



Expanding Our Horizons

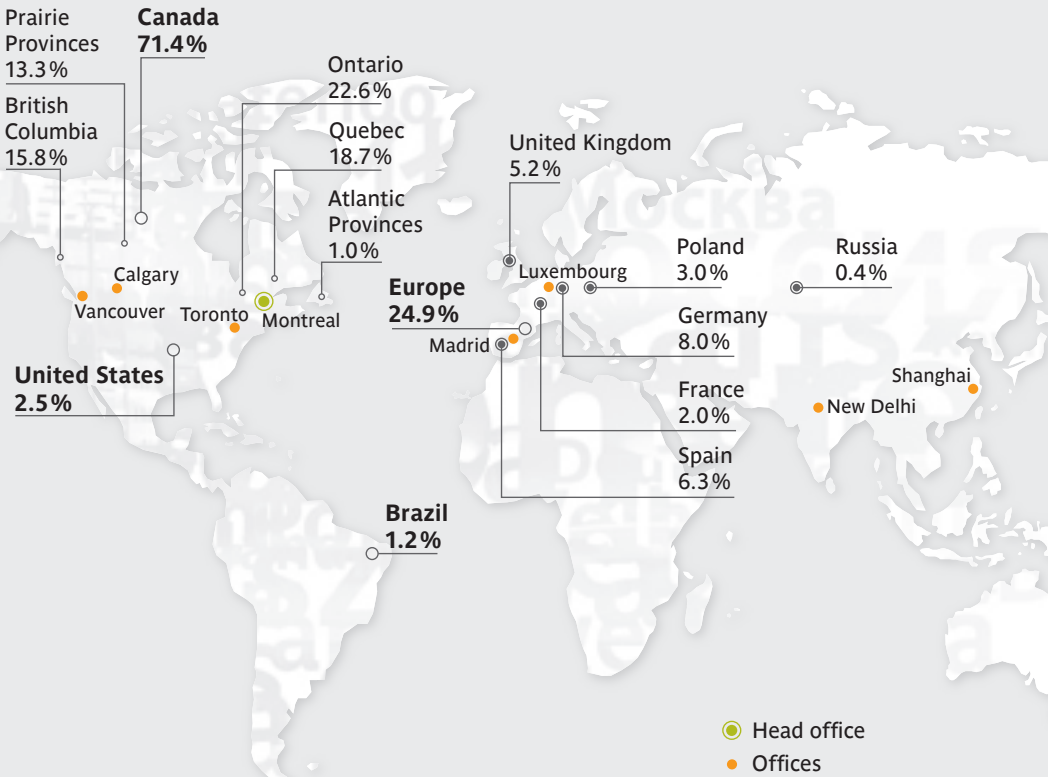


**Ivanhoe
Cambridge**

Caisse de dépôt et placement
du Québec

Geographical Breakdown¹

As at December 31, 2007



¹ Geographical breakdown of Ivanhoe Cambridge's real estate assets at fair value, including its proportionate share of investments.

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The information contained in this report reflects Ivanhoe Cambridge's activities for the year 2007.

All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars.

Combined Financial Highlights

Year ended December 31, 2007, 2006 and 2005

(In millions of dollars, except per-unit amounts)

	2007	2006	2005
Rental income	1,111.4	1,008.8	863.9
Cash flow from operations (before interest, income taxes and non-controlling interest)	569.4	520.6	435.8
Net operating cash flow (after interest, income taxes and non-controlling interest)	343.3	318.5	272.3
Operating income	364.7	331.3	290.1
Net earnings ¹	144.9	136.3	127.0
Net earnings per unit ^{1, 2}	9.54	8.97	8.36
Net operating cash flow per unit ²	22.60	20.97	17.93
Acquisitions and development projects	820.3	1,689.8	1,854.4
FAIR VALUE			
Total assets	13,362.5	12,210.3	9,316.3
Real estate assets	12,791.4	11,861.3	8,916.3
Third-party debt	5,126.8	5,207.5	4,059.2
Shareholders' equity	7,684.4	6,446.5	4,973.3
Value per unit ²	505.89	424.40	327.41
COVERAGES AND RATIO			
Interest coverage	2.22 X	2.38 X	2.44 X
Debt service coverage	1.97 X	2.04 X	2.07 X
Debt/equity ratio	1.61:1.00	1.78:1.00	1.49:1.00

¹ Before income taxes, gain on disposal of real estate, financial instruments and share in earnings of companies subject to significant influence.

² A unit represents the shareholders' initial investment and subsequent capital contributions or withdrawals and is established by using the fair market value of the Company at the time of investment.

January

Islazul Centro Comercial
(Madrid, Spain):
Ongoing construction work
(€227.9 million)



February

Düsseldorf Arcaden
(Düsseldorf, Germany):
Ongoing construction work (€183.0 million)



March

Westroads Mall
(Omaha, Nebraska, U.S.):
Beginning of redevelopment project (US\$32.1 million)



June

Conestoga Mall (Waterloo, Ont.):
Beginning of redevelopment project (\$51.9 million)



St. Enoch Centre (Glasgow, Scotland, U.K.): Beginning of redevelopment project (£84.0 million)



Investment in Moscow, Russia



October

Acquisition of a 47.0% interest in two development projects in Germany:
Leipzig Arcaden (Leipzig) – €226.3 million –
and **Pasing Arcaden** (Munich) – €182.0 million



Southcentre Mall (Calgary, Alta.):
Beginning of redevelopment project (\$102.4 million) and announcement of the future arrival of *Crate & Barrel* and *Restoration Hardware*



November

Upper Canada Mall
(Newmarket, Ont.): End of Phase 1 of redevelopment project (\$50.7 million)



April

La Place Vertu (Montreal, Que.): Beginning of redevelopment project (\$37.9 million)



Southgate Centre (Edmonton, Alta.): Beginning of redevelopment project (\$114.0 million)



Paunsdorf Center Arcaden (Leipzig, Germany): Ongoing redevelopment project (€33.8 million)



May

Fairview Mall (Toronto, Ont.): Ongoing construction work (\$71.0 million)



July

Acquisition of a 50.0% interest in the **Porto Velho** development project (Porto Velho, Brazil) and a 23.3% interest in **Natal Shopping** (Natal, Brazil)



Sale of **Wola Park** (Warsaw, Poland) and five Polish properties owned by Simon Ivanhoe

August

Porto Velho (Porto Velho, Brazil): Beginning of development project (R\$66.2 million)



September

Wilmerdorfer Arcaden (Berlin, Germany): Grand opening (€189.3 million)



Mapleview Shopping Centre (Burlington, Ont.): Approval of expansion and renovation project (\$60.2 million)



December

Mary Brickell Village (Miami, Florida, U.S.): Announcement of the future arrival of *Publix* supermarket and ongoing construction work (US\$172.5 million)



Place Ste-Foy (Quebec City, Que.): Delivery of municipal permits for the *Simons* store redevelopment (\$48.0 million)

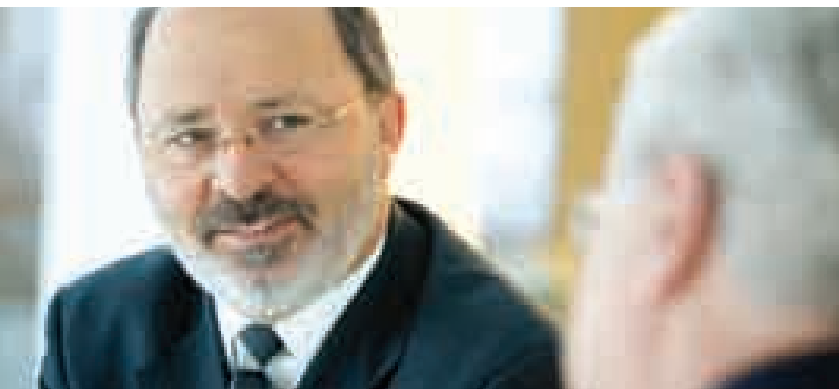


CrossIron Mills (Municipal District of Rocky View, Alta.): Ongoing construction work; nearly 70% of CRU space leased and 14 out of 17 anchors confirmed (\$374.7 million)



Another Year Marked
by **International
Expansion** and Real
Estate Development

Montréal Glasg



René Tremblay
President and Chief Executive Officer



Fernand Perreault
Chairman of the Board

In 2007, Ivanhoe Cambridge pursued its global expansion strategy while continuing to invest heavily in its Canadian portfolio. The amounts committed to development and redevelopment projects reached historical highs. In terms of geographical diversification, the Company is now present in a dozen countries, including some emerging markets with solid growth prospects. Business development activities were intensified in China, and Ivanhoe Cambridge hopes to be in a position to make direct investments in the country in the very near future.

