorships received for the Montréal Science Centre	630	814
Donations received for the Montréal Science Centre	2,539	2,917
Parliamentary appropriations for the acquisition of property, plant and equipment	5,142	5,722
Deferred approved annual funding	600	-
<i>Cash flows from financing activities</i>	8,911	9,453
<i>Investing activities</i>		
Decrease (increase) in investments	2,000	(5,000)
Acquisition of property, plant and equipment	(7,616)	(9,534)
Proceeds from sale of property, plant and equipment	23	189
Net decrease (increase) in restricted cash	44	1,027
<i>Cash flows from investing activities</i>	(5,549)	(13,318)
Change in cash during the year	217	(3,061)
Cash and cash equivalents, beginning of year	795	3,856
<i>Cash and cash equivalents, end of year</i>	1,012	795

The notes are an integral part of the financial statements.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

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 Old Port of Montréal Corporation Inc. 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*.

Since February 1, 1982, pursuant to an agreement between the Corporation and Her Majesty in Right of Canada represented by the Minister of Public Works and Government Services Canada (PWGSC), the Corporation has been responsible for developing and promoting the development of the lands of the Old Port of Montréal, and for administering, managing and maintaining the properties of Her Majesty located thereon.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies are described below.

a) Measurement uncertainty

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles 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 for the reporting period. Estimates relating to allowance for bad debts, claims from suppliers, accrued liabilities and the useful life of property, plant and equipment are the most significant items requiring estimates to be made. Actual figures may differ substantially from these estimates.

b) Cash

Cash includes only cash.

c) Restricted cash

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

d) Investments

Investments include deposit certificates redeemable at any time and maturing less than 12 months from the transaction date. Investments maturing less than 90 days from the transaction date are presented in cash and cash equivalents.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

2. Significant accounting policies (continued)

e) Property, plant and equipment

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, as follows:

Buildings	25 years
Computer hardware and software	3 years
Exhibitions	According to the duration of the exhibition
Machinery, tooling and equipment	10 years
Automotive equipment	5 years
Office furniture and equipment	7 years

Leasehold improvements represent major work to buildings, infrastructures and land development. They are capitalized and depreciated over the remaining life of the lease for rental space or over a 15- to 25-year period for assets owned by Public Works and Government Services Canada.

f) Parliamentary appropriations

The Government of Canada funds the Corporation through parliamentary appropriations. The appropriations for the purchase of depreciable property, plant and equipment are recorded as deferred property, plant and equipment financing and amortized on the same basis as the related property, plant and equipment. The appropriations for operating expenditures are recorded in the Statement of Operations and of Comprehensive Income in the year for which the appropriations are approved.

g) 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 recognized as revenue when they are received or receivable provided that collection is reasonably assured.

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

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

2. Significant accounting policies (continued)

h) Donations from non-owners

Donations from non-owners through the Montréal Science Centre Foundation are deferred to other comprehensive income and recognized as revenue during the year in which the underlying expenses are incurred. Donations restricted for the acquisition of depreciable capital assets are deferred to deferred contributions during the year in which the capital assets are acquired and amortized over their useful lives.

i) Revenues

Quays, Montréal Science Centre and corporate services

Revenues from programming sales, parking revenues, concession revenues and other revenues including those from La Balade, the Port d'Escale and the skating rink are accounted for during the year in which the services were rendered. Interest income on investments is accounted for on an accrual basis of accounting.

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 market value. A portion of donations and sponsorships is accounted for in deferred contributions while another portion is accounted for with revenue.

j) 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.

k) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at market exchange rates. Revenues and expenses and other assets and liabilities are translated into Canadian dollars at exchange rates in effect at the dates on which the related transactions are carried out.

l) Financial instruments

All financial assets are classified as either being held for trading, held to maturity, available for sale or as loans and receivables, whereas financial liabilities are classified as being held for trading or as other liabilities. Upon initial recognition, all financial assets and financial liabilities, including derivative financial instruments, are accounted for at fair value on the balance sheet.

The Corporation therefore classified cash, restricted cash and investments as financial assets held for trading. They are measured at fair value and any changes in fair value are accounted for under net results for either corporate services or the Montréal Science Centre.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

2. Significant accounting policies (continued)

Receivables are classified as loans and receivables. Receivables are measured at amortized cost according to the effective interest method.

Accounts payable and accrued liabilities are classified as other financial liabilities. They are measured at amortized cost according to the effective interest method.

The Corporation has no financial instruments that are classified as available for sale or held to maturity, nor does it have any derivative financial instruments or embedded derivatives. Moreover, it does not incur any transaction costs on its investments.

3. Changes in accounting policies

On April 1, 2008, the Corporation adopted the new recommendations in Section 1535, Capital Disclosures, Section 3862, Financial Instruments - Disclosures and Section 3863, Financial Instruments - Presentation of the Canadian Institute of Chartered Accountants (CICA) Handbook, in accordance with the applicable transitional provisions.

Section 1535, Capital Disclosures, was adopted on April 1, 2008. This section establishes guidelines for disclosures regarding the composition and management of capital that must be provided by an entity, as well as quantitative data regarding capital.

