

2010/11 Management Report

RESULTS FOR THE YEAR

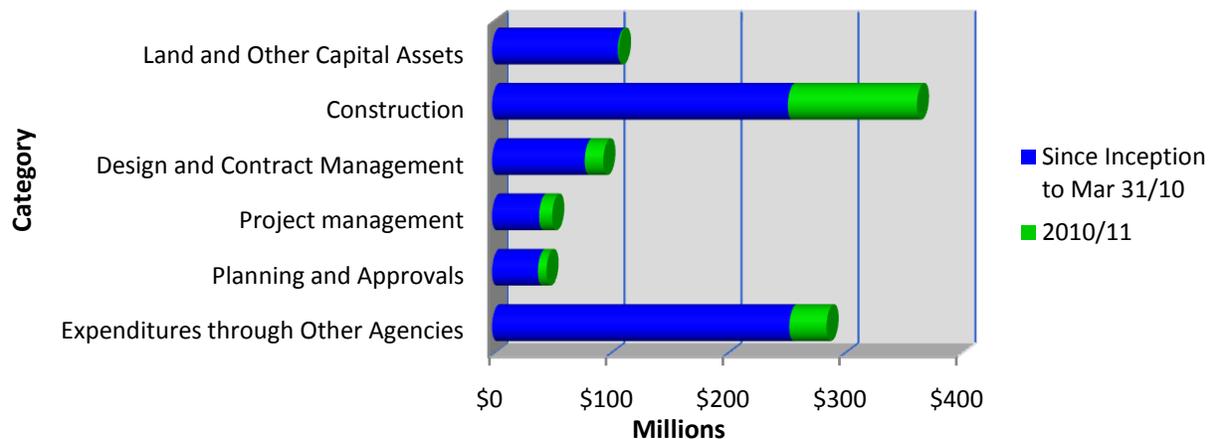
During the year ended March 31, 2011 Waterfront Toronto (“WT or the Corporation”) continued to move forward into the implementation phase of its mandate. Table 1 below reflects significant capital expenditures incurred this year.

Table 1

Capital Expenditures Category	Fiscal Year End March 31, 2011 (\$'000)	%	Since Inception to March 31, 2011 (\$'000)	%
Land and Other Capital Assets	952	1%	108,472	11%
Construction	110,349	62%	363,163	38%
Design and Contract Management	15,903	9%	95,094	10%
Project Management	11,212	6%	51,398	5%
Planning and Approvals	7,377	4%	46,521	5%
Total WT's Capital Expenditures	145,793	82%	664,648 ¹	70%
Expenditures through Other Agencies	31,847	18%	285,915	30%
Total Capital Expenditures	177,640	100%	950,563	100%

Since inception in November, 2001 to March 31, 2011, WT and other government agencies have invested \$951 million in capital projects on Toronto’s waterfront as part of revitalization initiatives that citizens of Toronto, Ontario and Canada will enjoy and benefit from for the next 30 – 50 years.

Capital Expenditures by Category



¹ This represents the total current and capital expenditures recorded in WT’s financial statements to March 31, 2011, excluding the land holding expenses (\$2.7 million in 2010/11 and \$6.3 million since inception to March 31, 2011). In addition, this excludes the amount of construction deposits and financial securities of \$12.8 million.

The key activities of the Corporation for 2010/11 included:

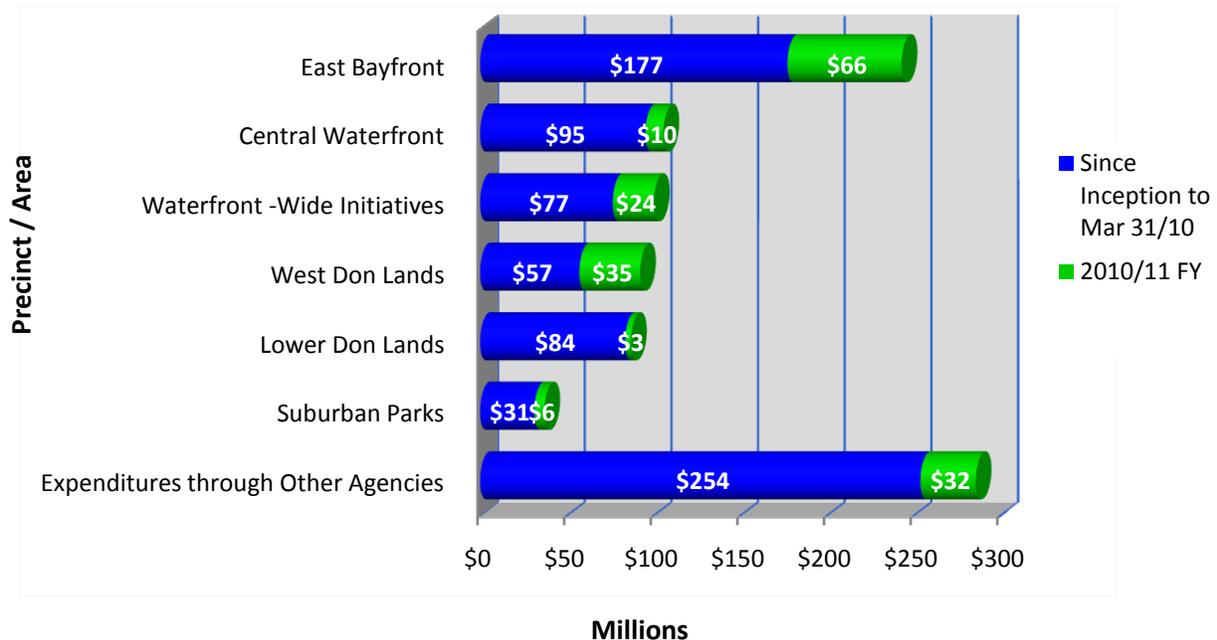
- Continued construction of the Union Station second platform expansion;
- Completed construction of Sugar Beach in the East Bayfront;
- Completed construction of Sherbourne Common South and substantial construction of Sherbourne Common North in the East Bayfront;
- Completed design and commenced construction of infrastructure for Tommy Thompson Park;
- Completed construction of Port Union Waterfront Park Western Gateway;
- Completed design and commenced construction of Mimico Park;
- Commenced construction for Don River Park and River Square in West Don Lands;
- Completed construction of East Bayfront Water's Edge Promenade (Dockside);
- Completed design of East Bayfront Water's Edge Promenade (Bayside);
- Completed design and commenced construction of underground parking portion of Canada Square;
- Completed construction of municipal service and utilities in Dockside plan of subdivision for Phase 1 in East Bayfront;
- Completed pilot project for a Soil Recycling Facility;
- Continued design of Queens Quay Boulevard in East Bayfront and Central Waterfront; and
- Participated in construction of George Brown College's new campus.