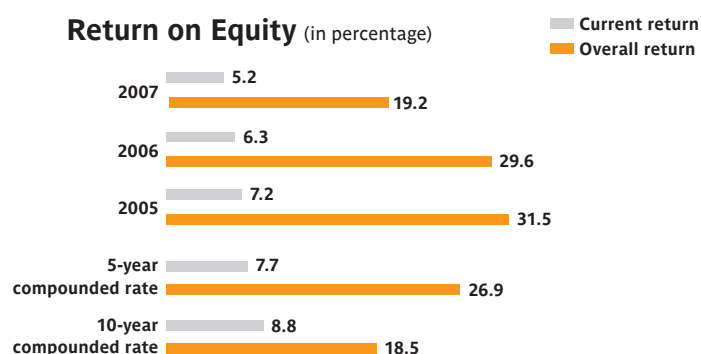
Thanks to the remarkable efforts of all of its teams, the quality of its portfolio and favourable economic and market conditions, the Company's operating results in 2007 were excellent. Rental income climbed to \$1.1 billion and cash flow from operations (before interest, taxes and non-controlling interest) was \$569.4 million. Ivanhoe Cambridge posted an overall return of 19.2%, bringing the compounded annual return for five years to 26.9% and 18.5% for 10 years. This was a very strong performance in a context where investor demand remained relatively robust. Several projects continue to be critical from a strategic point of view and are laying the foundations for the Company's future growth and returns.

A strong global economy, despite the U.S. slowdown

The worldwide economy grew at a healthy pace in 2007, driven primarily by the phenomenal boom in emerging markets such as China and India.

In Canada, despite the crisis in the commercial paper market, the economy remained vigorous. Unemployment was at its lowest point since 1974. Job creation grew at a steady pace, the price of raw materials continued to rise and the value of the Canadian dollar increased considerably.

In the U.S., the most noteworthy economic event of the year was undoubtedly the fall of the subprime mortgage market. The situation had repercussions on the residential real estate market, while the effect on the commercial sector was limited to securitized mortgage products, although it did make financing particularly hard to come by. The U.S. Federal Reserve kept a cautious eye on the situation, especially with economic indicators seeming to point to an imminent slump in the broader economy.



The Canadian retail industry fared extremely well in 2007. The robust economy fuelled consumer spending. Retail sales were strong – especially in Western Canada, and there were no major bankruptcies during the year. Canadian retailers continued to deliver dynamic performances, constantly reinventing themselves and regularly launching new concepts. This enabled them to stay in tune with the ever-changing tastes and needs of shoppers and to remain competitive with U.S. and European retailers that have made their entry into the Canadian market in the past years.

As for the shopping centre industry, the year was characterized by stagnating property values in certain markets, including the United Kingdom and the United States. This, combined with the faltering credit market, led to a reduction in the number of real estate transactions in European and North American economies. Consequently, many investors, including Ivanhoe Cambridge, turned to countries where the retail industry is emerging and where returns are more attractive to them.

Our mission

- Offer our retailers and consumers welcoming and entertaining shopping destinations
- Provide our employees with a stimulating work environment conducive to their professional development
- Continually improve our core portfolio of dominant regional malls in order to achieve sustained growth in contribution and create value for our shareholders
- Identify and capitalize on business opportunities using our resources and expertise in order to diversify our revenue sources and deliver superior risk-adjusted returns

Canada: Property development and value creation

Although the portion of the portfolio invested abroad continued to increase in 2007, Ivanhoe Cambridge remained very active in Canada. As at December 31, 2007, some \$0.9 billion was committed to developing new centres and enhancing properties across the country in order to maintain or bolster traffic and market share. Expansion and/or renovation projects included Southgate Centre (Edmonton, Alberta), Southcentre Mall (Calgary, Alberta), La Place Vertu (Montreal, Quebec) and Conestoga Mall (Waterloo, Ontario).

Ivanhoe Cambridge also continued the development of CrossIron Mills, Canada's second Mills-style centre, in the Municipal District of Rocky View, just north of Calgary, Alberta. Construction work, including the erection of the steel structure, was begun during the year and several leases were signed. Motivated by the buzz surrounding CrossIron Mills among retailers and the popularity of Vaughan Mills (Vaughan, Ontario) since its opening in 2004, the Company is currently studying the possibility of bringing this concept to other Canadian locales, specifically the Montreal and Vancouver areas.

Europe: Ramping up operations

Since its European teams were put in place in 2006, Ivanhoe Cambridge has evolved from a passive investor in this market to a more active player. In some instances, the Company is now a fully operational real estate development manager. In so doing, it has brought to Europe the operations, leasing and development expertise it has honed in Canada.

Highlights on the European front in 2007 included ongoing construction work at Islazul Centro Comercial in Madrid (Spain) and Düsseldorf Arcaden in Düsseldorf (Germany), the launch of a large-scale expansion and renovation project at St. Enoch Centre in Glasgow (Scotland) and the grand opening of Wilmersdorfer Arcaden in Berlin (Germany) in September.

In addition, Ivanhoe Cambridge acquired a 47.0% interest in two development projects in Germany – Leipzig Arcaden, in Leipzig, and Pasing Arcaden, in Munich – bringing the number of German shopping centre investments with German-based Management für Immobilien AG to six.

Ivanhoe Cambridge is also active in several other European countries, namely France, Poland and Turkey, through its subsidiary Simon Ivanhoe, a 50/50 joint venture with the Simon Property Group.

Strategic inroads into emerging markets

In addition to its numerous investment commitments in Canada and Europe in 2007, Ivanhoe Cambridge strengthened its foothold on the Brazilian market, made its debut in Mexico and continued to network and explore opportunities in China.

Prompted by favourable prospects in Brazil, Ivanhoe Cambridge concluded two new deals along with its local partner Ancar. These involved the acquisition of interests in Natal Shopping, a shopping centre in the northeast part of the country, and in the Porto Velho development project in the western state of Rondônia.

Berlin Vancouver

Our management approach

- Clearly defining and achieving our objectives
- Drawing on multidisciplinary expertise
- Understanding and leading the market
- Teaming up with our retailers
- Motivating and empowering our employees
- Taking an innovative approach to real estate management
- Cultivating and growing a worldwide network
- Developing and maintaining internal leading-edge know-how
- Being actively involved in our industry
- Benefiting from financial strength
- Practising and promoting corporate responsibility and sustainability

In Mexico, an investment was made in a fund focusing on the acquisition of land for the development of shopping centres. This deal will enable the Company to become better acquainted with this market.

Teams operating out of Ivanhoe Cambridge's office in Shanghai, China, worked hard to build the Company's reputation and visibility in the Chinese market, mainly by forging relationships with local companies and governmental authorities. Several transactions are currently in the planning stages, and Ivanhoe Cambridge is well poised to bring its investment objectives to fruition.

Lastly, Ivanhoe Cambridge invested in the newly inaugurated shopping centre, located close to downtown Moscow, in Russia.

Solid foundations and a forward-looking vision

In recent years, Ivanhoe Cambridge has come into its own as a world-class shopping centre owner and manager. Its international expansion and its strategy to continuously improve its shopping centres in Canada contribute to enhancing its returns.

The financial resources and expertise invested in these projects will shape the Company's performance in the coming years. Ivanhoe Cambridge plans to step up development and redevelopment activity in Canada and elsewhere, boost its presence in Brazil and close its first deals in China. Moreover, it will explore the promising markets of India and Latin America, where two seasoned executives were dispatched in January 2008. It will also pursue its strategy to carefully observe market cycles in order to buy and sell properties at opportune times, especially in Russia and Mexico. Finally, the Company will monitor real estate cycles in the United States, where it anticipates making new investments as attractive opportunities arise.

Since 2004, Ivanhoe Cambridge has almost doubled its asset base and tripled the number of countries where it maintains an active presence. Spurred on by the success of this strategy, it plans to pursue its international growth in the years to come, for the continued benefit of retailers and shareholders alike.

