Financial Statement

Fund of Metroland Pension Plan

[Ontario Registration Number 394288]
December 31, 2008

ERNST & YOUNG
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AUDITORS' REPORT

To the Members of the
Metroland Retirement Committee

We have audited the statement of changes in net assets available for benefits of the **Fund of Metroland Pension Plan** for the year ended December 31, 2008. This financial statement has been prepared to comply with Section 76(2) of Regulation 909 of the Pension Benefits Act (Ontario). This financial statement is the responsibility of the Fund's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 our opinion, this financial statement presents fairly, in all material respects, the changes in net assets available for benefits of the Fund for the year ended December 31, 2008 in accordance with the basis of accounting disclosed in note 1 to the financial statement.

This financial statement, which has not been, and was not intended to be, prepared in accordance with Canadian generally accepted accounting principles, is solely for the information and use of the Members of the Metroland Retirement Committee and the Financial Services Commission of Ontario for complying with Section 76(2) of Regulation 909 of the Pension Benefits Act (Ontario). This financial statement is not intended to be and should not be used by anyone other than the specified users or for any other purposes.

Ernst & Young LLP

Toronto, Canada,
June 24, 2009.

Chartered Accountants
Licensed Public Accountants

Fund of Metroland Pension Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31

	2008 $	2007 $
INCREASE IN NET ASSETS		
Employer contributions		
Current service	**184,000**	179,000
Past service	**364,010**	357,990
Member contributions	**199,132**	191,105
Total increase in net assets	**747,142**	728,095
DECREASE IN NET ASSETS		
Pension payments	**79,349**	79,349
Refunds of contributions *[note 2]*	**123,248**	238,154
Total decrease in net assets	**202,597**	317,503
Net increase in net assets for the year	**544,545**	410,592
Share of pooled fund investment income (loss), net of administrative expenses and professional fees	**(1,391,070)**	53,228
Net assets at beginning of year, at market value	**6,316,046**	5,852,226
Net assets at end of year, at market value	**5,469,521**	6,316,046
Comprised of		
Interest in pooled fund	**5,487,021**	6,341,795
Other net liabilities	**(17,500)**	(25,749)
	5,469,521	6,316,046

See accompanying notes

On behalf of the Metroland Retirement Committee:

Member

Member

NOTES TO FINANCIAL STATEMENT

December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

[a] Change in Accounting Policy

During the year, the Plan adopted Canadian Institute of Chartered Accountants (CICA) Handbook Sections 3862, Financial Instruments - Disclosures and 3863, Financial Instruments - Presentation, which enhance disclosures about the significance of financial instruments to the Fund/Plan's financial position and performance, the nature and extent of risks arising from financial instruments, and how the Fund/Plan manages those risks.

[b] Significant Accounting Policies

Basis of presentation

This financial statement has been prepared in accordance with the significant accounting policies set out below to comply with the accounting requirements prescribed by the Financial Services Commission of Ontario for financial statements under Section 76(2) of Regulation 909 of the Pension Benefits Act (Ontario). The basis of accounting used in this financial statement materially differs from Canadian generally accepted accounting principles because it excludes the actuarial liabilities of the Metroland Pension Plan [the "Plan"]. Consequently, this financial statement does not purport to show the adequacy of the Plan's assets to meet its pension obligations. This financial statement should be read in conjunction with the combined financial statements of The Pension Funds of Torstar Corporation and its Canadian Subsidiaries for the corresponding year.

Investment income

The assets of the Fund of Metroland Pension Plan [the "Fund"] are administered in a pooled fund, which also includes the assets of the pension plans of Torstar Corporation and its Canadian Subsidiaries. In the pooled fund, interest and dividend income is recorded as earned. Gains and losses on sale of investments are recorded in income at the trade date and are based on the average cost of the securities. Unrealized gains and losses on investments are also recorded in investment income. The Fund's proportionate share of the investment income, net of certain administrative expenses and professional fees, of the pooled fund is included in the statement of changes in net assets available for benefits.

Contributions and pension payments

Contributions are recorded on the accrual basis. Pension payments are recorded as incurred.

NOTES TO FINANCIAL STATEMENT

December 31, 2008

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the year. Actual results could differ from those estimates.

Financial instruments

The fair values of financial instruments approximate their carrying values unless otherwise indicated.

Income taxes

The Fund is a Registered Pension Trust as defined in the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. REFUNDS OF CONTRIBUTIONS

Refunds of contributions resulted from employee terminations.

3. INVESTMENT RISKS

The Plan's investment performance is subject to market and other risks. Market risk is the risk that the value of the investments will fluctuate as a result of changes in market prices. A discussion of other risks follows:

[a] Interest rate risk

Interest rate risk refers to the effect on the market value of the Plan's net assets available for benefits due to fluctuations in interest rates. The value of the Plan's assets is affected by short-term changes in nominal and real interest rates.

NOTES TO FINANCIAL STATEMENT

December 31, 2008

[b] Credit risk

Credit risk relates to the potential exposure that a counterparty defaults or becomes insolvent. Concentration of credit risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions.

[c] Foreign exchange risk

The Plan is exposed to foreign currency fluctuations to the extent that its holdings are denominated in foreign currency. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value of investments.

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ACTUARIAL VALUATIONS
of pension plans

METROLAND PRINTING, PUBLISHING AND DISTRIBUTING LTD.

METROLAND PENSION PLAN

Actuarial Valuation as at January 1, 2007

Registration Number 0394288

September 2007

TOWERS
PERRIN
HR SERVICES

Table of Contents

Introduction

This report has been prepared for Metroland Printing, Publishing and Distributing Ltd. and presents the results of the actuarial valuation, as at January 1, 2007, of the Metroland Pension Plan.

The principal purposes of the report are:

- to present information on the financial position of the plan on a going concern basis;
- to compare actual and expected experience under the plan on a going concern basis;
- to present information on the financial position of the plan on a solvency basis;
- to review the windup status of the plan;
- to provide the basis for employer contributions; and
- to provide the information and the actuarial opinion required by the Financial Services Commission of Ontario and the Canada Revenue Agency.

The previous actuarial valuation of the plan was prepared as at January 1, 2004. Since the previous actuarial valuation, there have been changes to the plan provisions. The base year was updated from 2000 to 2002 effective January 1, 2006. A supplement as of January 1, 2006 to the actuarial valuation as of January 1, 2004 was filed in 2006 in respect of that plan change. Since the previous actuarial valuation, the solvency and windup actuarial assumptions have been updated to reflect market conditions at the valuation date. In addition, there have been changes to the going concern actuarial basis as outlined in the report.