Note that in the graphs that follow, the Lower Don Lands, Port Lands Area and Lake Ontario Park shown in the map above are consolidated into one precinct as Lower Don Lands.

To date total capital expenditures (including expenditures through other government agencies) have been incurred in the following geographical areas:

Total Capital Expenditures by Geographic Area/Precinct



Going Forward

In 2011/12 East Bayfront, West Don Lands and Central Waterfront continue to be the focus of our implementation efforts. Parks and recreational spaces as well as infrastructure investments to support the private sector developments and other initiatives in both East Bayfront and West Don Lands are a large component of the Corporation’s program. In East Bayfront, the key projects will be the construction of external sanitary and George Brown underground parking. Don River Park construction and completion of Mill Street in West Don Lands will continue this year. In Central Waterfront, the development and construction of Canada Square complex will continue.

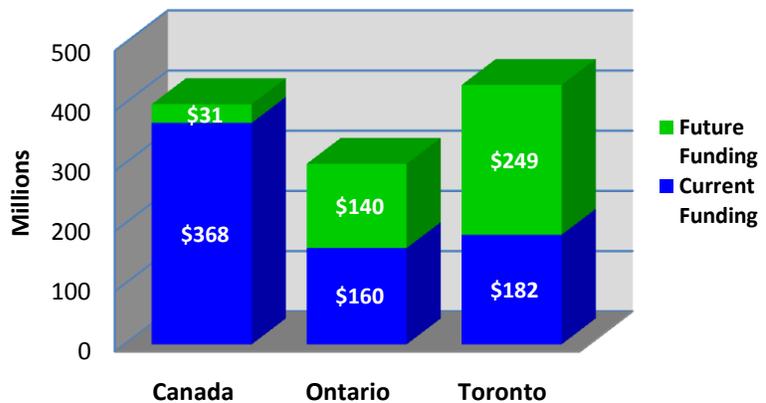
Over the last several years, WT has completed its master plan for the Lower Don Lands precinct which has laid a foundation for future community development in a manner that is both environmentally and fiscally sustainable.

RESOURCES

Funding

In 2001, the three orders of government pledged \$1.5 billion (\$500 million each) as initial capital for the waterfront initiative. Of the \$1.5 billion, approximately \$1.13 billion will be made available to WT through government contributions and the balance of \$370 million will be flowed directly to other government agencies for projects in the designated waterfront area. As of March 31, 2011, approximately \$710 million (63%) has been received by WT with the majority of the remaining balance of \$420 million (37%) to be received over the next four years.

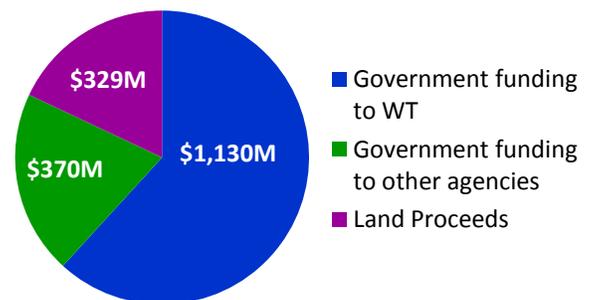
Current and Future Funding to WT by Governments as at March 31, 2011



The cost of revitalization of Toronto's waterfront was originally estimated (in 2001) at \$17 billion, of which \$4.3 billion would be funded from the public sector and remaining \$12.7 billion from the private sector. Due to escalation in construction costs, the cost of revitalization is now estimated to be \$34 billion. Additional public sector funding was expected to be provided through public-private partnerships consistent with the Corporation's mandate. Such partnerships require WT to identify either a separate revenue stream and/or a separate project or service. The first of this type of partnership was completed in 2010/11 through the introduction of intelligent communities.

Of the total \$1.829 billion capital expenditure program, WT is currently managing \$1.459 billion which is to be funded from government funding (\$1,130M) and land proceeds (\$329M). The balance of \$370 million will be flowed directly to other government agencies for projects in the designated waterfront area, such as, Go Transit Expansion, Flood Protection Landform, etc.

\$1.829B Program Funding by Source



OPERATIONAL GOVERNANCE

WT is a complex, tri-partite funded Corporation with a 25-year mandate to revitalize 2,000 acres of brownfield lands on Toronto's waterfront. It is one of the largest infrastructure projects in North America. The context within which WT currently operates has changed significantly since the original creation of the Corporation in 2001. WT has developed mature management and operational structures including human resources, facilities, and internal systems enabling the Corporation to deliver superior results.