FINANCING CORPORATE GROWTH

April 14, 15 & 16, 2004

Sheraton Centre Toronto Hotel

Leading edge deals discussed by industry leaders

Innovative and low-cost debt financing to fuel growth and acquisition

PARTICIPATING ORGANIZATIONS :

- Balquhain Limited
- Bank of America Securities
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- Business Development Bank of Canada
- CCFL Advisory Services Inc.
- CIBC Mezzanine Partners
- CIBC World Markets
- Congress Financial Corp.
- Crosbie & Company Inc.
- Deloitte & Touche LLP
- Dominion Bond Rating Service Limited
- Ernst & Young Corporate Finance Inc.
- GE Capital
- Gulf & Pacific Equities Corp.
- Manulife Capital
- National Bank Financial
- Nortel Networks Corporation
- Osler, Hoskin & Harcourt LLP
- PricewaterhouseCoopers LLP
- RBC Royal Bank Commercial Markets
- Sharwood Inc.
- Stonebridge Financial Corporation
- UBS Securities Canada Inc.

CONFERENCE HIGHLIGHTS :

- Learn how Nortel Networks manages its bank/corporate partnerships
- Learn from Gulf & Pacific Equities how they determine the best source of debt financing for a given project
- Get the inside scoop on how the Dominion Bond Rating Service evaluates growth companies
- Learn how to maximize funding, minimize tax consequences and gain the greatest flexibility and protection when structuring a debt financing vehicle
- Discover the latest alternative sources of financing for mid-sized corporations
- When to use sub debt vs. senior debt – the answers will surprise you
- Secured vs. unsecured financing – avoiding tying up too many assets
- Learn how to structure a debt portfolio that provides liquidity, flexibility and lower interest expense
- Discover low-cost ways of financing that next acquisition

OPTIONAL WORKSHOPS :

- **FINDING ALTERNATIVE SOURCES OF CAPITAL**
  John Hague, DELOITTE & TOUCHE LLP
- **MANAGING BANK/CORPORATE PARTNERSHIPS**
  Brian Allard, Senior Vice-President
  ERNST & YOUNG CORPORATE FINANCE INC.

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Although the stock-market bust forced businesses everywhere to make painful adjustments and more sober assessments of risk and expectations, today Canadian companies have restored their financial health, rid themselves of unproductive assets and bloated inventories, and are now fit and ready to roll.

And thanks to today's historically low interest rates and rapidly improving borrowing conditions within the banks and credit markets, Canadian companies are poised to take advantage of this short window of opportunity to reevaluate borrowing strategies and take advantage of future growth opportunities.

Indeed, there has never been a better time to reassess your debt strategy and position the company for growth.

Join us for three days of intensive analysis as corporate borrowers and lenders discuss best practices and how to take advantage of the low interest rate climate to effectively change corporate risk profiles.

Learn first-hand about effective strategies for lowering your overall cost of borrowing by effectively managing your corporate/bank relationship, how to maintain your credit rating and structuring the right debt portfolio.

Learn from a veritable who's who of leading Canadian financing experts and industry leaders as they discuss innovative debt financing alternatives to spur corporate growth, including: Nortel Networks Corporation, Gulf & Pacific Equities Corp., GE Capital, CIBC World Markets, Dominion Bond Rating Service Limited, Congress Financial Corp., Bank of America Securities, CFL Advisory Services Inc., Business Development Bank of Canada, Manulife Capital, UBS Securities Canada Inc. and RBC Royal Bank Commercial Markets.

You may have heard about the wide array of innovative borrowing vehicles out there. Now put the pieces together and get all the information you need in one place. Learn about:

- Best use of asset-based borrowing
- Accessing the Canadian private debt market
- Borrowing long or short-what's the right thing to do?
- Advantages of bundling your borrowing requirements
- Enter the ABS market-and don't worry about creditworthiness
- Accessing U.S. capital markets
- Alternative sources of capital for mid-sized corporations
- Effective debt layering strategies
- Issuing convertible debt

Indeed, with the level of practical knowledge and experience at this conference, this is one event you cannot afford to miss. Register now by calling (416) 665-6868 or 1-800-363-0722.