Since the previous actuarial valuation, the Income Tax Act (Canada) was amended to increase the maximum defined benefit pension limits for years after 2005. The financial impact of this change is reflected in this report effective on the valuation date.

Since the previous actuarial valuation, the Canadian Institute of Actuaries approved new *Standards of Practice for Pension Commuted Values*. The new standards have been reflected for purposes of the solvency and windup valuation.

This report summarizes the results of the actuarial valuation and contains an actuarial opinion as an integral part of the report. The supporting detailed information on assets, actuarial basis, membership data and plan provisions is contained in the Appendices. We are not aware of any events which occurred subsequent to the valuation date that would materially change the plan's financial position.

The information contained in this report was prepared for Metroland Printing, Publishing and Distributing Ltd., for its internal use and for filing with the Financial Services Commission of Ontario and the Canada Revenue Agency, in connection with Towers Perrin's actuarial valuation of the plan. This report is not intended or necessarily suitable for other parties or for other purposes. Further distribution of all or part of this report to other parties (except where such distribution is required by applicable legislation) or other use of this report is expressly prohibited without Towers Perrin's prior written consent.

Going Concern Financial Position

Statement of Financial Position

	January 1, 2007	January 1, 2004
Actuarial Value of Assets	$ 4,937,017	$ 3,193,464
Actuarial Liability		
Active members, members on long-term disability and members on leave of absence	$ 4,149,878	$ 2,936,685
Retired members and beneficiaries	801,719	393,055
Terminated vested members	46,947	19,074
Total actuarial liability	$ 4,998,544	$ 3,348,814
Actuarial Surplus (Unfunded Actuarial Liability)	$ (61,527)	$ (155,350)

Comments:

- The financial position of the plan on a going concern basis is determined by comparing the actuarial value of assets to the actuarial liability and is a reflection of the assets available for the benefits accrued in respect of credited service prior to the valuation date assuming the plan continues indefinitely.
- As at the valuation date, there are prepaid contributions equal to $26,600. Prepaid contributions are employer contributions made prior to the valuation date that are in excess of the minimum required and are set aside as a reserve for application towards future contribution requirements. Prepaid contributions are referred to as the "prior year credit balance" in the Regulation to the Pension Benefits Act (Ontario).
- As at the valuation date, the actuarial surplus (unfunded actuarial liability) minus the prepaid contributions is $(88,127).

Reconciliation of Financial Position

Actuarial surplus (unfunded actuarial liability) as at January 1, 2004		$ (155,350)
Net special payments:		
■ Going concern amortization payments	$ 113,934	
■ Solvency amortization payments	566,205	
■ Transfer deficiency payments	42,163	
■ Prepaid contributions	0	
■ Other contributions	0	722,302
Application of:		
■ Actuarial surplus	$ 0	
■ Prepaid contributions	(103,411)	(103,411)
Expected interest on:		
■ Actuarial surplus (unfunded actuarial liability)	$ (32,305)	
■ Going concern amortization payments	9,793	
■ Solvency amortization payments	54,402	
■ Transfer deficiency payments	3,992	
■ Prepaid contributions	0	
■ Other contributions	0	
■ Application of actuarial surplus	0	
■ Application of prepaid contributions	(2,941)	32,941
Plan experience:		
■ Investment gains (losses)	$ 139,501	
■ Liability gains (losses) [1]	(343,083)	(203,582)
Change in actuarial basis [2]		(120,027)
Change in plan provisions		(234,400)
Actuarial surplus (unfunded actuarial liability) as at January 1, 2007		$ (61,527)

Notes:

[1] The liability gains (losses) of $(343,083) are comprised of a gain (loss) on retirement experience of $(40,000), a gain (loss) on withdrawal experience of $(243,000) and gains (losses) attributable to miscellaneous sources of $(60,083).

[2] The change in the actuarial basis is due to a change in the withdrawal assumption.

Reconciliation of Prepaid Contributions

Prepaid contributions as at January 1, 2004		$ 130,011
Actual employer contributions:		
■ Normal actuarial cost	$ 277,382	
■ Going concern amortization payments	113,934	
■ Solvency amortization payments	566,205	
■ Transfer deficiency contributions	42,163	
■ Other contributions	0	999,684
Minimum employer contributions required:		
■ Normal actuarial cost	$ (380,793)	
■ Going concern amortization payments	(113,934)	
■ Solvency amortization payments	(566,205)	
■ Transfer deficiency contributions	(42,163)	(1,103,095)
Application against unfunded actuarial liability		0
Prepaid contributions as at January 1, 2007		$ 26,600

Solvency Financial Position

Statement of Financial Position

	January 1, 2007	January 1, 2004
Solvency Value of Assets		
Market value of assets	$ 5,861,005	$ 3,384,442
Reserve for plan windup expenses	(75,000)	(75,000)
Total solvency value of assets	$ 5,786,005	$ 3,309,442
Solvency Liability		
Active members, members on long-term disability and members on leave of absence	$ 5,798,386	$ 3,458,714
Retired members and beneficiaries	947,716	404,439
Terminated vested members	69,124	21,190
Total solvency liability	$ 6,815,226	$ 3,884,343
Solvency Surplus (Unfunded Solvency Liability)	$ (1,029,221)	$ (574,901)

Comments:

- The financial position of the plan on a solvency basis is determined by comparing the solvency value of assets to the solvency liability (the actuarial present value of benefits accrued in respect of credited service prior to the valuation date, calculated as if the plan were wound up on that date).
- Under the Regulation to the Pension Benefits Act (Ontario), the employer may elect to exclude from the solvency liability any benefits relating to plant closure and permanent layoff. This plan does not have any such benefits.
- In addition, the Regulation permits certain other benefits to be excluded from the solvency liability. No such benefits have been excluded from the solvency liability. Consequently, the windup liability is $6,815,226 and the windup surplus (unfunded windup liability) as at the valuation date is $(1,029,221).

Determination of the Statutory Solvency Deficiency

The minimum funding requirements under the Regulation to the Pension Benefits Act (Ontario) are based on the statutory solvency deficiency as at the valuation date. In calculating the statutory solvency deficiency, various adjustments can be made to the solvency financial position including:

- recognition of the present value of existing amortization payments, including any going concern amortization payments established at the valuation date, due to be paid within the periods prescribed by the Regulation;
- smoothing of the asset value by use of an averaging technique;
- adjustment to the solvency liability by use of an averaging technique in determining the discount rate used to value the liabilities; and
- removal of any prepaid contributions from the asset value.