Section 3861, Financial Instruments - Disclosure and Presentation, was replaced by Section 3862, Financial Instruments - Disclosures and Section 3863, Financial Instruments - Presentation. These sections require that entities disclose information that enables users to assess the importance of financial instruments on their performance and their financial position and to disclose information on the nature and extent of risks arising from financial instruments and how these risks are managed by the entity. The application of these revised standards relates only to disclosures and has no impact on the Corporation's financial results.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

4. Future changes in accounting standards

Section 3064

In January 2008, the CICA released Section 3064, Goodwill and Intangible Assets. This new accounting standard clarifies the definition and recognition criteria for intangible assets. The Corporation will apply this section in its fiscal year beginning on April 1, 2009. The Corporation is in the process of analyzing the impacts that this standard will have.

5. Restricted cash

For the year ended March 31, 2009, restricted cash represents amounts received totalling \$218 (\$262 in 2008) for which the counterparties are accounted for on the balance sheet under accumulated other comprehensive income, \$0 (\$0 in 2008) and deferred contributions, \$218 (\$262 in 2008).

6. Investments

Investments include the following deposit certificates redeemable at any time:

	2009	2008
3.16%, maturing on July 24, 2009	3,000	-
4.57%, maturing on July 24, 2008	-	2,000
3.83%, maturing on December 1, 2008	-	1,000
3.10%, maturing on January 23, 2009	-	2,000
	3,000	5,000

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

7. Property, plant and equipment

	2009		
	<i>Cost</i>	<i>Accumulated depreciation</i>	<i>Book value</i>
Leasehold improvements	17,856	3,292	14,564
Buildings	147	41	106
Computer hardware	3,092	2,001	1,091
Exhibitions	10,159	5,981	4,178
Software	1,968	1,661	307
Machinery, tooling and equipment	10,192	6,916	3,276
Automotive equipment	1,160	1,020	140
Office furniture and equipment	2,648	1,815	833
Work in progress	1,670	-	1,670
	<u>48,892</u>	<u>22,727</u>	<u>26,165</u>
	2008		
	<i>Cost</i>	<i>Accumulated depreciation</i>	<i>Book value</i>
Leasehold improvements	10,762	2,284	8,478
Buildings	147	35	112
Computer hardware	2,786	2,042	744
Exhibitions	9,637	4,263	5,374
Software	1,774	1,450	324
Machinery, tooling and equipment	8,833	6,072	2,761
Automotive equipment	1,167	1,002	165
Office furniture and equipment	2,491	1,598	893
Work in progress	4,119	-	4,119
	<u>41,716</u>	<u>18,746</u>	<u>22,970</u>

A significant portion of the property, plant and equipment, mainly representing wharves, urban equipment, warehouses, buildings, land and bicycle paths, is governed by an agreement with PWGSC. These properties, plants and equipments are not recorded in the Corporation's financial statements because they are not owned by the Corporation.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

8. Deferred contributions

Deferred contributions represent the unrecognized portion of externally restricted contributions used to acquire capital assets or to be used for other specific activities for the Montréal Science Centre.

The changes in the balance of deferred contributions can be explained as follows:

	2009	2008
Balance, beginning of year	6,214	3,094
Plus:		
Reclassification of donations from non-owners (Note 10)	2,459	3,798
Sponsorships	630	814
	3,089	4,612
Less:		
Sponsorships recognized as revenue	644	834
Amortization of contributions restricted for the purchase of depreciable property, plant and equipment	1,738	658
	2,382	1,492
Balance, end of year	6,921	6,214
Current portion	2,058	1,859
Long-term portion	4,863	4,355
	6,921	6,214

9. Parliamentary appropriations - Deferred property, plant and equipment financing

Deferred property, plant and equipment financing represents the unamortized portion of the parliamentary appropriations for the purchase of property, plant and equipment.

The changes in the deferred property, plant and equipment financing balance are as follows:

	2009	2008
Balance, beginning of year	16,690	12,917
Parliamentary appropriations received during the year for property, plant and equipment acquisitions and improvements	5,742	5,722
Amortization for the year	(2,500)	(1,949)
Balance, end of year	19,932	16,690

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

10. Accumulated other comprehensive income

Other comprehensive income represents the unrecognized portion of donations from the Montréal Science Centre Foundation to be used to acquire capital assets or for other specific activities for the Montréal Science Centre.

	2009	2008
Donations from non-owners		
Balance, beginning of year	-	961
Changes during the year:		
Donations during the year (Note 14)	2,539	2,917
Reclassification of donations to the statement of operations (Note 14)	(80)	(80)
Reclassification of donations to deferred contributions (Note 14)	(2,459)	(3,798)
	-	(961)
Balance, end of year	-	-

11. 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.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

12. Operating results - Quays, Montréal Science Centre and corporate services

The Corporation has the mandate to develop and promote the development of the Old Port of Montréal's territory. It therefore carries out activities in two business units: the Quays of the Old Port and the Montréal Science Centre.