Exceptional teams, at home and abroad

Ivanhoe Cambridge now has personnel in Canada, Europe, China and India. The talent, passion and dedication of these seasoned professionals are what made it possible to meet the challenges that arose in 2007. Increased investments in foreign markets and the deployment of operations in Europe have not been made at the expense of the Canadian portfolio's enhancement. Despite the tremendous efforts that the international expansion strategy required, the goals for 2007 were met and even exceeded. We are grateful to all of our employees for this remarkable performance. They are the reason we ranked, for the fourth year in a row, as one of the 50 Best Employers in Canada in 2008 – further proof that the Company's properties, investments and projects remain a source of motivation and inspiration to our employees.

We would also like to recognize the vital contributions of our retailers, whose energy, vision and resourcefulness are the driving force behind the strong retail offering within our portfolio.

Last but not least, we are grateful for the invaluable input of our partners, the unfaltering confidence of our shareholders and the insight and support of our board of directors. We extend particular thanks to outgoing board member Louise Charette and a hearty welcome to Frédéric Castonguay, her replacement, as well as Ghislain Parent.

Fernand Perreault, Chairman of the Board

René Tremblay, President and Chief Executive Officer

Our values

- Integrity and respect
- Service excellence
- Drive to outperform
- Teamwork
- Innovation



上海

Ivanhoe Cambridge has been present in China since October 2005. Its highly skilled, dynamic team based in **Shanghai** is hard at work prospecting opportunities in this booming market.

Development: Inventing and Reinventing to Create Value

Ivanhoe Cambridge invests heavily in the development of new retail destinations and the redevelopment of its shopping centres in Canada and abroad. This approach, which requires the in-depth expertise of specialized teams from a wide range of fields, has enabled the Company to optimize its performance, year after year.

While Ivanhoe Cambridge has stepped up its international activities in recent years, the volume of its development and redevelopment projects has also increased, thereby ensuring steady growth in the value of its portfolio. In 2007, a record \$2.2 billion was committed to development projects and the redevelopment of existing centres in Canada and abroad.

Ivanhoe Cambridge's development strategy focuses on three key factors: innovation, differentiation and appealing, functional design. Continuous enhancement enables properties to attract the best retailers and further improve customer traffic, sales and market share. This approach to value creation yields multiple benefits not only for the Company but for retailers and consumers as well.

A strategy rooted in expertise

Building, expanding, redeveloping, reinventing and renovating shopping centres requires solid, broad-based expertise and extensive knowledge of various aspects of the real estate industry. At Ivanhoe Cambridge, real estate development is a comprehensive undertaking that relies on the synergistic contributions of in-house professionals from the Development, Design and Construction, Leasing and Operations departments.

The Company empowers its diversified and highly skilled development team to be on the cutting edge of design and retail trends. The team's proven project management expertise and its ability to successfully navigate through the often complex development process have substantially contributed to Ivanhoe Cambridge's reputation as an industry leader.

Whether it involves building a new shopping centre or redeveloping an existing one, Ivanhoe Cambridge uses a systematic approach that clearly defines the direction and minimizes the risks. Market research, retail trends, customer feedback and centre performance are effectively synthesized to identify goals and define the overall vision for the project. The parameters by which this vision is realized are established by looking at the project from four different perspectives: design, function, economics and merchandise mix.

Design refers to the desired look and feel of a centre. Function focuses on how space is laid out for optimal use by tenants and consumers. Economics dictates the required investment returns and the available budget to realize the development vision. Merchandise mix determines the best blend of retail tenants and service providers to be incorporated into the centre to maximize sales productivity and market share. Once a project is under construction, the development team closely monitors and manages the construction process to ensure the project is completed on time and on budget – two requirements that influence value creation.

Over the years, Ivanhoe Cambridge has honed its shopping centre development and redevelopment expertise in Canada. It now applies this strategic know-how in the international arena, to properties it owns and operates as well as to its investments. This has enabled the Company to choose between acquiring existing centres with redevelopment potential or building new ones, based on the prevailing circumstances and opportunities in target markets.

David Baffa
Vice President, Development,
Central Region

Daniela Maltauro
Vice President, Development,
Eastern Region

Paul Gleeson
Senior Vice President, Development

Stew Crawford
Vice President, Design and Construction

Susan Brisby
Vice President, Development,
Western Region

John Scott
Vice President, Development

Cecil Huey
Vice President, Development, Europe



Constant innovation: The key to maintaining a competitive edge

Competition in the shopping centre and retail industry is fiercer than ever. Today's consumers have limited spare time, but an abundance of choices competing for their business. They are a demanding and discerning group. Their tastes fluctuate and are more and more difficult to satisfy. Innovation and creativity are therefore an absolute must when establishing a centre as the destination of choice.

Shopping centres need to carve out a unique niche for themselves and firmly establish their brand. As a property owner and manager, Ivanhoe Cambridge seeks to constantly introduce new design concepts to keep its properties dynamic, engaging and competitive. As an ongoing objective, the Company seeks to attract top retailers from Canada and beyond to create a shopping experience that caters to consumers' lifestyle and appeals to their sense of value, selection and convenience. The Company must also maintain a forward-looking mindset to ensure that the needs and expectations of shoppers are satisfied.

Ivanhoe Cambridge: A strong and dynamic presence in the Canadian retail industry in 2007

- As at December 31, 2007, \$0.9 billion was committed to the development or redevelopment of shopping centres.
- Some 2.5 million square feet (232,300 m²) of space was leased during the year. Of this total, lease renewals accounted for 1.7 million square feet (157,900 m²) and new leases for 0.8 million square feet (74,300 m²).
- Some 362 million people visited Ivanhoe Cambridge's shopping centres during the year.

For Ivanhoe Cambridge, real estate development and value creation go hand in hand. By building new, attractive retail destinations and constantly improving the quality of the properties in its portfolio, the Company ensures that its centres remain optimal operating platforms. This draws in high-performance, trendsetting retailers, which in turn bolster traffic, sales and market share, making Ivanhoe Cambridge's centres truly distinctive destinations. This sharp focus on development and redevelopment is a winning strategy that makes it possible for the Company to maximize returns for shareholders and maintains Ivanhoe Cambridge as a dominant leader in the shopping centre industry.

Canada: Overview of Redevelopment and Development Projects

Centropolis (Laval, Quebec)

One of the most remarkable features of this unique shopping, dining and entertainment complex, located north of Montreal, is its abundance of distinctive businesses and retailers, several of which are exclusive to the market. Launched in the spring of 2006, Phase 4 progressed as expected during the year. The \$70.0-million phase calls for the construction of six new buildings with a total leasable area of 270,000 square feet (25,100 m²), including 125,000 square feet (11,600 m²) of office space. This will bring Centropolis's total GLA to more than 635,000 square feet (59,000 m²). By the end of 2007, the office component of Phase 4 was almost fully leased and a parcel of land had been sold to a hotel developer. Among the new arrivals to Centropolis during the year were office tenants *TD Insurance Home and Auto*, *RBC Investments* and *Sun International Communications*, as well as *Zibo*, *Putting Edge*, *Fruiterie 440*, *Clément*, *Hugo Boss Woman*, *TD Canada Trust* and *Mikasa Sushi Bar* in the retail component.

Located in the heart of Laval, **Centropolis** has developed into a popular dining, entertainment and shopping venue among urban consumers.



At **Conestoga Mall**, shoppers will soon be able to sit back and relax in the new, contemporarily appointed 700-seat food court.

Conestoga Mall (Waterloo, Ontario)

The year saw the successful completion of Phase 1 at Conestoga Mall, which included the opening of a new 18,800-square-foot (1,700 m²) *Old Navy* and an 8,000-square-foot (700 m²) *CIBC* bank. The second phase of the redevelopment project, to further solidify Conestoga Mall's positioning in the Kitchener-Waterloo market, began in June 2007. It includes the relocation and upsizing of *The Bay* (to be finalized in fall 2008), the addition of 75,000 square feet (7,000 m²) of CRU space, the relocation of the food court and the completion of cosmetic renovations throughout the centre. The total budget for the project is \$51.9 million and work should be completed by the fall of 2009.