Yours truly,

Lise Ponton
Conference Director

P.S. Be sure to attend the optional workshops where you will learn how to finance a major acquisition as well as how to choose the best financing options.

WHO SHOULD ATTEND:

CFOs, CORPORATE TREASURERS, CONTROLLERS, FINANCE EXECUTIVES, AUDITORS, BANKERS, LENDERS, INVESTMENT ADVISORS, ADVISORY COMMUNITY

SESSION 1

Wednesday, April 14th

DEALING WITH FINANCIAL INSTITUTIONS

Chair: Mary Anne Pahapill, Vice-President and Assistant Treasurer, NORTEL NETWORKS CORPORATION

9:00-9:45

CASE STUDY: MANAGING BANK/ CORPORATE PARTNERSHIPS

Mary Anne Pahapill, Vice-President and Assistant Treasurer, NORTEL NETWORKS CORPORATION

How you nurture a banking relationship can mean the difference between prospering or perishing. Flexibility, mutual interest and trust are keys to maintaining effective modern banking relationships. It also helps if you show no fear when dealing with the bank. This discussion details Nortel's best practices in establishing good banking relationships that will help you lower your overall cost of borrowing, including:

- Putting your house in order: what to do before your first meeting
- Establishing immediate credibility
- Getting the best deal from commercial banks in:
  - Sourcing financing
  - Operational services
  - Foreign exchange and money trading
  - Why use a particular investment bank
  - Banking relationships and credit standing
- The ongoing relationship: how to manage your lenders

9:45-10:30

MAINTAINING YOUR CREDIT RATING WHILE GROWING THE BUSINESS

Greg Nelson, Executive Vice-President - Structured Finance, DOMINION BOND RATING SERVICE LIMITED

Growing companies have large requirements for new capital and maintaining a corporate rating is an important source of future debt financing. This discussion will detail how rating agencies evaluate growth companies:

- High investment doesn't always mean more debt
- Time horizon of investment returns
- Changing risk profile
- Accounting vs. reality
- Benefiting from corporate parents, sisters or subsidiaries
- Benefiting from securitization
- Communication with investors and rating agencies

10:30-11:00 NETWORKING BREAK

11:00-11:45

PANEL: STRUCTURING THE TRANSACTION

Panel chair: Timothy Gray, President, SHARWOOD INC.
Bill Patrick, Senior Vice-President, CCFL ADVISORY SERVICES INC.

Today's capital-raising transactions are complex, innovative and sophisticated, requiring both art and skill. This discussion details how to structure the deal to maximize funding, minimize tax consequences and provide the greatest flexibility and protection for your company, including:

- Blending debt and equity – minimizing dilution
- Operating debt
- Term debt/equipment finance
- Mezzanine debt
- Off-balance sheet financing
- Giving the appropriate security package and financial covenants
- Timing-how long does it take?

11:45-12:30

ALTERNATIVES TO THE BANK: ASSET-BASED LENDING

Wayne R. Ehgoetz, President, CONGRESS FINANCIAL CORP.

Asset-based finance continues to grow in volume and popularity because it puts the company's assets to work, maximizing their value. This discussion, by Canada's foremost asset-backed lender, details the latest innovations in asset-based lending, including:

- The pros and cons of an ABL deal for a first-time ABL borrower
- New and innovative structures in the Canadian market
- Layering an ABL deal into a complete recapitalization
- Creative strategies and structures for refinancing
- Negotiating an ABL deal-the importance of detailed and accurate financial information
- Risk analysis in asset-based lending: what the lender is looking for

12:30-1:30 LUNCH

SESSION 2

Wednesday, April 14th

DEBT FINANCE MANAGEMENT

Chair: Stephen B. Smith, Senior Vice President, Commercial Finance, GE CAPITAL

1:30-2:15

CASE STUDY: CHOOSING THE BEST FINANCING VEHICLE

Anthony J. Cohen, CEO and CFO
GULF & PACIFIC EQUITIES CORP.