	Quays		Montréal Science Centre		Corporate services	
	2009	2008	2009	2008	2009	2008
<i>Revenues</i>						
Parking	1,897	2,814	1,921	2,036	-	-
Events/concessions /corporate rentals	1,152	1,289	1,335	1,214	-	-
Sponsorships and donations	1,036	1,037	824	1,021	-	-
Programming	810	775	5,538	5,176	-	-
Amortization of deferred contributions	-	-	1,738	658	-	-
Interest	-	-	-	-	225	262
Other	337	425	-	-	-	-
Total revenues	5,232	6,340	11,356	10,105	225	262
<i>Expenditures</i>						
Managements and administrative services	-	-	-	-	5,452	5,412
Parking	924	918	216	213	-	-
Events/concessions /corporate rentals	1,460	1,445	309	285	-	-
Sponsorships and donations	253	310	180	145	-	-
Programming	1,367	1,047	8,837	7,852	-	-
Maintenance, repairs and prevention	4,384	3,911	1,271	1,273	546	345
Communications	1,264	1,195	1,214	1,459	299	661
Utilities	447	483	886	956	58	63
Information technology	227	205	242	218	264	238
Clothing	37	74	24	49	-	-
Other	108	226	210	243	-	-
Total expenditures before amortization	10,471	9,814	13,389	12,693	6,619	6,719

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

13. Summary of operating expenditures by major category

	2009	2008
Salaries and fringe benefits	15,185	15,562
Depreciation	4,398	2,810
Advertising	2,994	3,156
Maintenance	2,950	2,235
Taxes, permits, rents and utilities	1,945	2,000
Professional services	1,357	955
Exhibitions	1,329	1,181
Movie rentals	1,141	782
Animation contract	975	869
Office expenses	458	685
Travel and entertainment costs	376	309
Research and development costs	359	341
Telecommunications	296	222
Insurance	238	261
Software maintenance	149	171
Vehicle and equipment rentals	139	99
Machinery and tooling	137	103
Bad debts	116	35
Training	67	80
Other	268	180
	34,877	32,036

14. Montréal Science Centre Foundation

The Montréal Science Centre Foundation is a not-for-profit organization founded on March 27, 2000. It was incorporated as a trust under a notarial deed and is a registered charity under the *Income Tax Act*. The audited financial statements of the Montréal Science Centre Foundation are not consolidated in these financial statements.

The purpose of the Foundation is to promote better knowledge and understanding of science and technologies. It must also manage the funds and fund-raising activities for the sole benefit of the Montréal Science Centre.

According to the trust arrangement, the Foundation must remit to the Old Port of Montréal Corporation Inc. no later than 90 days after its year end, its disbursement quota as per the *Income Tax Act*, in particular a minimum of 80% of the donations received and the revenues generated by the accumulated capitalized funds.

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

The Foundation remitted the amount of \$2,539 (\$2,917 in 2008) to the Corporation for the year ended March 31, 2009, including \$2,459 (\$2,837 in 2008) to renovate the Belvedere and to finance the renewal of the Montréal Science Centre's permanent exhibitions in 2008 and \$80 (\$80 in 2008) for the Montréal Science Centre's activities.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

14. Montréal Science Centre Foundation (continued)

The Foundation's condensed financial statements for the fiscal year ended December 31 are as follows:

<i>Financial position</i>	2008	2007
Total assets	524	4,625
Total liabilities	450	2,861
Total net assets	74	1,764
<i>Operating results</i>		
Total revenues	1,178	4,551
Total expenditures	2,868	2,787
Net results	(1,690)	1,764
<i>Cash flows</i>		
Increase (decrease) in cash from operating activities	734	(1,116)
Increase (decrease) in cash from financing and investment activities	(1,805)	2,275
Increase (decrease) in cash	(1,071)	1,159

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 with unrelated parties were recorded equally in revenues and expenditures. They were valued at \$340 (\$357 in 2008), which represents the fair value of the assets and services received.

16. Related party transactions

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Corporation carries out transactions with these entities in the normal course of business. These transactions were recorded at the exchange amount, i.e. the value of the consideration paid or received, which was established and accepted by the related parties.

The Corporation uses PWGSC's assets at no cost under the agreement dated February 1, 1982.

Aside from the transactions already mentioned in the financial statements, the Corporation conducted the following transactions with related entities:

a) Landscaping work on the site

PWGSC manages contracts based on the cost plus method. For the fiscal year ended March 31, 2009, the cost of these contracts totalled \$14 (\$13 in 2008) and is included in expenditures for corporate services under management and administrative services.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

16. Related party transactions (continued)

PWGSC owns the principal assets located on the Old Port of Montréal site. Under an agreement signed on March 15, 2007, PWGSC and the Corporation have determined specific work to be carried out on all of the assets to address occupational health and safety issues. The Corporation has managed a large portion of the work performed on behalf of PWGSC, using the cost-plus method. The balance invoiced to PWGSC in connection with this work totals \$2,981 (\$2,197 in 2008). A balance receivable of \$1,085 (\$1,068 in 2008) has been included in receivables.

b) Rental of space

The Corporation signed an agreement with the Montréal Port Authority, beginning on January 1, 2007 and ending on December 31, 2011, covering the rental of space for parking facilities and administrative offices. Rental costs under this agreement amounted to \$664 for the fiscal year (\$629 in 2008) and are included in Quays expenditures under Maintenance, repairs, prevention and parking.

c) Joint operations

The Corporation and federal and provincial museums are party to agreements for the sharing of exhibition production costs in the normal course of operations. The Corporation had a commitment under these agreements for \$765 (\$965 in 2008) for the year ended March 31, 2009. In this respect, an amount of \$400 (\$400 in 2008) is included in exhibitions under property, plant and equipment. The balance payable under these agreements totals \$40 as at March 31, 2009 (\$152 in 2008).

