Years ended December 31, 2011 and 2010 (In thousands of Canadian dollars, except share and per share information)

(d) Property, plant and equipment

Under previous Canadian GAAP, each asset under property, plant and equipment was depreciated as a whole unit over its useful life. Components of an asset were not depreciated separately. Under IFRS, each part of an item of property, plant and equipment with a cost that is significant to the total cost of the item must be depreciated separately. For certain components of property, plant and equipment, useful lives were reassessed, and the effect of these changes in estimates resulted in the acceleration of the depreciation expense under IFRS.

The impact arising from the change is summarized as follows:

	Jan 1, 2010	Dec 31, 2010
Consolidated statement of financial position		
Decrease in property, plant and equipment	$ (5,941)	$ (6,987)
Related tax effect	1,761	2,072
Decrease in retained earnings	$ (4,180)	$ (4,915)

In accordance with IFRS, the Company recognized an increase of $1,046 of depreciation expense in cost of sales, resulting from the accelerated depreciation, recorded in the income statement for the year ended December 31, 2010. The Company also recorded the related tax effect of $311 as a decrease in deferred tax expense.

(e) Share-based payments

Previous Canadian GAAP allowed the use of straight-line attribution of graded-vesting options. Under IFRS, this option is no longer available and each award in a series is accounted for as if it had its own separate service period and vesting date. Accordingly, compensation expense under IFRS will be recognized at an accelerated rate.

The impact arising from the change is summarized as follows:

	Jan 1, 2010	Dec 31, 2010
Consolidated statement of financial position		
Increase in contributed surplus	$ (871)	$ (947)
Related tax effect	96	104
Decrease in retained earnings	$ (775)	$ (843)

In accordance with IFRS, the Company recognized an increase of $76 of stock-based compensation expense in selling, general and administrative expenses resulting from the accelerated compensation expense, recorded in the income statement for the year ended December 31, 2010. The Company also recorded the related tax effect of $8 as a decrease in deferred tax expense.

(f) Actuarial gains and losses

In accordance with IFRS 1, the Company has elected to recognize all cumulative actuarial gains and losses related to defined benefit post-employment plans upon transition to IFRS.

The impact arising from the change is summarized as follows:

	Jan 1, 2010	Dec 31, 2010
Consolidated statement of financial position		
Increase in employee benefits liability	$ (13,792)	$ (15,342)
Related tax effect	3,708	4,094
Decrease in retained earnings	$ (10,084)	$ (11,248)

The Company previously recognized actuarial losses of $822 under previous GAAP in net earnings for the year ended December 31, 2010. In accordance with the Company's election upon transition to IFRS, the losses previously recognized were reversed resulting in a decrease in selling, general and administrative expenses in the income statement for the year ended December 31, 2010. The Company also recorded the related tax effect of $213 as an increase in deferred tax expense.

Actuarial loss of $2,197, net of tax of $190, was recognized in the statement of comprehensive income for the year ended December 31, 2010.