Gulf & Pacific Equities Corporation has done it all in terms of growth financing through debt and equity instruments. This discussion details how and when to use the most cost-effective debt-financing vehicles as well as the pros and cons of each, including:

- Mortgage debt
- Public issuance of convertible debentures
- Private placement of convertible debentures
- Bank financing
- Setting up a capital pool corporation

2:15-3:00

MANAGING DEBT LAYERS FOR FUTURE GROWTH AND ACQUISITION

Brian Smith, Managing Director, NATIONAL BANK FINANCIAL

Conventional wisdom holds that sub-debt is expensive and should be used sparingly as a final layer when financing growth or acquisitions. However, by challenging this model, you may actually be able to grow farther on both senior and/or senior secured debt than would otherwise be possible. Indeed, by reversing the process and securing sub-debt first, you may actually be able to increase flexibility. It all comes down to a trade-off between short and long-term cost and flexibility, and effectively managing the debt structure. This discussion details leading-edge strategies, including:

- How to grow your debt to facilitate future growth
- Sub-debt vs. senior debt- achieving a stable balance while growing
- When to involve the banks in an acquisition

3:00-3:30 NETWORKING BREAK

3:30-4:00

COST-EFFECTIVE BORROWING STRATEGIES

Tim Rider, Vice-President, Financing Services, RBC ROYAL BANK COMMERCIAL MARKETS

Thanks to historically low interest rates, the cost of corporate debt issuance should not necessarily be the focus of finance executives. Debt financing and refinancing is one of the ways corporations should take a life-cycle approach to managing borrowings. This discussion focuses on key details in effective company financing strategies over the life of the company, including:

- Secured vs. unsecured financing – assets vs. cash flow
- Long-term vs. short-term borrowing
- Term funding (leases / term loans / synthetic term loans)
- Terms and conditions – watch the covenants!

4:00-4:30

STRUCTURING THE RIGHT DEBT PORTFOLIO

Stephen B. Smith, Senior Vice-President, Commercial Finance
GE CAPITAL

Creating an optimal liability structure has always been a priority for corporate treasurers, but has been put more in the spotlight as a result of the continuing drive for more innovative debt, equity and hybrid products. The goal is to create a structure that ensures liquidity, provides flexibility and minimizes interest expense. This discussion details factors that go into an effective debt portfolio, including:

- Debt balance
- Interest rate characteristics
- Fixed versus floating rate mix
- Managing the market value of debt
- Credit objectives-maintaining credit ratings
- Looking over your shoulder at the rating agencies
- Structuring the right types of debt:
  - Short-term and long-term debt
  - General obligation and revenue debt
  - Fixed and variable rate debt
  - Lease-backed debt
  - Taxable debt

4:30-5:00

ISSUING HIGH-YIELD BONDS

Donald Stewart, Head of Investment Banking
BANK OF AMERICA SECURITIES

The current interest rate environment continues to create opportunities to issue high-yield bonds at attractive rates; however, unlike equity and bank financing, there is no ownership dilution and fewer restrictive covenants. This discussion details today's best practices in issuing high-yield debt and how high-yield bonds can be used to the treasurer's utmost advantage, including:

- Advantages of diversifying funding sources
- What characteristics of companies make them prime candidates for high-yield debt funding?
- Size and depth of high-yield markets
- What the credit rating agencies are looking for today
- The health of the Canadian economy: its important role in the high-yield bond market
- What investors are looking for
- Pricing strategies
- Interest rate risk
- Credit-related risk
- Global risk

SESSION 3

Thursday, April 15th

ACCESSING CAPITAL MARKETS

Chair: Robert Yalden
OSLER, HOSKIN & HARCOURT LLP

9:00-9:45

SECURITIZATION

Leon Dadoun, Managing Director, CIBC WORLD MARKETS

The asset-backed securities (ABS) market has come of age. It is now a global phenomenon topping $1 trillion in the U.S. alone. And why not-this method of financing offers treasurers a way of obtaining capital-effective leverage that is not affected by their company's credit-worthiness. Furthermore, it allows them to improve their asset/liability management. It opens the door to low-cost funding that could never have been achieved on their own company's covenant. This discussion details the latest in ABS technology and what experienced corporations are doing today, including:

- Key elements of managing the securitization process
- Structural methods for securitizing assets
- Credit enhancement techniques
- Senior subordinated structures
- Third-party enhancement structures
- Latest structural developments in securitization
- Securitizing non-contractual and future flow cash flows
- Use as an acquisition tool or financing growth
- Origination techniques