Fairview Mall (Toronto, Ontario)

A \$71.0-million (\$35.5 million at equity) renovation and redevelopment project at Fairview Mall was kicked off in June 2006. The project includes the relocation of the food court and redevelopment of vacated premises into new CRU and large-format space, the reconfiguration of several corridors, the refinishing of interior common areas, the remerchandising of approximately 56,000 square feet (5,200 m²) of retail space, the construction of four new mall entrances and improvements to the exterior façade. These upgrades should help strengthen the centre's merchandise mix and ultimately enhance its market share. The project is on schedule to be complete by summer 2008. With over 270 stores and services and a unique flair for fashion, Fairview Mall is one of Toronto's premier shopping destinations.

CrossIron Mills (Municipal District of Rocky View, Alberta)

CrossIron Mills is Ivanhoe Cambridge's second Mills-style shopping and entertainment development project. Construction on the \$374.7-million, 1.1-million-square-foot (102,200 m²) super-regional centre began in October 2006. Located in the Municipal District of Rocky View, just north of Calgary, adjacent to the busiest transportation corridor in Alberta, CrossIron Mills will service a primary trade area of over 1.1 million people and growing.

Most of the work on the foundation was completed in 2007, and the installation of utilities and steel structure erection began. Leases were signed with *Bass Pro Shops*, *H&M*, *Holt Renfrew Last Call*, *La Senza*, *Laura*, *The Children's Place*, *Toys 'R' Us* and *Winners/HomeSense*. Further tenants that have committed to the project include *Forever 21*, *Pro Hockey Life*, *Tommy Hilfiger*, *Old Navy* and *Bed Bath & Beyond*. At the end of the year, the CRU component of the centre was almost 70% leased, with 14 confirmed anchors. This leasing achievement is 20 months in advance of the grand opening.

Once officially opened, this one-of-a-kind retail and entertainment centre will boast a distinctive design and architecture and a winning mix of more than 170 specialty stores and 17 anchor tenants. The design concept will be based on several retail "neighbourhoods," each using distinctive colours, patterns, textures and materials to capture the essence of the Alberta experience. CrossIron Mills will also have a direct bridge link to an adjacent state-of-the-art horseracing, casino and equine centre, being developed by the United Horsemen of Alberta. CrossIron Mills is set to open at the end of summer 2009.



With 1.1 million square feet (102,200 m²) of leasable area, **CrossIron Mills** will boast an exceptional array of retail and entertainment establishments in a unique setting, adjacent to a horseracing, casino and equine centre.

Calgary



CrossIron Mills will enhance the retail mix in the thriving Calgary market and become a prime shopping destination for Albertans.

The large-scale redevelopment project at **Guildford Town Centre** would enable it to become the leading shopping destination in its market.

Guildford Town Centre (Surrey, British Columbia)

A \$247.4-million (\$123.7 million at equity) expansion and renovation project at Guildford Town Centre should start in 2009 and run until the end of 2011. Enhancements will include a 84,800-square-foot (7,900 m²) CRU expansion to accommodate new-to-market tenants, the arrival of a 212,000-square-foot (19,700 m²) *Wal-Mart Super Centre* store, additions to the food court offering, the upgrade of existing facilities, the reconfiguration of the mall layout, the construction of new parking facilities and the addition of 108,000 square feet (10,000 m²) of large-format space. This extensive project should re-establish Guildford as a dominant shopping destination in the fast-growing and competitive Greater Vancouver market.

La Place Vertu (Montreal, Quebec)

La Place Vertu became a wholly owned Ivanhoe Cambridge property in March 2007, following the acquisition of the remaining 37.5% interest in the property. A \$37.9-million redevelopment project was officially announced in October to help reposition the centre in its market. The project includes the relocation of *Zellers* to



the premises previously occupied by *The Bay*. *Zellers* took advantage of this opportunity to unveil its new *Zellers+* concept, which opened for business in December 2007. The former *Zellers* store will be redeveloped to accommodate several new tenants. The project also includes the upsizing and reconfiguration of the food court and the addition of a new *Winners* store in spring 2008, as well as the integration of several renovations inside and out.

Mapleview Shopping Centre (Burlington, Ontario)

Mapleview Shopping Centre will be undergoing a major expansion and renovation project starting in spring 2008 that will require a \$60.2-million (\$30.1 million at equity) investment. The project includes the addition of 150,000 square feet (13,900 m²) to accommodate five new large-format tenants, the integration of several new CRUs and two restaurants, the relocation and expansion of the food court and renovations to the existing centre. Phase 1 is expected to be completed by fall 2009. With these upgrades, Mapleview's competitiveness in its primary and secondary trade areas will be further enhanced.

Place Ste-Foy (Quebec City, Quebec)

At the end of 2007, approval from municipal authorities was granted for a \$48.0-million (\$24.0 million at equity) redevelopment project which will include the expansion of anchor *Simons* by 44,000 square feet (4,100 m²) and its transformation into the chain's flagship store. The project also includes the construction of an indoor parking facility for 400 vehicles. Construction work commenced at the beginning of 2008. The objective of this project is to strengthen the centre's overall competitive edge in the Quebec City market. Home to such prominent retailers as *Holt Renfrew*, *Zara*, *Les Ailes de la Mode*, *Parasuco* and *Tommy Hilfiger*, Place Ste-Foy is Quebec City's top upscale fashion destination, attracting over 8 million visitors a year.

Southcentre Mall (Calgary, Alberta)

Southcentre Mall launched a \$102.4-million (\$51.2 million at equity) large-scale redevelopment and expansion project in October 2007 in order to improve its long-term positioning in the bustling Calgary market. The project will include the addition of 35,000 square feet (3,300 m²) of gross area, the reconfiguration of the mall

The **Southcentre Mall** redevelopment project will reinforce the centre's market positioning.



interior, the addition of a new 14-unit food court and the integration of several market-unique tenants, including *Crate & Barrel* which will occupy 34,000 square feet (3,200 m²) and *Restoration Hardware*. Renovations were also started at *Safeway*, which already occupies a freestanding pad at Southcentre, to provide a more upscale design and distinctive offering. The project also calls for interior and exterior cosmetic upgrades to the centre. These improvements, which are slated to be completed by fall 2009, will help the centre to compete more effectively in its market and cater to the needs of its affluent and fast-growing population.

Southgate Centre (Edmonton, Alberta)

The \$114.0-million expansion and redevelopment project launched in April 2007 involves the purchase of an adjacent 85,000-square-foot (7,900 m²) parcel of land and the addition of over 120,000 square feet (11,100 m²) of ancillary retail and a two-level parking garage. It also includes enhancements to the interiors and amenities, which will make it possible to accommodate even more fashion tenants and help improve the merchandise offering. The façade of the existing building will also be updated to increase its urban appeal and the food court will be relocated and expanded. The project commenced in March 2007 and will wrap up by the summer of 2009. Situated in an affluent trade area, Southgate Centre offers a unique blend of national, regional and independent retailers and has the highest sales productivity in its market.

The expansion project under way at **Southgate Centre** will allow the mall to add more fashion retailers.



The extensive redevelopment project at **Upper Canada Mall**, begun in 2006, will help capture additional market share.

Upper Canada Mall (Newmarket, Ontario)

Located in one of the fastest-growing residential communities in Ontario and boasting almost 200 sought-after retailers, Upper Canada Mall dominates its market. In 2006, a two-phase redevelopment project was initiated to strengthen the merchandise mix and enhance the centre's market share. The first phase, completed in November 2007, involved a \$50.7-million (\$25.3 million at equity), 90,000-square-foot (8,400 m²) CRU expansion, including the addition of large-format tenants such as *Forever 21*, *H&M* and *SportChek*, the upsizing of the parking lot, cosmetic upgrades and a new food court. The second phase of the project includes the remerchandising of the old food court with new tenants including *Banana Republic*, *Lululemon*, *Sephora* and *BCBG*, all of which are expected to open in spring 2008.

Montreal

The **Montreal Eaton Centre** (Montreal, Quebec) is one of Quebec's best-performing shopping centres and attracts more than 28 million visitors per year.

Niveau Ste-Catherine

Niveau Métro
↕ Niveau Tunnel ↕

Bringing Made-in-Canada Expertise to the Worldwide Market: A Winning Approach

Ivanhoe Cambridge made its first foray into the global market more than a decade ago. Since then, the Company has built a far-reaching network of international contacts and a solid reputation for its ability to act quickly on business opportunities, its financial stability and its flexible approach to achieving its objectives. Today, Ivanhoe Cambridge has investments in several countries including Germany, Brazil, Spain, the United States, France, Mexico, Poland, the United Kingdom and Russia. The Company ensures the geographic diversification of its portfolio by targeting markets with good prospects for growth, either because they are at a low point in their cycle or because their economic and demographic outlook is particularly promising.