To the extent that there exists a statutory solvency deficiency, after taking account of these adjustments, additional amortization payments must be made. If there is no statutory solvency deficiency, the statutory solvency excess may be used to reduce the period of any existing solvency amortization payments.

Statutory Solvency Deficiency

	January 1, 2007	*January 1, 2004*
Solvency surplus (unfunded solvency liability)	$ (1,029,221)	$ (574,901)
Adjustments to solvency position:		
■ Present value of existing amortization payments [1]	$ 547,242	$ 239,988
■ Smoothing of asset value	(196,883)	(133,057)
■ Averaging of liability discount rate	0	18,157
■ Prepaid contributions	(26,600)	(130,011)
■ Total	$ 323,759	$ (4,923)
Statutory solvency excess (statutory solvency deficiency)	$ (705,462)	$ (579,824)

Note:

[1] Reflects any changes made in this valuation to going concern amortization schedules. See next page for details at January 1, 2007.

Details of Present Value of Existing Amortization Payments

Type of payment	*Effective date*	*Month of last payment recognized in calculation*	*Annual amortization payment*	*Present value as at January 1, 2007 (at 4.5% per annum)*
Going Concern	Jan. 1, 2006	Dec. 2011	$ 9,497	$ 42,545
Solvency	Jan. 1, 2003	Dec. 2007	17,164	16,761
Solvency	Jan. 1, 2004	Dec. 2008	133,237	254,614
Solvency	Jan. 1, 2006	Dec. 2010	63,733	233,322
Total			$ 223,631	$ 547,242

Contributions

Normal Actuarial Cost and Amortization Payments (Ensuing Year)

	January 1, 2007	*January 1, 2004*
Employer Normal Actuarial Cost		
Estimated annual contribution	$ 179,861	$ 123,810
Estimated annual payroll	7,187,920	5,474,791
% of payroll	2.50%	2.26%
Annual Amortization Payments		
Going concern	$ 9,497	$ 29,906
Solvency	371,610	177,400
Total	$ 381,107	$ 207,306
Estimated Member Contributions	$ 190,739	$ 143,029

Comments:

- The normal actuarial cost rate changed by 0.05% of payroll due to the change in membership profile and by 0.19% of payroll due to the change in actuarial basis since the previous valuation.
- The schedule of amortization payments shown in the actuarial opinion provides details on the dates these payments were established and the liquidation periods.

Timing of Contributions

To satisfy the requirements of Ontario pension legislation, the employer normal actuarial cost must be paid monthly and within 30 days of the month to which it pertains while the amortization payments must also be paid monthly but within the period to which they are applicable. Members' contributions must be remitted to the fund monthly and within 30 days of the month to which they pertain.

In addition, within 60 days after this report is filed with the Financial Services Commission of Ontario, the employer must make a special contribution equal to the excess, if any, of:

- the amount of employer contributions (employer normal actuarial cost and amortization payments) that should have been paid after January 1, 2007 according to the minimum contribution requirements revealed by this report (determined with regard to any reported prepaid contributions or surplus available to meet these minimum contribution requirements), over
- the actual amount of employer contributions made in respect of periods after January 1, 2007.

Interest must be added to this excess, with such interest determined by reference to the going concern discount rate for payments in respect of employer normal actuarial cost or going concern amortization payments and the solvency discount rate for payments in respect of solvency amortization payments.

To satisfy the requirements of the Income Tax Act (Canada), employer contributions that are remitted to the plan in the taxation year or within 120 days after the end of such taxation year are deductible in such taxation year provided they were made to fund benefits in respect of periods preceding the end of the taxation year.

Other Statutory Contributions

Additional contributions may be required in respect of the transfer values for terminating members. Where applicable, such additional contributions must be remitted before the related transfer value may be paid to the terminated member. Details are provided in Appendix E.

Future Contribution Levels

Future contribution levels may change as a result of future changes in the actuarial methods and assumptions, the membership data, the plan provisions and the legislative rules, or as a result of future experience gains or losses, none of which has been anticipated at this time. Emerging experience, differing from the assumptions, will result in gains or losses that will be revealed in future actuarial valuations.

Actuarial Opinion

In our opinion, for the purposes of the going concern valuation, the solvency valuation and the windup valuation, the data on which the valuations are based are sufficient and reliable, the assumptions are, in aggregate, appropriate and the methods employed in the valuations are appropriate. This report has been prepared, and our opinion has been given, in accordance with accepted actuarial practice. The valuations have been conducted in accordance with the funding and solvency standards prescribed by the Pension Benefits Act (Ontario) and Regulation thereto, and in conformity with the requirements of the Income Tax Act (Canada) and Regulation thereto. This actuarial opinion forms an integral part of the report.

Based on the results of these valuations, we hereby certify that, in our opinion, as at January 1, 2007:

- The plan has prepaid contributions, referred to as the prior year credit balance in the Regulation to the Pension Benefits Act (Ontario), of $26,600. The employer may use these prepaid contributions to meet the future contribution requirements of the plan.

- The actuarial surplus (unfunded actuarial liability), determined by comparing the actuarial liability, the measure of obligations of the plan on a going concern basis, to the actuarial value of assets, is $(61,527).

- The unfunded actuarial liability, adjusted for prepaid contributions, is $88,127 and must be liquidated by employer amortization payments, payable monthly in arrears, at least equal to the amounts and for the periods set forth below in order to comply with the Regulation to the Pension Benefits Act (Ontario).

Effective date	*Month of last payment*	*Annual amortization payment*	*Present value as at January 1, 2007 (at 6.5% per annum)*
Jan. 1, 2006	Dec. 2020	$ 9,497	$ 88,127

- The solvency surplus (unfunded solvency liability), determined by comparing the solvency liability, as defined in the Regulation to the Pension Benefits Act (Ontario), to the solvency value of assets, is $(1,029,221).

- The statutory solvency excess (deficiency) revealed at this valuation is $(705,462). This statutory solvency deficiency together with the remaining statutory solvency deficiency from the previous actuarial valuation must be liquidated by employer amortization payments, payable monthly in arrears, at least equal to the amounts and for the periods set forth below in order to comply with the Regulation to the Pension Benefits Act (Ontario).