17. Contingencies

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 unfavourable impact on the Corporation's financial situation.

18. Commitments

a) Commitments relating to operating expenditures and acquisitions of property, plant and equipment

As at March 31, 2009, the Corporation's total contractual obligations amounted to \$739 (\$659 in 2008), including \$631 (\$134 in 2008) for maintenance services, advertising contracts and professional services, and \$108 (\$525 in 2008) for the acquisition of property, plant and equipment. Payments under these contracts must be made within the next five years.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

18. Commitments (continued)

b) Operating lease

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:

2009-2010:	880
2010-2011:	613
2011-2012:	403
2012-2013:	25
2013-2014:	7
Total future minimum payments	<u>\$1,928</u>

Of this amount, the commitment under a lease with the Montréal Port Authority, a related party, represents \$1,292 (\$1,763 in 2008).

19. 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 financial statements.

20. Reconciliation of net results from operations to 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 \$21,150 for the 2009 fiscal year (\$18,900 in 2008).

Items recognized in the Statement of operations and comprehensive 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 generally accepted accounting principles basis. These differences are outlined below:

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

**20. Reconciliation of net results from operations to Government funding
(continued)**

	2009	2008
Excess of operating expenses over revenues	18,064	15,329
Items not affecting government funding:		
Amortization of deferred contributions	1,738	658
Depreciation of property, plant and equipment	(4,398)	(2,810)
Parliamentary appropriations required to fund operations	15,404	13,177
Amount used to acquire property, plant and equipment	5,142	5,722
Deferred approved annual parliamentary appropriations	600	-
Total parliamentary appropriations used	21,146	18,899
Parliamentary appropriations approved	21,150	18,900
Parliamentary appropriations received	19,900	18,900
Parliamentary appropriations receivable (payable) for the current year	1,246	(1)
Parliamentary appropriations payable for previous years	(2)	(1)
Excess government funding receivable (payable)	1,244	(2)

21. Financial instruments

The Corporation's financial assets and financial liabilities are measured on a continual basis either at fair value or at amortized cost. The classification of these financial instruments, as well as their book value and their fair value are presented in the table below:

	March 31, 2009		March 31, 2008	
	Total book value	Total fair value	Total book value	Total fair value
Financial assets				
Held for trading				
Cash	1,012	1,012	795	795
Restricted cash	218	218	262	262
Investments	3,000	3,000	5,000	5,000
Loans and receivables				
Receivables	3,716	3,716	2,905	2,905
	7,946	7,946	8,962	8,962
Other financial liabilities				
Accounts payable	7,261	7,261	8,871	8,871

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

22. 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 book value on the balance sheet of the Corporation's financial assets exposed to credit risk, net of the applicable loss provisions totalling \$171 for 2009 (\$72 in 2008) represents the Corporation's maximum credit risk exposure.

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.

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.

a) 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 of 3% in the interest rates would affect the investment income but would not have a significant impact on the net results.

b) Currency risk

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 will not 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.

23. Capital management

The Corporation is not subject to any capital requirements under outside rules. Nonetheless, its capital management objectives are to:

- Preserve the Corporation's ability to continue to operate in order to provide a report to its sole shareholder, Her Majesty in Right of Canada;
- Maintain a flexible capital structure allowing for the optimization of capital costs at an acceptable level.

OLD PORT OF MONTRÉAL CORPORATION INC.

Notes to Financial Statements

(in thousands of dollars)

23. Capital management (continued)

The Corporation's primary capital management objective is to ensure that it has sufficient sources of funding to continue operating and to acquire capital assets. In order to obtain the necessary capital, the Corporation may attempt to obtain funding by way of parliamentary appropriations, donations, sponsorships, and revenues from the Quays and Montréal Science Centre activities.

In managing its capital, the Corporation includes equity in the amount of \$(3) (\$157 in 2008) in the definition of capital.

Management is confident that it has the necessary liquidities to support the Corporation's activities. It is monitoring its financial situation.

24. Comparative figures

Certain 2008 figures were restated to conform to the presentation of the current year.