In addition, thanks to the vast property management, leasing, development and redevelopment expertise acquired in Canada, Ivanhoe Cambridge also invests in the construction of new shopping centres in markets with a high potential, such as Germany, Spain and Brazil. This is also an avenue it intends to explore in emerging markets such as China, Russia, Mexico and India, where the middle class is growing steadily and the demand for shopping centres far outpaces supply.

In the past two years, in order to accelerate its international expansion and deploy its expertise outside of Canada, the Company has set up management teams in Luxembourg and Madrid, Spain. This allows Ivanhoe Cambridge to manage the properties it owns or develops more efficiently and to be more actively involved in the properties and projects whose operation and development are overseen by its European partners. In addition, it has put in place an accomplished team in Shanghai, China.

Ivanhoe Cambridge has chosen to capitalize on the real estate management and development know-how it has built in Canada to carve out a niche for itself elsewhere in the world. As a result, it has been able to seize a number of promising acquisition and development opportunities. Its management experience and disciplined approach are tremendous assets in terms of creating value for properties abroad.

Partnership is one of the keys to the Company's geographic diversification strategy. Several transactions have been undertaken in conjunction with well-established local firms or world-class real estate companies. Over the years, Ivanhoe Cambridge has proven its commitment to working hand in hand with top-notch partners and establishing effective, win-win business relationships. This approach allows the Company to better mitigate risk, share complementary expertise and forge strong bonds that often lead to further business opportunities. Its partnership with U.S.-based Simon Property Group, through its European subsidiary Simon Ivanhoe, is an excellent example of this.

The choice to expand internationally has proven to be successful for Ivanhoe Cambridge. Indeed, foreign investments have helped bolster its overall returns.

Continued expansion in the coming years

Ivanhoe Cambridge's performance over the long term is contingent on both the ongoing development of its Canadian portfolio and the expansion of its foreign activities. It is planned that, in the coming years, close to half of its assets will be located outside of Canada, on several continents. However, this in no way means that there will be a reduction in its Canadian asset base. In fact, not only does the Company plan on maintaining a strong presence in Canada, it is dedicated to constantly improving the design and merchandise mix of its core properties to attract an ever-growing number of consumers. New retail destinations will also be built, in line with the needs of various markets.

Globalization has allowed the Company to expand and further secure its long-term financial performance by tapping into markets and investments with excellent potential for returns. In addition, geographic diversification reduces vulnerability to fluctuations in real estate cycles and helps stabilize the value of its portfolio.

Ivanhoe Cambridge plans to uphold a long-term presence in developed markets throughout Europe but also in several emerging countries such as Brazil, China and

Claude Dion
Senior Vice President, Europe

Kim McInnes
Executive Vice President
and Chief Operating Officer

Paul Chehab
Senior Vice President
and Chief Investment Officer

Pierre Lalonde
Vice President, Portfolio Management

Phil McArthur
Senior Vice President, India

Scott Harris
Vice President, Business Development,
Latin America

Absent from picture:
Brian Castle
Senior Vice President, China



A five-pronged strategy for success

Ivanhoe Cambridge's proven strategy abroad is rooted in five elements:

- **"Contrarian" approach**, which essentially means buying when investor interest is low, and selling when investor interest is high.
- **Research and knowledge**, an absolute must when seeking out real estate markets offering optimal returns. This makes it possible to identify the key differences in each market in terms of structure and business culture.
- **Fast and efficient decision-making**, especially in the fiercely competitive investment world, where it is critical to be ready, willing and able to take swift action when a good business opportunity arises.
- **Investment capacity**, so that Ivanhoe Cambridge can turn its ambition into reality, thanks to the solid support of its shareholders and a high-quality portfolio that yields excellent results.
- **Reliable partnerships**, which enable the Company to minimize the risks associated with foreign investments, share complementary expertise, access an expanded network of contacts and zero in on potential opportunities.

India. It can now count on the vast expertise of an experienced executive based in India to explore market prospects and pursue business opportunities. Given the complexity and incredible potential of the shopping centre industry in this country, the Company will proceed systematically and cautiously, similar to the approach it has adopted in China.

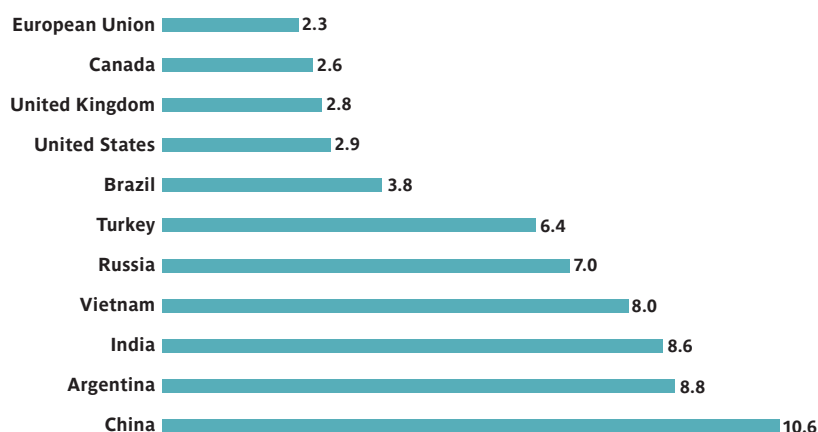
In other countries, such as Mexico and Russia, the Company will focus on investments based on prevailing market cycles and business opportunities. It will continue to acquire interests in existing properties and construction projects, as well as new retail developments, in conjunction with local partners who possess a firm understanding of the market. In addition, a senior executive will explore Latin American markets where the Company is not yet present in order to realize its first investments.

Furthermore, Ivanhoe Cambridge plans to reinvest in the United States when the real estate market allows it to generate returns that correspond to its investment criteria. It will also pursue investment, management and development activities in Europe for shopping centres it directly owns and manages, as well as properties in which it holds an indirect interest.

Overall, Ivanhoe Cambridge will continue to strengthen its international presence, by investing in quality properties and setting up teams in target markets. In Canada, the Company remains committed to maintaining the competitive edge of its home-grown portfolio.

Average economic growth rate 2003-2007

Main Developed and Emerging Economies (in percentage)



Source: Caisse de dépôt et placement du Québec, Real Estate Group

International: Overview of Activities

Europe

During the year, Ivanhoe Cambridge pursued its activities in Europe, continuing a number of development and redevelopment projects and making three new investments, including a breakthrough investment in Russia.

Spain

The construction of Islazul Centro Comercial, a project owned and developed in partnership with Lar Grosvenor, progressed in the Carabanchel district of Madrid. Upon completion, this regional centre will total 956,100 square feet (88,800 m²), making it the Spanish capital's largest shopping destination. It will offer some 200 stores, a 12-screen cineplex (including one 1,000-seat theatre), a food court with 26 restaurants and bars and indoor parking for 4,200 vehicles. The total investment in the centre is expected to reach €227.9 million (€114.0 million at equity).

The construction of **Islazul Centro Comercial** is progressing as planned. When completed in spring 2008, it will be Madrid's largest shopping centre.

Madrid



The fashion-focused Islazul is already more than 95% leased to a prestigious lineup of retailers, including *Zara* and seven other Inditex group banners, *H&M*, *Saturn* and an *Eroski* hypermarket. Easily accessible and handy to several major thoroughfares in and around Madrid, the centre will boast a contemporary, inviting decor with an abundance of natural light, thanks to a translucent roof made of Teflon. This marks the first time Teflon has been used on such a large scale in Spain. The structure will also incorporate roughly one hundred solar panels, which will generate the energy necessary to meet the property's water heating needs. The grand opening of Islazul Centro Comercial is set for the spring of 2008.

In addition, Ivanhoe Cambridge began development work on a 645,800-square-foot (60,000 m²) lot next to Madrid Xanadú, located in a southwest suburb of Madrid. The project includes the construction of several freestanding buildings for a total of 172,200 square feet (16,000 m²), which will be home to *El Corte Inglés/Bricor* – a home renovation, decor and furnishings retailer, as well as a selection of restaurants and other establishments. An 800-vehicle surface parking lot has also been built. The development of the site began in 2007 and construction should commence in the spring of 2008.