Effective date	*Month of last payment*	*Annual amortization payment*	*Present value as at January 1, 2007 (at 4.5% per annum)*
Jan. 1, 2003	Dec. 2007	$ 17,164	$ 16,761
Jan. 1, 2004	Dec. 2008	133,237	254,614
Jan. 1, 2006	Dec. 2010	63,733	233,322
Jan. 1, 2007	Dec. 2011	157,476	705,462
Total		$ 371,610	$ 1,210,159

- If the plan had been wound up on the valuation date, the market value of plan assets would have been less than the actuarial liabilities of the plan.
- The excess actuarial surplus, pursuant to Section 147.2(2) of the Income Tax Act (Canada), is $0.
- The rule for computing the employer normal actuarial cost is 2.50% of payroll. Based on the plan membership used for this valuation and assuming an annual increase in salary levels of 2.5%, the normal actuarial cost for the next three years is estimated to be :

Year	*Estimated member contributions*	*Estimated employer normal actuarial cost*
2007	$ 190,739	$ 179,861
2008	$ 195,507	$ 184,358
2009	$ 200,395	$ 188,967

The employer is required to make normal actuarial cost contributions to the plan in accordance with the above rules until the effective date of the next actuarial certification.

- The Income Tax Act (Canada) permits the employer to make a contribution equal to the sum of the normal actuarial cost and $1,029,221, less the amortization payments made in respect of periods since January 1, 2007. If greater, the employer is permitted to make a contribution equal to the sum of the normal actuarial cost and the windup deficiency, less the amortization payments made in respect of periods since January 1, 2007, provided that at the time the contribution is made all assumptions made in this valuation remain reasonable and the windup deficiency persists.
- The transfer ratio, as defined in the Regulation to the Pension Benefits Act (Ontario), is 86%.
- The assessment base determined for the Pension Benefits Guarantee Fund (PBGF) is $954,221. The PBGF liabilities are $6,815,226. Additional liabilities for excluded plant closure benefits, in accordance with section 37(4)(a)(ii) of the Regulation to the Pension Benefits Act (Ontario), are $0.

- In accordance with the Regulation to the Pension Benefits Act (Ontario), the next actuarial valuation should be performed with an effective date not later than January 1, 2010. The basis for employer contributions presented in this report is effective until the next actuarial opinion is filed.

On July 29, 2004, the Supreme Court of Canada ruled that, upon a partial plan windup, the Pension Benefits Act (Ontario) requires the distribution of actuarial surplus related to the portion of the plan being wound up in respect of members employed in Ontario, determined on the effective date of the partial plan windup. Due to the many uncertainties relating to the pension and legal issues involved, at this time it is neither possible nor practical to quantify the impact, if any, the ruling may have upon the plan. Therefore, we reserve the right to amend or withdraw this report if the Supreme Court of Canada's ruling has the effect of changing the assets, liabilities or other financial measures of the plan as reported herein or in previous valuation reports.

The results presented in this report have been developed using a particular set of actuarial assumptions. Other results could have been developed by selecting different actuarial assumptions. The results presented in this report are reasonable actuarial results based on actuarial assumptions reflecting our expectation of future events.

Towers Perrin Inc.

Alexandre Drouin	September 27 2007
Alexandre Drouin, FCIA	Date
Philip Morse	September 25, 2007
Philip A. Morse, FCIA	Date

Assets

Statement of Market Value

	January 1, 2007	*January 1, 2004*
Invested assets:		
■ Torstar master trust	$ 5,841,762	$ 3,384,442
Net outstanding amounts:		
■ Contributions receivable	$ 0	$ 0
■ Transfers receivable (payable)	19,243	0
■ Benefits payable	0	0
■ Expenses and others payable	0	0
■ Total net outstanding amounts	$ 19,243	$ 0
Total	$ 5,861,005	$ 3,384,442

Comments:

- The invested assets are held by the Northern Trust Company under account number MPP.
- The data relating to the invested assets are based on the financial statements issued by Ernst & Young. The data relating to net outstanding amounts were furnished by Metroland Printing, Publishing and Distributing Ltd. All of this information has been relied upon by Towers Perrin following tests of reasonableness with respect to contributions, benefit payments and investment income.
- The invested assets held in the master trust are invested in various major asset classes as follows: 28% in Canadian equity, 40% in foreign equity, 31% in bonds and debentures, and 1% in short-term investments and cash.

Reconciliation of Invested Assets (Market Value)

Assets as at January 1, 2004		$ 3,384,442
Receipts:		
■ Contributions:		
— Employer normal actuarial cost	$ 277,382	
— Employer amortization payments	680,139	
— Employer transfer deficiency contributions	42,163	
— Members' required contributions	508,022	
— Non-investment expenses	0	$ 1,507,706
■ Investment return, net of investment expenses		1,634,826
■ Other receipts		0
■ Total receipts		$ 3,142,532
Transfers:		
■ Net inter-plan transfers		$ (44,945)
■ Net external transfers		0
■ Total transfers		$ (44,945)
Disbursements:		
■ Benefit payments:		
— Pension payments	$ 179,377	
— Lump sum settlements	460,890	
— Other benefit payments	0	$ 640,267
■ Non-investment expenses		0
■ Other disbursements		0
■ Total disbursements		$ 640,267
Assets as at January 1, 2007		$ 5,841,762

Comment:

- This reconciliation is based on the statements issued by Ernst & Young.
- The rate of return earned on the market value of assets, net of all expenses, from January 1, 2004 to January 1, 2007 is approximately 12.7% p.a.

Development of the Actuarial Value of Assets

Year	*Realized and Unrealized Gains (Losses)*	*Percent Unrecognized*	*Amount Unrecognized*
2006	$ 8,421,664	80%	$ 6,737,331
2005	8,480,622	60%	5,088,373
2004	4,373,572	40%	1,749,429
2003	5,504,249	20%	1,100,850
			$ 14,675,983

Market value of assets for all Metroland plans (prior to outstanding amounts)	$ 92,786,521
Amount of unrecognized realized and unrealized (gains) losses	(14,675,983)
Actuarial value of assets for all Metroland plans (prior to outstanding amounts)	$ 78,110,538
Actuarial value of assets for Metroland Pension Plan $5,841,762 x $78,110,538 / $92,786,521	$ 4,917,774
Net receivables (payables)	19,243
Actuarial value of assets	$ 4,937,017

Comments:

- The asset valuation method is described in Appendix B.