9:45-10:30

LIFE INSURANCE PERSPECTIVE: ACCESSING THE CANADIAN PRIVATE DEBT MARKET

Patrick Chen, Vice-President Canadian Private Placements
MANULIFE CAPITAL
Robert Colliver, Partner, STONEBRIDGE
FINANCIAL CORPORATION

Accessing capital through the life insurance industry is an often-overlooked method of financing. This discussion provides details on the Canadian private placement market with a focus on life insurance companies as a source of capital, including:

- Market players
- Market competitiveness (after consolidation)
- Terms available
- Fixed rates/spreads in the corporate debt market
- Secured vs. unsecured debt and covenant structure
- Project finance options
- Other financing structures

10:30-11:00 NETWORKING BREAK

11:00-11:45

ACCESSING U.S. CAPITAL MARKETS

Jim Kofman, Managing Director, Corporate Finance
UBS SECURITIES CANADA INC.

Accessing the largest, most flexible and most attractive source of capital in the world through the sale of equity or debt securities allows companies to develop cost-effective, flexible and reliable funding. This discussion details the latest innovations in accessing this most lucrative source of capital, including:

- What are investor requirements today?
- Who can access the U.S. markets
- Strategies for accessing U.S. markets
- When is it right to go to the U.S. markets
- Cross-border considerations
- Who companies should be working with and how to select advisors
- Critical issues when looking for additional capital
- Accessing the market for:
  - Equity
  - Equity-linked alternatives including convertibles
  - Private equity
  - Investment grade and high-yield debt
  - Private debt
  - Highly leveraged transactions
  - Bridge loans
  - Maintaining a U.S. following

4:30-5:00

ESTABLISHING A MEDIUM-TERM NOTE PROGRAM

Robert Yalden, OSLER, HOSKIN & HARCOURT LLP

Being able to access the medium-term debt market rapidly is critical if an issuer is to take advantage of windows of opportunity. Canadian regulators have shown increasing sensitivity to this need and issuers are taking advantage of an increasingly flexible set of rules. This discussion details:

- The rules of the road - how are they evolving?
- Strategies for setting up a medium-term note program
- Integrating a medium-term note program in a broader shelf prospectus
- Setting up a cross-border medium-term note program
- Recent developments and strategies used by Canadian subsidiaries of US issuers who wish to access the Canadian debt markets

12:30-1:30 LUNCH

SESSION 4

Thursday, April 15th

INNOVATIVE BORROWING VEHICLES

Chair: Robert Yalden
OSLER, HOSKIN & HARCOURT LLP

1:30-2:15

PANEL: EMERGING TRENDS IN DEBT FINANCING

Panel chair: Mark C. Shoniker, Executive Director and Group Head, CIBC MEZZANINE PARTNERS
Peter Jones, Managing Director, Subordinate Financing BUSINESS DEVELOPMENT BANK OF CANADA
David Farmer, Vice-President & Underwriter Loan Syndications BANK OF MONTREAL
John Duguid, Managing Director, BALQUHAIN LIMITED

Stock prices are up broadly. Corporate bond yields are falling, and banks are trying harder to attract business borrowers. Indeed, corporate borrowing is beginning to pick up again as businesses take advantage of rapidly improving borrowing conditions in the credit markets and at banks. This discussion details the latest trends in debt financing and where the market is going, including:

- What are the latest trends in debt financing deals?
- The role of subordinated debt financing
- Who are the leading deal makers?
- Current levels of margins and fees
- More loans than borrowers?

2:15-3:00

ALTERNATIVE SOURCES OF CAPITAL FOR MID-SIZED CORPORATIONS

Colin W. Walker, Senior Partner, CROSBIE & COMPANY INC.
Ian Macdonell, Partner, CROSBIE & COMPANY INC.

In recent years, there have significant changes in the markets for alternative capital. Not only have traditional providers of debt capital changed the way they approach financing but many new specialized capital providers have emerged, providing new choices for mid-sized corporations:

- How the changes in the markets for traditional bank debt are driving alternative financing
- Alternative specialized and non-traditional senior financing sources (asset-based lending, lease financing, sale-leaseback, purchase order financing, factoring, etc.)