United Kingdom

In Glasgow, Scotland, Ivanhoe Cambridge launched the first phase of a comprehensive £84.0-million redevelopment project at St. Enoch Centre, a regional shopping centre owned and operated by the Company since October 2006. The project, which will be ongoing until the end of 2009, will bring the total GLA of St. Enoch Centre to close to 1.0 million square feet (92,900 m²) and make it possible to accommodate more than 40 new tenants. With several upgrades and the addition of a spectacular entrance at the intersection of Argyle and Buchanan streets, St. Enoch Centre is sure to become one of Glasgow's hottest shopping destinations.

The redevelopment project at **St. Enoch Centre**, in Glasgow, will make this property one of the most sought-after shopping destinations in the United Kingdom.



In addition to some 100 retailers, **Pasing Arcaden** will feature a residential component with 80 apartments. Construction work will begin in late 2008.

Germany

In a market with a great deal of potential, Ivanhoe Cambridge acquired a 47.0% interest in two new development projects in October:

- Pasing Arcaden will be erected in one of the trendiest neighbourhoods in Munich. The new 341,200-square-foot (31,700 m²) centre will be adjacent to the city train line and will encapsulate the cosmopolitan character of the surrounding area.



Pasing Arcaden will welcome well-known retailers, restaurants and a supermarket, as well as a residential component and parking facilities for 600 vehicles. The centre is expected to be open for business in early 2010. This represents a €182.0-million investment (€85.5 million at equity).

- The 548,900-square-foot (51,000 m²) Leipzig Arcaden will be located in the northern part of downtown Leipzig and will be home to well-known retailers. It will also feature apartments and parking facilities for 950 vehicles. The groundbreaking is planned for fall 2008 and the grand opening for fall 2010. The entire development project will require a €226.3-million investment (€106.4 million at equity).

These two acquisitions are joint ventures with Management für Immobilien AG (mfi AG), Ivanhoe Cambridge's partner in three other shopping centres in Germany, two of which were in development in 2007:

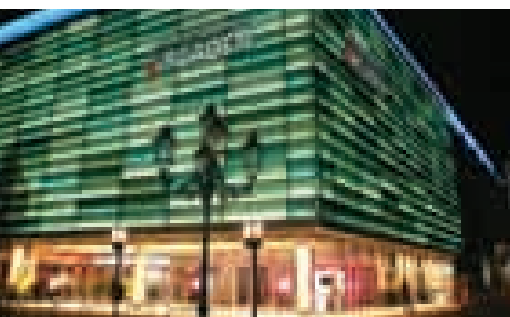
- Wilmersdorfer Arcaden, in which the Company holds a 92.5% stake, opened its doors on September 26. Located along Berlin's only pedestrian thoroughfare, the newly constructed three-level centre features 115 retailers, including H&M,



МОСКВА

Ivanhoe Cambridge has moved into the fast-growing Russian market with an investment in a shopping centre in **Moscow**.

Located on Berlin's only pedestrian thoroughfare, **Wilmersdorfer Arcaden** has strengthened the retail mix in the German capital and enhanced the streetscape with its illuminated façades.



Kaiser's, MediMax, New Yorker, Plus Warenhandels, Spiele Max and Sportpoint. The 431,600-square-foot (40,100 m²) centre also comprises offices, apartments and a 300-space parking garage. The total investment in the development of Wilmersdorfer Arcaden amounts to €189.3 million (€175.1 million at equity).

- Düsseldorf Arcaden has been under construction in downtown Düsseldorf since September 2006. This multipurpose property, in which Ivanhoe Cambridge owns a 92.5% interest, will cover 366,000 square feet (34,000 m²). In addition to its mix of some 100 retailers, which are set to open in fall 2008, it will feature offices, apartments and a community centre, thereby ensuring a full "lifestyle" experience. By the end of 2007, the centre was already more than half leased. The total investment for the project is expected to reach €183.0 million (€169.3 million at equity).

Finally, the redevelopment of Leipzig's Paunsdorf Center Arcaden, one of Germany's largest shopping centres, in which the Company owns a 94.8% interest – continued on course in 2007. The first phase of the project, which will require a total investment of €33.8 million, involves the reconfiguration of the 1.2-million-square-foot (111,500 m²) centre to make way for the arrival of new tenants.

Warsz

In addition to the above-mentioned properties and projects, Ivanhoe Cambridge and mfi AG jointly hold a 92.5% interest in Zwickau Arcaden, a shopping centre located in Zwickau. The development and management of these assets are being overseen by mfi AG.

Poland

Ivanhoe Cambridge took advantage of favourable market conditions in Poland to sell the Wola Park shopping centre, located in Warsaw, and five other Polish properties held through Simon Ivanhoe, its European subsidiary owned in a 50/50 joint venture with the Simon Property Group.

The Company still has interests in two shopping centres in Warsaw: the market-dominant Arkadia Shopping Center and Wilenska Station Shopping Center. Both are co-owned through Simon Ivanhoe, which is also responsible for their management.

Russia

In 2007, Ivanhoe Cambridge invested in a shopping centre in Moscow. This upscale 700,000-square-foot (65,000 m²) destination, which opened in November, has a mix of some 150 retailers.

China

Ivanhoe Cambridge has been present in China since it first set up a team in Shanghai in 2005. The vast Asian market holds a wealth of opportunity, but navigating it can be an extremely complex affair. The shopping centre industry is growing and evolving quickly. Retail sales are expected to continue to increase with the expansion of the middle class.

The Company has proceeded cautiously and systematically in this market and adopted a long-term vision. Efforts have been focused primarily on becoming familiar with local business practices and the regulatory framework. Ties have also been forged with Chinese authorities and strategic business contacts in order to help the Company secure a solid foothold on the market.

Ivanhoe Cambridge's team in China studied various investment opportunities in 2007, specifically those involving assets and development projects with a significant retail component. It also entered into several strategic preliminary agreements with key Chinese companies to pursue projects or build new ones. In this regard, the Company signed a strategic cooperation memorandum of understanding with Beijing

awa



Wangfujing Department Store (Group) Co., Ltd. to co-develop shopping centres where it will be the department store anchor of choice. Finally, continued efforts were made to assist the Chinese Central Government on training and research issues concerning the industry.

Arkadia Shopping Center dominates the Warsaw market and draws in more than 21 million visitors every year, thanks to its diversified selection of retailers and its distinctive dining venues.

United States

In the United States, Ivanhoe Cambridge continued construction work on Mary Brickell Village (Miami, Florida), a 197,400-square-foot (18,300 m²), two-level open-air lifestyle centre that will consist of eight different buildings upon project completion. The retail component will feature a wide range of upscale stores, services and restaurants. A number of new tenants opened for business during the year, including *Blue Martini*, *Grimpa Steakhouse*, *Oceanaire Seafood Room* and *Rosa Mexicano*. In November 2007, a lease was also signed with *Publix* supermarket, which is expected to open in 2008. Talks are under way with other potential tenants as well.

The Company also owns interests in two shopping centres with its long-term partner General Growth Properties. One of these properties – Westroads Mall (Omaha, Nebraska) – will soon be redeveloped to welcome a 2,800-seat *Rave Theatre* and add

CRU space. This project is budgeted at US\$32.1 million (US\$15.7 million at equity). Finally, an investment was made in a U.S. fund that invests in multipurpose real estate projects in urban markets throughout the United States. The manager of this fund is based in Los Angeles.

Mexico

In 2007, Ivanhoe Cambridge committed to investing US\$50 million in a fund that is dedicated to the acquisition of land for shopping centre development projects in Mexico. The fund was established by a well-known real estate industry player from the U.S. This represents the Company's entry into this market with a promising outlook for growth.

Brazil

In 2007, Ivanhoe Cambridge made additional investments in Brazil and stepped up its presence in this market through its partnership with Ancar. Founded in 1972, Brazilian-based Ancar helped pioneer the country's shopping centre industry and has been a key driver of its development.

Porto Velho, which broke ground in August 2007, will be the first shopping centre in Porto Velho, Brazil.



During the year, the partnership formed by Ivanhoe Cambridge and Ancar acquired a 45.0% stake in Natal Shopping, built in 1992 in the northeastern state of Rio Grande do Norte. The property is co-owned with BR Malls, a publicly traded company that is very active in the Brazilian shopping centre market. Ancar Gestao, in which Ivanhoe Cambridge currently holds a 20% interest, oversees the centre's management.