Asset Value Adjustment to Solvency Position

	2006	2007
Adjusted market value as at January 1, 2006	$ 5,092,994	
Net contributions in 2006	123,048	
Assumed interest (4.5%)	231,953	
Adjusted market value as at January 1, 2007	$ 5,447,995	$ 5,841,762
Asset Value Adjustment		
Average of the two adjusted market values as at January 1, 2007	$ 5,644,879	
Net outstanding amounts	19,243	
Smoothed asset value for statutory solvency valuation	$ 5,664,122	
Market value of assets	(5,861,005)	
Asset value adjustment	$ (196,883)	

Comments:

- The asset value method is described in Appendix B.
- The starting value of each column is the actual market value of invested assets.

Actuarial Basis

Going Concern

Asset Valuation Method

Assets have been valued using a deferred recognition of realized and unrealized gains and losses over four years. Under this method, realized and unrealized gains and losses are recognized at 20% in the year of occurrence and an additional 20% in each of the subsequent years.

The actuarial value of assets is developed in respect of all Metroland plans and allocated to each plan in proportion to its market value of assets. The actuarial value of assets was then adjusted for net outstanding amounts.

Actuarial Cost Method

The actuarial liability and the normal actuarial cost were calculated using the unit credit cost method.

The actuarial liability for each active members, members on long-term disability and members on leave of absence was calculated as the actuarial present value of the member's benefits accrued to date. The calculation of the actuarial present value of the member's benefits reflects additional entitlements which may arise due to the application of the 50% employer cost-sharing rule, and is at least equal to the member's contributions with interest.

The actuarial liability for retired members and beneficiaries and terminated vested members was calculated as the actuarial present value of their respective benefits.

The normal actuarial cost for each active members, members on long-term disability and members on leave of absence was calculated as the actuarial present value of the member's benefits accruing in respect of credited service in the ensuing year, but not less than the member's required contributions. The employer normal actuarial cost was determined as the excess of the total normal actuarial cost over the member's required contributions. The normal actuarial cost rate determined by the unit credit cost method will be stable over time if the demographic characteristics of the active and disabled plan membership remain stable from valuation to valuation. All other things being equal, an active and disabled membership whose average age increases (decreases) between actuarial valuations will result in an increasing (decreasing) normal actuarial cost rate.

Benefit Security

The purpose of the going concern actuarial cost method is to assign a value to the benefits accrued to the valuation date under the plan and to measure the value of benefits accruing in ensuing years. A comparison of the actuarial value of assets with the actuarial liability measured under the unit credit cost method gives an indication of the security of the benefits earned to date (only in respect to those benefits included in the liability measure) based on the going concern actuarial assumptions used in the actuarial valuation.

Solvency and Windup

Asset Valuation Method

The market value of assets has been used for the solvency and windup valuation, adjusted for net outstanding amounts. The resulting value has been reduced by a provision for plan windup expenses.

The asset value adjustment for purposes of determining the statutory solvency deficiency was calculated as the difference between the 2-year average of adjusted market values and the market value of assets. The 2-year average of adjusted market value of assets was calculated as the average of the market value of assets at the valuation date and the adjusted market value of assets at the end of the preceding year. The adjustment to the preceding market value is the sum of net contributions (contributions less benefit payments) and the interest on the preceding market value and net contributions. The rate of interest used to calculate the adjustment to the market value from January of a prior year is the windup discount rate for non-commutable benefits at the prior year. This 2-year average of adjusted market values was further adjusted for net outstanding amounts.

Actuarial Cost Method

The solvency liability and the windup liability were calculated using the unit credit cost method.

The solvency liability and the windup liability for active members, members on long-term disability and members on leave of absence was calculated as the actuarial present value of all benefits accrued up to the valuation date (treating all members as if vested). This calculation reflects additional entitlements which may arise due to the application of the 50% employer cost-sharing rule, and is at least equal to the member's contributions with interest.

The solvency liability and the windup liability for retired members and beneficiaries and terminated vested members were calculated as the actuarial present value of their respective benefits.

Benefit Security

The purpose of the solvency and windup actuarial cost method is to assign a value to the benefits accrued to the valuation date under the plan assuming the plan were to terminate as at the valuation date. A comparison of plan assets with the liabilities measured under the unit credit cost method gives an indication of the security of the benefits earned to date (only in respect of those benefits included in the liability measure) based on the actuarial assumptions used in these actuarial valuations.

Other Considerations

The solvency and windup assumptions do not include a provision for adverse deviation.

The solvency and windup actuarial valuation has been prepared on a hypothetical basis. In the event of an actual plan windup, the plan assets may have to be allocated between various classes of plan members or beneficiaries as required by applicable pension legislation. Such potential allocation has not been performed as part of this solvency and windup valuation.

Assumptions

	Going Concern	Solvency and Windup
Economic Assumptions (per annum)		
Liability discount rate	6.5%	Before averaging for solvency and windup – Settlement by: ■ Commuted value: 4.5% for 10 years, 4.75% thereafter [1] ■ Annuity purchase: 4.5% [2] After averaging for solvency – Settlement by: ■ Commuted value: 4.5% for 10 years, 4.75% thereafter [1] ■ Annuity purchase: 4.5% [2]
Discount rate for determining amortization payments	6.5%	4.5%
Escalation of YMPE under Canada/Québec Pension Plan	3.5%	N/A
Escalation of Income Tax Act (Canada) maximum pension limitation	3.5% starting in 2010 [3]	$2,222.22 per year of credited service [4]
Interest on members' contributions	5.5%	N/A
Demographic Assumptions		
Mortality	1994 Uninsured Pensioner Mortality Table, projected generationally using Scale AA	1994 Uninsured Pensioner Mortality Table, projected to 2015 using Scale AA [5]
Withdrawal	Age-related rates (details below)	N/A
Disability incidence/recovery	Nil [6]	N/A
Retirement	Age-related rates (details below)	Described in detail on next page
Other		
Percentage of members with eligible spouses at pension commencement	66.67%	Same
Years male spouse older than female spouse	3	Same
Percentage of members receiving settlement by commuted value (balance assumed to elect settlement by annuity purchase)	N/A	Retired members and beneficiaries: 0% Other members: ■ under 55 years old: 100% ■ aged 55 years and over: 0%

	Going Concern	Solvency and Windup
Provision for expenses	None; return on plan assets is net of all expenses	Solvency: $75,000 Windup: $75,000 Details below

Notes:

[1] 5.75% for 15 years and 6.0% thereafter for unaveraged rate and 5.75% for averaged rate at previous valuation.

