

NOTE 15. SHARE-BASED PLANS (CONT'D)

The summarized information on options issued and outstanding is as follows as at January 31, 2004:

EXERCISE PRICE RANGE	ISSUED AND OUTSTANDING		
	NUMBER OF OPTIONS	WEIGHTED AVERAGE REMAINING LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE
\$3 to \$6	6,646,500	6.38	\$4.00

The number of options has varied as follows for the year ended January 31, 2004:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance at beginning of year	—	\$ —
Granted	7,193,000	4.00
Cancelled	(546,500)	3.93
Balance at end of year	6,646,500	\$4.00
Options exercisable at end of year	—	—

Stock-based compensation expense

The weighted average grant date fair value of all stock-based arrangements granted during the year ended January 31, 2004 amounted to \$1.52 per option. The fair value of each option granted was determined using an option pricing model and the following weighted average assumptions:

Risk-free interest rate	3.57%
Expected life	5 years
Expected volatility in the market price of the shares	50.88%
Expected dividend yield	1.20%

Pro forma disclosure of fair value of share options

Prior to February 1, 2003, the Corporation accounted for options granted under its share option plans as capital transactions. If the options granted in fiscal year 2003 had been accounted for based on the fair value method, net loss for the year ended January 31, 2004 would have increased by \$8 million and basic and diluted loss per share would have remained as reported. For the year ended January 31, 2003, net loss would have increased by \$7 million and basic and diluted loss per share would have remained as reported. The pro forma figures do not give effect to stock options granted prior to February 1, 2002.

The weighted average grant date fair value of all stock-based arrangements granted during the year ended January 31, 2003 amounted to \$4.64 per option. The fair value of each option granted was determined using an option pricing model and the following weighted average assumptions:

Risk-free interest rate	5.26%
Expected life	6 years
Expected volatility in the market price of the shares	30.55%
Expected dividend yield	0.90%

Employee share purchase plan

Under the employee share purchase plan, employees of the Corporation may set aside funds through payroll deductions up to a maximum of 20% of their base salary to a yearly maximum of \$30,000 per employee. The Corporation contributes to the plan an amount equal to 20% of the employees' contributions. The contributions are used to purchase the Corporation's Class B Shares (Subordinate Voting) in the open market. The Corporation's contribution to the plan for the year ended January 31, 2004 amounted to \$8 million (\$11 million for the year ended January 31, 2003).