PARTNERS

Partners of the Old Port of Montréal Corporation

Canada

Major partners of the Quays of the Old Port of Montréal



Other partners

Astral Média Affichage

Zoom Média

Canadian Wildlife Federation

Partners for 2008-2009 winter programming:

Presenters for the Winter Bar: Unibroue, Artic Glacier, Domaine Pinnacle

Presenters for Igloofest: Artic Glacier, Guru, Domaine Pinnacle, Sleeman

Partner of the Montréal Science Centre

Canada

Presenting sponsors of the Montréal Science Centre



Sponsors of the Montréal Science Centre

RioTintoAlcan



Presenting sponsor of the Montréal Science Centre's IMAX® TELUS Theatre



Presenting sponsor for regular programming at the Montréal Science Centre's IMAX® TELUS Theatre



Presenting sponsor of the Montréal Science Centre's IMAX® TELUS

Canadian Wildlife Federation

Promotional sponsor of the Montréal Science Centre

RDI/Société Radio Canada

Hard Rock Café

Station Mont Tremblant

Donors of the Montréal Science Centre

Trottier Family Foundation

Pratt & Whitney Canada

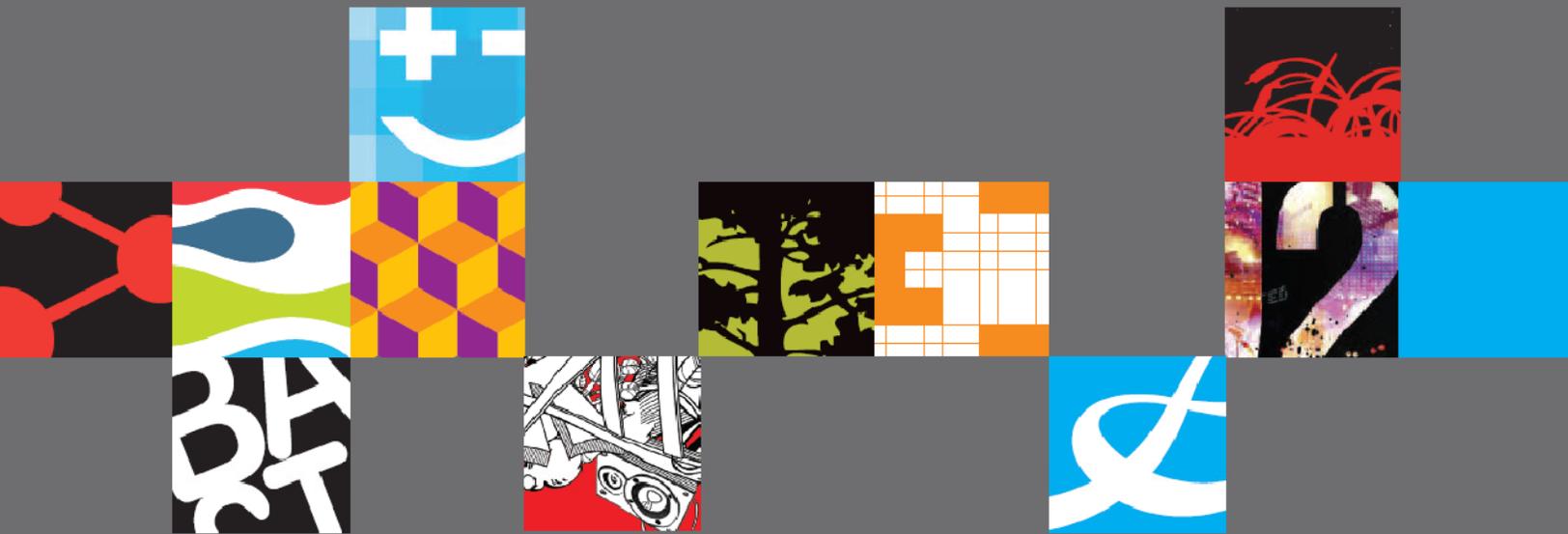
Nortel

Imperial Oil Foundation

Royal Bank of Canada Laurentian Bank Foundation

OUR EMPLOYEES

BEN EL ANDALOSSI ABDELLATIF • KARINE AESCHLIMANN • SANNY AKOBI • CAROLINE AKSYNCZAK • DOMINIC ALARIE • MARINO ALBENSI • CÉLINE ALEGRET • VINCENT AMABILI-RIVET • RAPHAËL AMABILI-RIVET • BEVERLY AMY • ALAIN ARSENAULT • SARA ARSENAULT • MARIE-FRANCE AUGER • CATHERINE-FAE AYOTTE • MARIELLE BABINEAU • MICHAEL BALACKI • FRANCINE BALLA • YOANN BALLY • FARA BAPTISTE • LAURA BARANGER • NATHALIE BARBE • GÉRALDINE BASSO • MICHEL BEAUDET • MARIE-ÈVE BEAUDET • PIERRE BEAUDOIN • STÉPHANIE BEAULIEU • ALEXANDRE BEAUREGARD-BLACHFORD • MICHELLE BEJARANO • MARYSE BÉLAIR • PASCAL BÉLAND • LORRAINE BÉLANGER • MARTIN BÉLISLE • JOSIANE BELL • ALEXIS BELLAVANCE • BRIGITTE BELLEVILLE • SYLVIE BENNARDI • CLAUDE BENOÎT • LAÏLA BENYACH • TAMARA BERGER • JASMINE BERGERON • CAROLINE BERGERON • JEAN-FRANÇOIS BERNARD • FRÉDÉRIQUE BERNARDIN • MARIE BERRUEL • KRISTEL BERTRAND • LOUISE JULIE BERTRAND • JEAN BÉRUBÉ • JEAN BESSETTE • MAGALI BILLARD-BLANCO • ISABELLE BIRON • MARIE-JOSÉE BIRON • SOPHIE BISHOP • CARL BLAIS • AYMERIC BLOSSIAUX • AMÉLIE BLEAU • DANIEL BLIER • FRANÇOIS BLOUIN • MICHAËL BOISVERT • VALÉRIE BOIVIN • FRANCO BORIERO • BÉATRICE BOSCO • DANIELLE BOUCHER • CHRISTINE BOUDREAU • MARIE-ÈVE BOUDREAU • CHANTALE BOUDREAU • NOÉMIE BOULANGER-LAPOINTE • DONALD BOULAY • MARC-OLIVIER BOULIANNE • SOPHIE BOURASSA • NANCY BOURASSA • CATHERINE BOURDON • VANESSA BOUSQUET • JULIEN BRAULT • JULIE BRETON • BENOÎT BRIÈRE • STÉPHANIE BRISEBOIS • ALAIN BROCHU • KARL BROUILLARD • MARTIN