[2] 5.25% for unaveraged rate and 5.75% for averaged rate at previous valuation.

[3] $2,444.44 (pursuant to scheduled increases until 2009 and then indexed starting in 2010) for this valuation and $2,000 (pursuant to scheduled increases until 2005 and then indexed starting in 2006) at previous valuation.

[4] $1,833 per year of credited service at previous valuation.

[5] 1983 Group Annuity Static Mortality Table at previous valuation.

[6] There are no disability benefits under the plan other than the accrual of retirement income (earnings remain constant) during disability. Consequently, the assumption of no incidence of disability or recovery therefore makes an appropriate allowance, in combination with the other assumptions, for such continued accruals.

Method of Calculating Solvency and Windup Discount Rates

Discount Rates for Solvency (before averaging) and Windup

In the event of a plan windup, it is expected that a portion of the liabilities will be settled by a group annuity purchase and the balance of the liabilities will be settled by commuted value transfers.

For the calculation of the portion of the solvency and windup liability relating to the benefits that are expected to be settled by a group annuity purchase, the liability discount rate corresponds to an approximation of the annuity purchase rates as at the valuation date following consideration of the Canadian Institute of Actuaries' Educational Note published in 2007 by the Pension Plan Financial Reporting Committee providing guidance on assumptions for windup, hypothetical windup and solvency valuations.

For the calculation of the portion of the solvency and windup liability relating to the benefits that are expected to be settled by commuted value transfers, the liability discount rates have been determined in accordance with the *Standards of Practice for Pension Commuted Values* approved by the Canadian Institute of Actuaries effective May 1, 2006. For this valuation, the January 2007 rates have been used. At the previous valuation, the liability discount rates were determined in accordance with the *Recommendations for the Computation of Transfer Values from Registered Pension Plans* approved by the Canadian Institute of Actuaries effective September 1, 1993.

Discount Rates for Solvency (after averaging)

The average discount rates for calculation of the statutory solvency deficiency are based on the following:

- Benefits that are expected to be settled by a group annuity purchase:

  The average of the annualized approximate annuity purchase rates at January 1, 2007 and the previous year-end, determined as follows:

January 1, 2007	4.50%
January 1, 2006	4.50%
Average	4.50%

- Benefits that are expected to be settled by commuted value transfers:

The average of the interest rates determined under the *Standards of Practice for Pension Commuted Values*, approved by the Canadian Institute of Actuaries, at January 1, 2007 and the previous year-end [1], determined as follows:

	First 10 Years	Thereafter
January 1, 2007	4.50%	4.75%
January 1, 2006	4.50%	4.75%
Average	4.50%	4.75%

Note:

[1] The *Standards of Practice for Pension Commuted Values* is assumed to have always been in effect when determining the interest rates prior to May 1, 2006.

Retirement Assumptions (Solvency and Windup)

- Members eligible to retire: retire at the age that produces the highest value (including statutory grow-in rights for members in Ontario).
- Members with age plus continuous service greater than or equal to 55 years and employed in Ontario: retire at the age that produces the highest value of pension (including statutory grow-in rights).
- Other members: retire at age 65.

Expense Assumption (Solvency and Windup)

Allowance was made for normal administrative, actuarial, legal and other costs which would be incurred if the plan were to be wound up (excluding costs relating to the resolution of surplus issues). The valuation is premised on a scenario in which the employer continues to operate after the windup date. In establishing the allowance for plan windup costs, certain administrative costs were assumed to be paid from the pension fund (consistent with past practice) while other costs were assumed to be borne directly by the employer.

Retirement and Withdrawal Assumptions (Going Concern)

Retirement Rates

Age	*Male and Female*
55 to 59	0.070
60	0.200
61	0.200
62	0.400
63	0.300
64	0.300
65	1.000

Withdrawal Rates (current valuation)

Service	*Male and Female*
0 to 3	0.100
4 to 7	0.100
8 to 11	0.080
12 to 15	0.080
16 to 19	0.050
20 to 23	0.030
24 to 27	0.030
Over 27	0.000

Withdrawal Rates (previous valuation)

Age	*Male and Female*
20	0.100
25	0.100
30	0.070
35	0.070
40	0.070
45	0.070
50	0.070
55	0.000

Direction From Plan Administrator

For purposes of preparing this valuation report, the plan administrator has directed that:

- Since to the best of the knowledge of the plan administrator, there is no partial plan windup or termination with an effective date prior to the date of this valuation, involving members employed in Ontario, not yet completed where the partial windup/termination portion of the plan is in a surplus position on the date of this valuation, this report is to be prepared on the basis that there will be no retroactive changes to previously filed partial windup/termination reports, if any, and neither the applicable pension regulator nor the plan sponsor will order/declare any partial plan windup/termination with an effective prior to the valuation date.

- This report is to be prepared on the basis that the employer is entitled to apply the actuarial surplus, if any, revealed in an actuarial valuation report to meet its contribution requirements under the plan while the plan remains a going concern, to the extent permitted by applicable pension legislation. (This report does not address the disposition of any surplus assets remaining in the event of plan windup.) If an applicable pension regulator or other entity with jurisdiction directs otherwise, certain financial measures contained in this report, including contribution requirements, may be impacted.

Membership Data

Summary of Membership

	January 1, 2007	January 1, 2004
Active members, members on long-term disability and members on leave of absence:		
■ Number	151	124
■ Average age	41.3	41.6
■ Average credited service	9.2	9.3
■ Annual payroll	$ 7,187,920	$ 5,474,791
■ Average salary	$ 47,602	$ 44,152
Retired members and beneficiaries:		
■ Number	11	6
■ Average age	69.5	71.8
■ Total lifetime annual pension	$ 79,350	$ 41,967
■ Average lifetime annual pension	$ 7,214	$ 6,995
Terminated vested members:		
■ Number	6	2
■ Average age	45.2	50.5
■ Total annual pension	$ 12,391	$ 3,629
■ Average annual pension	$ 2,065	$ 1,815

Comments:

- Membership data were supplied by Metroland Printing, Publishing and Distributing Ltd.'s third-party administrator, EDS, as at January 1, 2007.