Ancar and Ivanhoe Cambridge have also teamed up to oversee the Porto Velho development project. Porto Velho will be the first shopping centre in the city of the same name (population 400,000), in the western state of Rondônia. Construction work began in August and will be ongoing until the fall of 2008. Ancar Gestao is in charge of development, leasing and management for this initiative.



e Janeiro

Located in
Rio de Janeiro,
Nova América
has more than
200 retailers and
is visited by over
20 million people
a year.

Financial Overview

Fair Value Per Unit (in dollars)

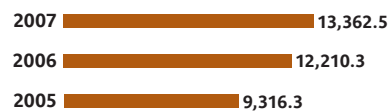


As at December 31, 2007, the fair market value of Ivanhoe Cambridge's assets stood at \$13.4 billion, compared to \$12.2 billion at the end of 2006. This growth is attributable to the increase in value of the properties held in Canada and abroad, as well as to the acquisitions and investments made in development and redevelopment projects. The 19.2% return posted in 2007 brought the shareholder's equity from \$6.4 billion to \$7.7 billion. The market value of the Company's real estate holdings in Canada and elsewhere is independently certified through an annual appraisal by external valuers. This appraisal is based on operating results, economic forecasts and returns required by investors for various types of properties and markets. The fair market value of third-party debt takes into account and reflects the prevailing lending rates.

Rental income was \$1,111.4 million for the year, whereas cash flow from operations (before interest, income taxes and non-controlling interest) reached \$569.4 million, up 9.4% over 2006. Net operating cash flow per unit was \$22.60, an increase of 7.8% over last year. A unit represents the shareholders' initial investment and subsequent capital contributions or withdrawals. The number of units is established using the fair market value of the Company at the time of investment, contribution or withdrawal.

Total Assets at Fair Value

(in millions of dollars)



Some \$820.0 million was invested in acquisitions and development projects during the year. These activities were financed, for the most part, through the proceeds of the sale of six properties located in Poland and net operating cash flow (after interest, income taxes and non-controlling interest), which totalled \$343.3 million at year-end. Third-party debt therefore remained relatively stable, compared to December 31, 2006, finishing off the year at \$5,126.8 million. The interest coverage

ratio stayed strong, at 2.22 X, compared to 2.38 X posted in 2006. The Company has continued to favour a prudent approach to managing foreign exchange and interest rate risk. A systematic approach to foreign exchange risk coverage has continued to be applied to investments made in the United States and Europe in order to protect shareholders' equity against potential currency fluctuations.

At the end of 2007, a sum of \$2.2 billion was committed to development and redevelopment projects already in progress or scheduled to begin in 2008.

As Ivanhoe Cambridge continued to expand globally in 2007, the proportion of its assets held outside of Canada reached 28.6%. The Company plans to keep actively seeking out business opportunities in new markets to secure additional investments. It also intends to step up its activities in countries where the shopping centre industry is growing at a fast pace, such as Brazil, China and India.

Overall, Ivanhoe Cambridge's operating results were, once again, excellent in 2007. The Company achieved a remarkable 19.2% return, bringing its compounded annual returns to 26.9% over five years and 18.5% over 10 years. This performance is largely due to the positive impact of its development and redevelopment strategy and the geographical diversification of its portfolio. In recent years, continued investor demand for quality shopping centres has also helped sustain high returns. Ivanhoe Cambridge enjoys a strong financial position and is focused on maintaining solid financial ratios through sound debt management practices. As a result, the Company continues to be well poised to bring its projects to fruition and pursue its worldwide growth.

Net Operating Cash Flow (after interest, income taxes and non-controlling interest)

(in millions of dollars)



Net Operating Cash Flow Per Unit

(in dollars)



List of Ivanhoe Cambridge Properties

Property, Location	Anchor stores	Ownership interest	Total leasable area (square feet) ¹
Canada			
Atlantic Provinces			
Mic Mac Mall , Dartmouth (Nova Scotia)	The Bay, Zellers, Winners/HomeSense, Toys 'R' Us, Chapters, Future Shop, Old Navy	50.0 %	717,000
Quebec			
Laurier , Quebec City	Sears, The Bay, Zellers, Toys 'R' Us, Future Shop, Linen Chest, Sports Experts, H&M, Renaud Bray, Old Navy, Freedom Central	50.0%	1,251,200
Les Galeries d'Anjou² , Montreal	The Bay, Sears, Rona, Zellers, The Brick, Best Buy, Sports Experts/Atmosphere, Future Shop, H&M, Old Navy, L'Équipeur	50.0%	1,198,700
Fairview Pointe-Claire² , Montreal	Sears, The Bay, Winners/HomeSense, Sports Experts/Atmosphere, Home Outfitters, Best Buy, Old Navy, H&M, Renaud Bray	50.0%	978,700
La Place Vertu , Montreal	Sears, Zellers, Canadian Tire, Sports Experts	100.0%	924,300
Complexe Les Ailes , Montreal	Les Ailes de la Mode, Archambault	100.0%	732,300
Mail Champlain , Brossard	Sears, The Bay, Les Ailes de la Mode, Sports Experts/Atmosphere, Archambault, Zara, Old Navy, H&M	50.0%	726,300
Rockland , Mount-Royal	The Bay, Sports Experts/Hockey Experts/Atmosphere, Linen Chest, H&M, Société des alcools du Québec, Pharmaprix, Style Xchange, Zara, Tristan & America/ L'Officiel/Mango, Nautilus Plus	100.0%	656,800
Centropolis , Laval	Colossus, Fruiterie 440, La Cordée, Arte Pelle, Énergie Cardio	100.0%	612,700
Place Ste-Foy , Quebec City	Les Ailes de la Mode, Simons, Signature Maurice Tanguay, Métro, Holt Renfrew, Archambault, Omer DeSerres, Atmosphere	50.0%	588,400
Galeries Rive Nord , Repentigny	Wal-Mart, Sears, Toys 'R' Us, Hart	50.0%	562,300
Les Rivières , Trois-Rivières	Sears, Zellers, IGA, Toys 'R' Us	85.0%	554,200
Carrefour Rimouski , Rimouski	Zellers, Canadian Tire, Maxi, Sports Experts/Atmosphere	100.0%	345,400
Centre commercial Rivière-du-Loup , Rivière-du-Loup	Zellers, CO-OP Métro	100.0%	314,400
Carrefour Saint-Georges , Saint-Georges-de-Beauce	Zellers, Sears, Business Depot	100.0%	301,400
Les Galeries de Hull , Gatineau	Sears, Marché Frais	85.0%	295,300
Montreal Eaton Centre , Montreal	GAP, Old Navy	100.0%	289,800
Place Montréal Trust , Montreal	Winners, Indigo, Zara, Mexx, Nautilus Plus	100.0%	275,300
Mégacentre Rive-Sud , Lévis	Wal-Mart	100.0%	203,900
Ontario			
Oshawa Centre , Oshawa	Sears, The Bay, Zellers, GoodLife Fitness, Business Depot, Chapters, Old Navy, SportChek	50.0%	1,120,000
Vaughan Mills , Vaughan	Bass Pro Outdoor World, Winners/HomeSense, Toys 'R' Us, Nascar, Linens 'n Things, Designer Depot, Pro Hockey Life, Holt Renfrew, Lucky Strike Lanes, The Children's Place, Tommy Hilfiger, Urban Behavior, La Senza, H&M, Old Navy	100.0%	1,112,800
Devonshire Mall , Windsor	Sears, The Bay, Zellers, Cineplex Odeon, SportChek Supercentre, GoodLife Fitness, Chapters, Old Navy, H&M, Urban Behavior	50.0%	1,086,400

¹ The area indicated includes premises directly owned and occupied by anchor stores as well as office space.

² Property managed by a third party.