BRULÉ • MATHIEU BRULOTTE • SÉBASTIEN BRUYÈRE • FRANÇOIS CADIEUX • PASQUALE CALLEA • MONIQUE CAMIRAND • CHANTAL CAMIRÉ • JUDITH CAMIRÉ • NANCY CAQUETTE • RÉMI CARADOT • BERNARDO CARRARA • ROMEO CARRELLI • JAUSÉE CARRIER • JEAN-CHRISTOPHE CARRIER • SIMON CARRIÈRE • ANITA CASTANHEIRA-SANTOS • DANY CATTIAUX • STEPHAN CHAIX • GEORGES CHALUT • PHILIPPE CHAMBERLAND • LYNE CHAMBERLAND • CLAUDINE CHAMMA • STÉPHANIE CHAMMA • JULIE CHAMPAGNE • LAURIANNE CHAMPAGNE • WING TAT CHAN • WILLIAM CHAPUT • JULIE CHARBONNEAU • MARIO CHAREST • GHISLAIN CHARTIER • JEAN-FRANÇOIS CHARTRAND • ALAIN CHOUINARD • SÉBASTIEN CLÉMENT • PHILIPPE CLERMONT • FRANCIS CLOUTIER • DANIEL CLOUTIER • ANTONIO COLASURDO • MANON CORTES • PIERRE-YVES CÔTÉ • SUZANNE COUILLARD • DENISE COULOMBE • GENEVIÈVE COURNOYER-SCALISE • MARIE-FRANCE COURTEMANCHE-BELL • RENÉ CYR • JULIEN D'ALESSIO • GABRIEL DAMANT-SIROIS • YVES DANDURAND • MARC DANEAU • ISABEL DANSEREAU • SOPHIE D'AOUST • CHARLOTTE-MARGUERITE DEBUNNE • CATHERINE DÉCARY • GEOFFROY DELAGRAVE • PHILIPPE DEPESTRE • HÉLÈNE DERRIEN • NICOLAS DES ALLIERS • LOUIS-CHARLES DES LAURIERS • MARIE-CATHERINE DESCHÈNES • PATRICK DESCHÈNES • MARIE-CLAUDE DESGAGNÉS • MATHIEU DESJARDINS-DEMERES • SYLVIE DESROCHERS • GILLES DESROSIERS • JUSTINE DEWAVRIN • MARTIN DION • LAURENT DIONNE • ANIK DIONNE • ALEXANDRE DODELET • ÉRIC DONAIS • STÉPHANIE DORÉ • NICOLE DOUCET • JEAN-FRANÇOIS DROLET • CHARLES-DAVID DUBÉ • ÉMILIE DUFF • JÉRÔME DUFOUR • XAVIER DUGARDYN • JOSÉE DUHAIME • JOELLE DUPONT • OLIVIER DUPRAS-TESSIER • ANTOINE DUROCHER • EMMANUEL-PATRICK DUROSIER • FRANTZ DUTEAU • JAMAL ELBAZ • CARL-ÉRIC FAUBERT • BRIANNE FEQUET • ALEXANDRE FORBES • MARTIN FORTIER • GAETAN FORTIN • CHRISTOPHE FOUCHE • CATHERINE FOUGÈRES • MARJOLAINE FOURNIER • GABRIEL FOURNIER • GUY FOURNIER • VANESSA FOURNIER • YAN GAGNON • ANNIE-CLAUDE GAGNON • GAÉTAN GAGNON • CAROLINE GAGNON • CATHERINE GALARNEAU • STEVE GALIANOS • BENOÎT GAMACHE • GUY GAUDETTE • ANNICK GAUTHIER • MICHEL GAUTHIER • SYLVAIN GAUTHIER • FRANÇOIS-LOUIS GAUTHIER • ÉRIC GAUTHIER • PHILIPPE GAY • ÉRIC GÉLINAS • MICHEL GENDREAU • ÉRIC GENDREAU • DAVID GHILARDUCCI • HÉLÈNE GILBERT • MAGALIE GILBERT • YANN GILBERT-BÉLANGER • VÉRONIQUE GILBERT-PICARD • CLAUDE GINGRAS • MARJOLAINE GINGRAS • SOPHIE GIRARD • ISABELLE GIRARD • DAVID GIRARD • ANNIE GIRARD • CATHERINE GIROUX • JULIE GIROUX • CANDICE GIROUX • LYNN GODBOUT • JULIE-ANNE GODIN-LAVERDIÈRE • PATRICK GOINEAU • JOSÉ LUIS GOMEZ DUENAS • ADRIANA GONZALEZ • HELEN GOULET • EVELYNE GRATTON • HERMAN-CARL GRAVEL • GERTRUDE GRENIER • LOUIS-PHILIPPE GRENIER • STEPHANE GRENIER • LUCIE GRENON • MICHEL GROULX • MARIANNE GROULX • MARTINE