Review of Membership Data

The membership data was reviewed for reasonableness and found to be sufficient and reliable for the purposes of the valuation. Elements of the data review included the following:

- ensuring that the data was intelligible (i.e., that an appropriate number of records was obtained, that the appropriate data fields were provided and that the data fields contained valid information);
- preparation and review of membership reconciliations to ascertain that the complete membership of the pension plan was accounted for;
- preparation and review of age and service distributions for active members for reasonableness;
- preparation and review of age distributions for retired members and beneficiaries for reasonableness;
- comparison, for active members, of average age, average pensionable earnings, aggregate employee contribution account balances and average pensionable service to the prior valuation data for reasonableness;
- comparison, for deferred vested members, of average age and average deferred pensions to the prior valuation data for reasonableness;
- comparison, for retired members and beneficiaries, of average age and average pensions to the prior valuation data for reasonableness; and
- comparison of aggregate pension payments to actual payments made from the plan for the period prior to the valuation date.

Distribution of Membership

The distributions that follow are:

- Page C - 4 — Active members, members on LTD and members on Leave of Absence
- Page C - 5 — Retired members and beneficiaries
- Page C - 6 — Terminated vested members

The following meanings have been assigned to age, service and pension:

- Age — Age as at January 1, 2007
- Credited Service — Credited service as at January 1, 2007
- Pension — Annual pension payable as at January 1, 2007 after the application of Income Tax Act maximum pension limitations

Active members, Members on LTD and Members on Leave of Absence as at January 1, 2007

		Credited Service								
Age		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 +	Total
< 20	Number									
	Average Annual Accrued Pension									
20 – 24	Number	3								3
	Average Annual Accrued Pension	305								305
25 – 29	Number	23	2							25
	Average Annual Accrued Pension	1,096	3,268							1,270
30 – 34	Number	11	6	1						18
	Average Annual Accrued Pension	1,618	3,961	7,026						2,700
35 – 39	Number	6	13	1	1					21
	Average Annual Accrued Pension	605	4,826	7,717	5,882					3,808
40 – 44	Number	4	7	4	9					24
	Average Annual Accrued Pension	1,798	4,737	8,036	12,190					7,592
45 – 49	Number	8	6	5	4	5				28
	Average Annual Accrued Pension	1,463	4,758	8,854	12,489	11,472				6,851
50 – 54	Number	3	4	1	2	6	1			17
	Average Annual Accrued Pension	763	4,997	13,168	12,662	12,864	15,223			9,010
55 – 59	Number	2	2		1	2	3	1		11
	Average Annual Accrued Pension	1,067	2,280		9,799	15,521	17,621	24,559		11,360
60 – 64	Number		1			2	1			4
	Average Annual Accrued Pension		3,947			15,612	8,123			10,823
65 +	Number									
	Average Annual Accrued Pension									
Total	Number	60	41	12	17	15	5	1		151
	Average Annual Accrued Pension	1,181	4,469	8,694	11,804	13,121	15,242	24,559		5,674

Average Age = 41.3 Average Credited Service = 9.2

Retired members and Beneficiaries as at January 1, 2007

Age		*Total*
< 55	Number	
	Average Annual Accrued Pension	
55 – 59	Number	1
	Average Annual Accrued Pension	11,065
60 – 64	Number	3
	Average Annual Accrued Pension	6,951
65 – 69	Number	2
	Average Annual Accrued Pension	5,817
70 – 74	Number	2
	Average Annual Accrued Pension	12,646
75 – 79	Number	2
	Average Annual Accrued Pension	3,737
80 – 84	Number	1
	Average Annual Accrued Pension	3,032
85 – 89	Number	
	Average Annual Accrued Pension	
90 +	Number	
	Average Annual Accrued Pension	
Total	Number	11
	Average Annual Accrued Pension	7,214

Average Age = 69.5

Terminated Vested Members as at January 1, 2007

Age		*Total*
< 20	Number	
	Average Annual Accrued Pension	
20 – 24	Number	
	Average Annual Accrued Pension	
25 – 29	Number	
	Average Annual Accrued Pension	
30 – 34	Number	1
	Average Annual Accrued Pension	2,062
35 – 39	Number	2
	Average Annual Accrued Pension	2,226
40 – 44	Number	
	Average Annual Accrued Pension	
45 – 49	Number	1
	Average Annual Accrued Pension	991
50 – 54	Number	1
	Average Annual Accrued Pension	2,248
55 – 59	Number	
	Average Annual Accrued Pension	
60 – 64	Number	1
	Average Annual Accrued Pension	2,638
65 +	Number	
	Average Annual Accrued Pension	
Total	Number	6
	Average Annual Accrued Pension	2,065

Average Age = 45.2

Membership Reconciliation

	Active members, members on long-term disability and members on leave of absence	*Retired members and beneficiaries*	*Terminated vested members*
As at January 1, 2004	124	6	2
■ New entrants (including re-employed)	43	0	0
■ Transferred in	6	0	0
■ Vested termination	(3)	0	3
■ Retirement	(4)	4	0
■ New beneficiary	0	0	0
■ Deceased (with beneficiary)	0	0	0
■ Deceased (without beneficiary)	(1)	0	0
■ Settlement	(13)	0	0
■ Transferred out	(1)	0	0
■ Data corrections	0	1	1
■ Net change	27	5	4
As at January 1, 2007	151	11	6

Summary of Plan Provisions

The following is an outline of the principal features of the plan which are of financial significance to valuing the plan benefits. For a detailed description of the benefits, refer to the plan document.

Definitions

Base Year

Effective January 1, 2001 the Base Year was updated from 1996 to 1998. Effective January 1, 2003 the Base Year was updated from 1998 to 1999. Effective January 1, 2004 the Base Year was updated from 1999 to 2000. Effective January 1, 2006, the Base Year was updated from 2000 to 2002.

Credited Past Service

Service while a member of a Prior Plan, subject to a maximum of five years.

Credited Future Service

Service while a member of the Plan subsequent to the later of the member's Credited Past Service date and date of membership.

Credited Service

Credited Past Service plus Credited Future Service.

Prior Plans

Metrospan Pension Plan and Retirement Plan for Employees of Inland Publishing Co. Ltd.

Earnings

All compensation, exclusive of any amounts of differential pay, overtime pay, expense allowance and bonuses.

Eligible Earnings

Earnings less 31.25% of the lesser of the YMPE and Earnings.