3:00-3:30 NETWORKING BREAK

3:30-4:00

TAX-EFFECTIVE LEASING

Mark Darmo, PRICEWATERHOUSECOOPERS LLP

This discussion details best practices in tax-effective leasing and presents some innovative ways to reduce the after-tax cost of borrowing, including:

- When is a transaction a lease and when is it a purchase
- Capital tax issues
- Tax-effective cross-border lease transactions
- Avoiding the Canadian withholding tax

4:00-4:30

FINANCING A MAJOR ACQUISITION WITH MEZZANINE DEBT

Vipon Ghai, Assistant Vice-President, MANULIFE CAPITAL

One of the biggest capital expenditures that a company can make is the acquisition of another business. The key to the successful completion of the transaction often lies in knowing your debt capacity and some of the innovative ways of borrowing in order to structure and negotiate the terms of the acquisition. This discussion details key cost-effective debt structures associated with a major acquisition, including:

- When to finance with mezzanine debt
- The importance of a detailed debt capacity analysis
- Structures-equity kickers, royalty structure, interest only, payment in kind
- Vendor take-back
- Returns required by lender

OPTIONAL WORKSHOP 1

Friday, April 16th, 2004 9:00-noon

FINDING ALTERNATIVE SOURCES OF CAPITAL
John Hague, DELOITTE & TOUCHE LLP

Creditworthy corporations can often find alternative sources of financing/capital through non-traditional means. There are many reasons for looking beyond the banks, most notably to overcome an institution's conservatism and pre-conceived lending posture or simply to diversify your borrowing sources. This workshop details the new choices available to corporations, including:

- How the changes in the markets for traditional bank debt are driving alternative financing
- Alternative specialized and non-traditional senior financing sources (asset-based lending, lease financing, sale-leaseback, purchase order financing, factoring, etc.)
- The expanding markets for flexible junior debt structures (mezzanine, tranche B, convertible)
- Combining different types of specialized capital to maximize flexibility and optimize cost of capital
- Strategies to deal with frequent financing challenges
- Mortgage and real estate lenders

John Hague is a Managing Director, with the Deloitte & Touche LLP Corporate Finance Advisory Services Group. John has more than 25 years experience in corporate finance as a lender, corporate treasurer, investor and advisor. From 1975 to 1986, he held a variety of management positions with Canadian and international banks. In 1986 John joined a privately owned computer equipment leasing company as treasurer and assisted in the development of the company and eventual sale. In 1989, he joined a privately owned merchant bank where he was responsible for originating and managing subordinated debt and equity investments. John joined Deloitte & Touche LLP in March 2000 where he has acted as an advisor to governments and corporations on capital markets options and financing transactions. As a director of a number of private and public client companies, John has actively participated in their long- term development as well as day-to-day management. John is a graduate of Queen's University with a Bachelor of Arts and is a Fellow of the Institute of Canadian Bankers.

OPTIONAL WORKSHOP 2

Friday, April 16th, 2004 1:30-4:30

MANAGING BANK/CORPORATE PARTNERSHIPS
Brian Allard, Senior Vice-President, ERNST & YOUNG CORPORATE FINANCE INC.

The bank lending market has gone through significant change over the past few years. Loan pricing has accelerated as availability of credit providers has declined and the capital markets have gone through tremendous turmoil. Thus the need for companies to carefully review their overall bank relationships and financing requirements must be brought into sharper focus. This workshop details best practices in establishing good banking relationships that will help you lower your overall cost of financing, including:

- The bank's role in financial strategy
- Banking relationships and credit standing
- Getting the best deal from commercial banks in:
  - Sourcing financing
  - Operational services
  - Foreign exchange and money trading
  - Why use a particular investment bank
- The ongoing relationship: how to manage your lenders
- How will fewer and bigger banks affect banking relationships?

Brian is National Director of the Capital Markets Group of Ernst & Young Corporate Finance Inc. He oversees a group of professionals committed exclusively to advising clients on all aspects of debt and equity financing, including structure, placement and negotiation. Brian has over 20 years experience in structuring and arranging complex domestic and cross-border financing and has assisted companies in arranging over $5 billion.

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