GUAY • SYLVAIN GUITAR • GAÉTAN HAMEL • CATHERINE HARTLE • RONALD HERRON • OLIVIA HO • MARC-ANDRÉ HOULE • CAROLINE HUOT • JENNIFER HUYNH • KARINE-ISEULT IPPERSIEL • FRÉDÉRIC JACOB • MARC-ANDRÉ JACQUES • DIMITRI JACQUES • FRANCIS JALBERT • BEDJOU JEAN • VANESSA JETTÉ • MELANIE JETTÉ-COULOMBE • CATHERINE JOLIN • CAROLINE JOLY • BERNARD JONES • ALEXANDRA JONNAERT • FRED JOSEPH • LYNE JOURNAULT • LYETTE JULIEN • KERRI-LYNN KERINS-BARRECA • TANIA KHORRAM-ROUDI • CHANBOPHA KHUNG • WILLIAM KULA • JULIE LA ROCHE • SERGE LABELLE • SYLVAIN LACOURCIÈRE • MICHEL LACROIX • JULIE LADOUCEUR • NADIA LAFLAMME • JACQUES LAGARDE • JEAN LAGUÉ • KENZA LAHRIZI • SYLVAIN LAINESSE • MARIE-CLAUDE LALONDE • JULIEN LAMONTAGNE • KONRAD LAMOUR • DANIEL LAMPRON • FANNIE LANDRY • ESTELLE LANDRY-PARÉ • LILIANE LANDRY-PARÉ • CLAUDE-ÉLAINE LANGEVIN • RICHARD LANOUÉ • CATHERINE LANTIN • LOUIS LAPIERRE • ANDRÉ LAPLANTE • JOANIE LAROCHE • HUGO LAROCQUE • MARYSE LAROCQUE • HUGO LAROCHE • GONTRAN LAURENDEAU • ANDRÉ JEAN LAUZON • PATRICE LAVERDIÈRE • FRANÇOIS LAVIGNE • SIMON LAVIGNE BREITENWALD • CAROLE ANNE LAVOIE • GENEVIÈVE LAVOIE-PALLETIER • MARIE-ÈVE LE SCILLEUR • JUDITH LEBEAU • LYNE LABEL-CUSSON • PATRICK LEBLANC • MARIE-ÈVE LEBOEUF • SYLVIE LECLERC • MAXIME LECLERC • ALEXIS LEDUC • SABRINA LEDUC • CLAUDE LEFEBVRE • MAXIME LEFEBVRE • BENOÎT LÉGARÉ • DANIEL-ANTONIO LEGAULT-CHAVANDO • MARCO LENZI • ROXANE LEOUZON • ANNIE LEPAGE • SUZIE LEROUX • MARIE-HÉLÈNE LEROUX • ROLAND LÉSCARBEAU • SÉBASTIEN L'ESPÉRANCE • DIANE LETIZI • MARC-ANDRÉ L'HEUREUX • CHRISTINE LOISEAU • GUILLAUME LOISELLE • VICTOR LOPÉRA • MARISE LORANGER • PATRICE LORANGER • ANDRÉ LUSSIER • ALEXANDRE MACHURET • JULIE MAILHOT • TANIA MAILHOT-GERVAIS • DANIELLE MAITHER • JULIO MAMANI HUANCA • AGATHE MANIKOWSKI • FRÉDÉRIC MARCHAND • SARAH MARCOTTE-AMAR • ÉLAINE MAROIS • GLENN MARTIN • ELYSE MARTIN • MADELEINE MARTIN • CAROLE MARTINEAU • ÉRIC MATHIEU • HÉLÈNE MATHIEU • FANNY MELANCON • SUNDY MÉNARD • MARIA GABRIELA MENDEZ • VANESSA MÉRETTE • CAROLINE MÉROZ • SAAD EL MESTEKAWY-LECAT • IAN MÉTAYER • GIANNA MÉTALLUS • GABRIEL-ÉTIENNE MEUNIER • MOUHSSINE MHAJI • CHARLAINE MICHAUD • LUCY MICHAUD • LYNE JOELLE MICHEL • DEBORA MILITZER • RENATA MILITZER • LINDA MILLETTE • ANABELLE MIMOUNI • EDITH MITCHELL • CHANTALE MOISAN • ROBERTO MORALES • JULIE MOREAU • ISABELLE MORIN • ISRAËL MORIN • MARC MUYLAERT • ANDRÉ NADEAU • LUC NADEAU • DENIS NANTEL • JOËLLE NAUD • ALAIN NÉRON • JEAN-FRÉDÉRIC NOËL • MARC-YVES NOËL • JEAN-SEBASTIEN NOËL • ISABELLE NORMAND • PATRICE NORMAND • ANCA NOTTARA • STEVE NOURY • SAMUEL O'BREHAM-RONDEAU • HÉLÈNE OLIGNY-HÉBERT • PATRICK O'REILLY • BOUCHRA HANNA OUARTI • GABRIELLE OUELLET • FRANCIS-OLIVIER OUELLET • LINDA OUELLET • RAPHAËL OUELLET-BÉLIVEAU • VALÉRIE OUELLETTE • BERNARD PACAUD • BENOÎT PAPINEAU • GASTON PAQUET • ALEXANDRE PAQUETTE • MARIE-CHANTAL PARASKEVAS • ABEL PARIS-PROVOST • MARC PARIZEAU • RONNY PARRA • VÉRONIC PATENAUDE • CAROL PAUZÉ • CARL PÉPIN • ALAIN PERREAULT • MARGUERITE PERRON • SERGE PERRON • MICHEL PERRON • CAROLE-ANN PERRON • JUNE PERRY • JOHANNÉ PICARD • NADIA PICARD • FRANCIS PIGEON • MARIE-PIERRE PINARD • RENAUD PLANTE • MARIE-PAULE PLANTE • MÉLANIE PLANTE • MAUDE POIRIER • RODICA ANA POPA • NADIA POPIVANOVÁ • JOCELYNE PROVENCHER • CHRISTIAN QUINTAL • PHILIPPE RABY • MICHEL RAFIE • HAJA RAMAHATRA • MARC RANDOLL • ANGELA RASSENTI • SACHA RATCLIFFE • JEAN-PHILIPPE RAYMOND • ANDRÉ RÉGIMBALD • BENOÎT RENAUD • GLENDA-EVE REYES • SHARON TERESA REYES • FRANCA RICCI • GENEVIÈVE RIENDEAU • KATYNA RIVARD • ANTOINE RIVARD-DÉZIEL • EVA RO • CYBÈLE ROBICHAUD • BENOÎT ROBITAILLE • MANUELA RODRIGUES CASTRO • MARC-ANDRÉ ROSE • MARIE-MICHÈLE ROSS • ARIANE ROUSSEAU • MARIE-STÉPHANIE ROUX • MÉLANIE ROUX • ROGER ROY • MAHMOUD SAADI • DOMINIC SABOURIN • ALINE SAFFORE • TOMMY SAMSON • MARIE-EMMANUELLE SANTOS • MATHIEU SAUCIER • ANNE-MARIE SAUCIER-ARSENAULT • CATHERINE SAUVÉ • FRANÇOIS SAVARD • GUY SAVARD • CAMILLE SAVARD • FRANÇOIS-XAVIER SCHNEIDER • PASCAL SEGUEL-REYNOLDS • CAROLE SÉGUIN • AMÉLIE SÉGUIN • SYLVIE SÉGUIN • AMÉLIE SÉGUIN-ROSSI • SIMON SÉNÉCAL • STÉPHANE SÉVIGNY • RICHARD SÉVIGNY • ÈVE-CATHERINE SICARD • JEAN SIMARD • JEAN-FRANÇOIS SIMARD • JEAN-SÉBASTIEN SIROIS • MÉLISSA SLEIMAN • ALAIN SOLOWY • GABRIELLE SOUCY-GIRARD • FRANCIS STACK • KIM STOCKMEYER • STÉPHANIE ST-ONGE-ROSS • FRANÇOIS TAILLEFER • RICHARD TARDIF • ANNE-VALÉRIE TCHIENGANG • MARIE TELLIER • ANDRIX TÊTREAU • DAVID • MARTIN THÉOËT • CHRISTINE THÉRIEAULT • ANNIE THOMAS • CLAIRE TIMPERLEY • MARIE-ÈVE TOUGAS • BRUNO TOURANGEAU • LISA TRAVERSY • SOPHIE-LOU TREMBLAY • RICHARD TREMBLAY • BENOÎT TREMBLAY • DOMINIQUE TREMBLAY • THOMAS TREMBLAY • FRANCIS TREMBLAY • LISE TRÉPANIÉ • PHILIPPE TRIEU • MATHIEU TRUDEL • SARAH-JANE TURCOT • NOÉMIE TURCOTTE • MARCEL TURCOTTE • BERNARD TURCOTTE • BARBARA TWARDOWSKI • RÉMI VACHON • PHILIPPE VAILLANCOURT • VALENTIN VAKLINOV • STÉPHANE VAKOULA • ROCIO VALENCIA • GENALD VALENTIN • MATHIEU VALIQUETTE • DANIEL VEILLEUX • PIERRE VEILLEUX • MATHIEU VERREAULT • AUDREY VERRET • VALÉRIE VÉZINA • RENÉ VIENS • SATHIA VONG • ÉLISABETH WARREN • SIDNEY JOHN WATKINS • MARCUS WINCHESTER • MARCIA YOKOYAMA • TOUFIK YOUNES • JADE ZAKAIB • JIMMY ZOLETTI



OLD PORT OF MONTRÉAL CORPORATION
333 de la Commune Street West, Montréal, Québec H2Y 2E2
www.oldportofmontreal.com