Employee

A person who is employed by the Company on a regular basis subject to the collective bargaining agreement between the Company and the Southern Ontario Newspaper Guild.

Excess Contributions

The portion of the member's Required Contributions to the Plan made on and after January 1, 1987 together with interest, which is in excess of 50% of the commuted value of the pension benefit earned on and after January 1, 1987. Payable under Normal Retirement, Early Retirement, Death or Termination, if any.

YMPE

Year's Maximum Pensionable Earnings as defined in the Canada Pension Plan.

Eligibility for the Plan

Full time Employees of the Company must become members upon attaining age 25 and completing one year of continuous service. A full time or part-time Employee may elect to become a member after two consecutive years of service during which the Employee has worked at least 700 hours or earned at least 35% of the YMPE.

Required Contributions

Required contributions equal 2.5% of Earnings up to the YMPE plus 5% of Earnings in excess of the YMPE, subject to an annual maximum of $3,500.

Normal Retirement

Eligibility

Last day of the month in which the member attains age 65.

Annual Benefit

The sum of:

- Past Service Benefit
  - 1% of Eligible Earnings in the Base Year multiplied by the number of years of Credited Past Service.
- Future Service Benefit
  - 2% (1% while a non-contributing member) of Eligible Earnings in the Base Year multiplied by the number of years of Credited Future Service up to and including the Base Year, plus 2% (1% while a non-contributing member) of Eligible Earnings in each calendar year during the period of Credited Future Service subsequent to the Base Year.

Early Retirement

Eligibility

Last day of any month within the 10 years preceding normal retirement date.

Annual Benefit

The normal retirement past service and future service benefit accrued to early retirement date reduced by 1/3% for each full month that pension commencement precedes normal retirement date.

Form of Payment

Normal Form

Payable for the lifetime of the member with a guarantee of payments equal to the member's Required Contributions with interest.

Optional Forms

Available on an actuarially equivalent basis.

Death Benefits

Prior to Retirement

- Prior to the Completion of Two Years of Plan Membership
  - Lump sum payment equal to Required Contributions together with interest.
- After Two Years of Plan Membership, Prior to Completing 15 Years of Credited Service
  - Lump sum commuted value of benefits accrued in respect of service after 1986 plus a refund of the member's Required Contributions with interest for the period prior to January 1, 1987.
- After the Completion of 15 Years of Credited Service
  - Member's spouse may receive, in lieu of above, a retirement income equal to 50% of the Member's pension accrued to the date of death. The retirement income is actuarially reduced if the spouse is more than 15 years younger than the member.

After Retirement

In accordance with the form of pension payable.

Termination Benefit

Prior to the Completion of Two Years of Continuous Service

Lump sum payment equal to Required Contributions together with interest to the date of termination.

After Two Years of Continuous Service

The sum of:

- A deferred pension payable at age 65 equal to the benefits earned to date of termination.
- Excess Contributions, if any.
- A lump sum payment equal to any Required Contributions for the period prior to January 1, 1987 with interest to the date of termination of employment that is in excess of 100% of the actuarial equivalent of the member's retirement income in respect of Credited Service prior to January 1, 1987, excluding Plan amendments on or after January 1, 1987 in respect of Credited Service prior to January 1, 1987.

Transfer Value Assumptions

Transfer values for members terminating with a transfer option are calculated in accordance with the *Standards of Practice for Pension Commuted Values* approved by the Canadian Institute of Actuaries effective May 1, 2006.

Maximum Pension

The maximum annual pension shall be limited to the current Income Tax Act (Canada) limit, or such higher amount as permitted from time to time, multiplied by Credited Service (excluding Credited Service prior to January 1, 1992 in excess of 35 years and ignoring the 5-year limit on Credited Past Service).

The maximum pension is reduced by 3% per year that pension commencement precedes the earliest of age 60, 30 years of continuous service and 80 points (age plus continuous service).

The Plan provisions do not provide for pre-1990 past service as defined in subsection 8504(6) of the Regulations to the Income Tax Act (Canada).

PBGF Assessment and Transfer Ratio

	January 1, 2007
PBGF Assessment	
Solvency liability: [1]	
■ Total	$ 6,815,226
■ Ontario PBGF liability [2]	6,815,226
■ Ontario additional PBGF liability [3]	0
Solvency value of assets: [1]	
■ Total	5,861,005
■ Ontario PBGF assets	5,861,005
PBGF assessment base [2]	954,221
Plan membership (including inactives):	
■ Total	168
■ Ontario	168
Transfer Ratio	
Solvency value of assets [1]	$ 5,861,005
Lesser of estimated employer contributions for the period until the next valuation [4] and prepaid contributions	26,600
Windup liability [1]	6,815,226
Transfer ratio [5]	86%

Notes:

[1] Reflects net outstanding amounts and before reserve for windup expenses.

[2] Excludes the Ontario additional PBGF liability.

[3] As specified in the Regulation to the Pension Benefits Act (Ontario), the additional PBGF liability is the additional solvency liability that would result if plant closure benefits, which the employer elected to exclude, are included for those Ontario members who are immediately eligible for the benefit at the valuation date.

[4] The next valuation of the plan is due with an effective date not later than January 1, 2010.

[5] As the transfer ratio is less than 100%, transfer deficiencies must be paid over a maximum period of five years unless the cumulative transfer deficiencies are within the limits prescribed by the Regulation to the Pension Benefits Act (Ontario) or the employer remits additional contributions in respect of the transfer deficiencies.

Certificate of the Employer

I hereby certify that to the best of my knowledge and belief:

- the information on plan assets forwarded to Towers Perrin Inc. and summarized in Appendix A of this report is complete and accurate;
- the directions from the plan administrator contained in Appendix B of this report are accurate and reflect the plan administrator's judgement of the plan provisions and/or an appropriate basis for the actuarial valuation of the plan;
- the data forwarded to Towers Perrin Inc. and summarized in Appendix C of this report is a complete and accurate description of all persons who are members of the plan, including beneficiaries who are in receipt of a retirement income, in respect of service up to the date of the actuarial valuation;
- the summary of plan provisions contained in Appendix D of this report is accurate and includes all provisions which have a material effect on the determination of plan contributions and liabilities; and
- there have been no subsequent events that would materially change the plan's financial position after the valuation date.

B. J. Biller
Signature

Sept 22/07
Date

BRENDA J. BILLER
Name

Sr. V.P. Human Resources
Title