

## Notes to the Consolidated Financial Statements continued

### 13 Interest

(thousands of dollars)	2003	2002
Mortgage and credit facility interest expense	\$ 38,722	\$ 33,454
Debenture interest expense	1,033	2,734
Convertible debenture interest expense	3,569	4,438
Interest expense	43,324	40,626
Payments on convertible debentures, net of interest expensed	27,434	24,395
Less: convertible debenture interest paid in common shares	(18,724)	(14,205)
Interest capitalized to land and shopping centres		
under development	3,481	1,796
Other	132	228
Cash interest paid	\$ 55,647	\$ 52,840

### 14 Amortization

(thousands of dollars)	2003	2002
Shopping centres	\$ 8,368	\$ 6,668
Tenant inducements and leasing costs	2,629	1,955
Other	367	236
	11,364	8,859
Deferred financing	1,210	1,072
Amortization	\$ 12,574	\$ 9,931

### 15 Income and Other Taxes

The Company's activities are carried out directly and through operating subsidiaries, and partnership ventures and trusts in Canada and the United States. The income tax effect on operations depends on the tax legislation in each country and the operating results of each subsidiary and partnership venture and the parent Company.

The following table summarizes the provision for income and other taxes.

(thousands of dollars)	2003	2002
Provision for income taxes on income at the combined		
Canadian federal and provincial income tax rates	\$ 26,096	\$ 18,597
Increase (decrease) in the provision for income taxes		
due to the following items:		
Large Corporations Tax	1,950	1,850
Change in future income tax rates	(2,202)	(917)
Other	1,235	(734)
Income and other taxes	\$ 27,079	\$ 18,796

The Company's future income tax assets are summarized as follows:

(thousands of dollars)	2003	2002
Losses available for carry-forward	\$ 11,417	\$ 6,486
Shopping centres	2,235	11,454
Other assets	1,634	1,303
Canadian and U.S. minimum tax credits	352	352
	\$ 15,638	\$ 19,595