Property, Location	Anchor stores	Ownership interest	Total leasable area (square feet) ¹
Ontario (continued)			
Upper Canada Mall , Newmarket	The Bay, Sears, Zellers, Toys 'R' Us, SportChek Supercentre, Sears Whole Home, Old Navy, H&M, Forever 21	50.0%	939,500
Fairview Mall² , Toronto	The Bay, Sears, Rainbow Cinemas, H&M, Shoppers Drug Mart	50.0%	855,800
Burlington Mall , Burlington	The Bay, Canadian Tire, Zellers, GoodLife Fitness, Winners, Old Navy, HomeSense, SportChek	100.0%	783,600
Bayshore Shopping Centre , Ottawa	The Bay, Zellers, Winners, Old Navy, Sports Experts	100.0%	729,500
Quinte Mall , Belleville	Sears, Famous Players, Sears Whole Home, Toys 'R' Us, Business Depot, Winners, GoodLife Fitness, SportChek, Chapters, Shoppers Drug Mart, Petcetera, Old Navy	50.0%	615,900
Catarqui Town Centre² , Kingston	Sears, Zellers, The Bay, SportChek	50.0%	594,000
Dixie Outlet Mall , Mississauga	No Frills, Sears Outlet Store, Winners, Michaels, Urban Planet, Hy & Zel's, SportChek Outlet	100.0%	578,800
Conestoga Mall , Waterloo	The Bay, Zellers, Zehrs, Galaxy Cinemas, Winners, SportChek, Old Navy	100.0%	545,400
Mapleview Shopping Centre , Burlington	The Bay, Sears	50.0%	528,100
Oakville Place , Oakville	The Bay, Sears, H&M	100.0%	453,300
Lynden Park Mall , Brantford	Sears, Food Basics, Winners, SportChek	50.0%	375,200
Tecumseh Mall , Windsor	Zellers, GoodLife Fitness, Sobeyes	100.0%	369,700
Prairie Provinces			
Southcentre Mall , Calgary (Alberta)	Sears, The Bay, Safeway, SportChek, Indigo	50.0%	1,042,600
Market Mall² , Calgary (Alberta)	The Bay, Zellers, Safeway, SportChek, Toys 'R' Us, Old Navy, H&M	50.0%	1,032,200
Southgate Centre , Edmonton (Alberta)	Sears, The Bay, Safeway	100.0%	826,500
Sunridge Mall , Calgary (Alberta)	The Bay, Zellers, SportChek, World Health Club, Shoppers Drug Mart, Urban Behavior	100.0%	753,900
Deerfoot Outlet Mall , Calgary (Alberta)	Sears Outlet Store, Wal-Mart, SportChek Outlet, Winners, Kacz Kids	100.0%	589,900
Mill Woods Town Centre , Edmonton (Alberta)	Zellers, Canadian Tire, Safeway, Shoppers Drug Mart, Petcetera	100.0%	580,300
Kildonan Place , Winnipeg (Manitoba)	Zellers, Sears, Famous Players, Shoppers Drug Mart	80.0%	460,700
Deerfoot Meadows , Calgary (Alberta)	Future Shop, Best Buy, Linens 'n Things, Michaels, Mark's Work Warehouse, SportCheck, JYSK	100.0%	323,700
St. Albert Centre , St. Albert (Alberta)	Zellers, The Bay, Winners	100.0%	312,100
British Columbia			
Metropolis at Metrotown , Burnaby	Sears, The Bay, Real Canadian Superstore, Zellers, Winners/HomeSense, T&T Supermarket, Silver City, Coast Mountain Sports/SportChek, Toys 'R' Us, Home Outfitters, Chapters, Old Navy, Zara, Urban Behavior	100.0%	2,403,200
Guildford Town Centre , Surrey	The Bay, Sears, Wal-Mart, Empire Theatres Studio 12, London Drugs, SportChek, Old Navy, Mark's Work Warehouse	50.0%	985,300
Woodgrove Centre , Nanaimo	The Bay, Wal-Mart, Save on Foods, Avalon Cinemas, Toys 'R' Us, Winners, SportChek, Chapters	100.0%	724,100
Oakridge Centre , Vancouver	The Bay, Zellers, Safeway, Empire Theatres	50.0%	694,700
Mayfair Shopping Centre , Victoria	The Bay, Toys 'R' Us, Office Depot	50.0%	454,300
Richmond Centre , Richmond	The Bay	100.0%	299,900

¹ The area indicated includes premises directly owned and occupied by anchor stores as well as office space.

² Property managed by a third party.

Property, Location	Anchor stores	Ownership interest	Total leasable area (square feet) ¹
International			
Brazil			
Nova América ² , Rio de Janeiro	C&A, Ponto Frio, Nova America Cinema, Kalunga, Lojas Americanas	10.1%	496,800
Shopping Iguatemi ² , Porto Alegre	Renner, Nacional, C&A, Espaco Saude Moinhos De Vento	18.7%	424,600
Conjunto Nacional ² , Brasilia	Riachuelo, Casas Bahia, Lojas Americanas	29.6%	414,800
Natal Shopping ² , Rio Grande do Norte	Rio Center, C&A Modas	23.3%	182,600
France			
Bay 2 ² , Marne la Vallée	Carrefour, Toys 'R' Us, Darty	50.0%	381,200
Bay 1 Loisirs ² , Torcy	Conforama, Cinema, Kiabi	50.0%	242,300
Centre commercial Bel'Est ² , Bagnolet	Auchan	17.5%	213,900
Germany			
Paunsdorf Center Arcaden ² , Leipzig	Porta Möbel, Kaufland, Obi, Galeria Kaufhof, Wöhr, Media Markt, P&C, Woolworth, MediMax, C&A, Spielmax, Müller, H&M, Buchmeile	94.8%	1,248,300
Wilmsdorfer Arcaden ² , Berlin	H&M, MediMax, Kaiser's Tengelmann	92.5%	431,600
Zwickau Arcaden ² , Zwickau	C&A	92.5%	250,100
Poland			
Arkadia Shopping Center ² , Warsaw	Carrefour, Leroy Merlin, Media Markt, Cinema City, Peek & Cloppenburg, H&M, C&A, BHS, Zara, Marks & Spencer, Royal Collection, Marks Sport, Empik, Euro/RTV Euro AGD, Shape	50.0%	1,104,400
Wilenska Station Shopping Center ² , Warsaw	Carrefour, Gildia, Euro/RTV Euro AGD	50.0%	346,000
Spain			
Madrid Xanadú , Madrid	Parque De Nieve, Cinesa, Formula 0, Primark, Forum, H&M, C&A/Clockhouse, Chiqui Park/Pizza Jardin, Zara, Menaje Del Hogar, Tazz, Temple Bar	100.0%	1,006,500
United Kingdom			
St. Enoch Centre , Glasgow	Debenhams, BHS, Boots, Top Shop, Internacionale, Wallis, HMV, WHSmith, Madhouse	100.0%	763,300
United States			
Westroads Mall ² , Omaha (Nebraska)	Von Maur, JC Penney, Younkers, Dick's Sporting Goods	49.0%	1,119,700
The Oaks Mall ² , Gainesville (Florida)	Sears, JC Penney, Macy's, Belk, Dillard's, Linens 'n Things	49.0%	897,300
Mary Brickell Village , Miami (Florida)		100.0%	197,400
Subtotal			43,420,600
Other shopping centres			970,500
TOTAL			44,391,100

¹ The area indicated includes premises directly owned and occupied by anchor stores as well as office space.

² Property managed by a third party.

List compiled as at February 29, 2008

Senior Management

René Tremblay ^{1, 2, 3}
President and Chief Executive Officer

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Executive Vice President
and Chief Operating Officer

Gervais Levasseur ^{2, 3, 6}
Executive Vice President
and Chief Financial Officer

Kieran F. Mulroy ^{2, 3}
Senior Vice President, General Counsel
and Secretary

Paul S. Chehab ^{2, 3}
Senior Vice President
and Chief Investment Officer

Pierre Lalonde ^{2, 3}
Vice President, Portfolio Management

David C. Smith ^{3, 6}
Vice President, Human Resources

Roman Drohomirecki
Senior Vice President,
Western Region – Canada

George L. Fiddler
Senior Vice President,
Central Region – Canada

Jean Laramée
Senior Vice President,
Eastern Region – Canada

Paul Gleeson
Senior Vice President, Development

Paul Harrs
Senior Vice President,
National Leasing – Canada

Brian Castle
Senior Vice President, China

Claude Dion
Senior Vice President, Europe

Phil McArthur
Senior Vice President, India

Scott Harris
Vice President, Business Development,
Latin America

Senior Management, Board of Directors and Shareholders

Board of Directors

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Chairman of the Board
President, Real Estate Group
Caisse de dépôt et placement du Québec

René Tremblay ^{1, 2, 3}
President and Chief Executive Officer
Ivanhoe Cambridge

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Director, Clarkson Centre for Business Ethics
& Board Effectiveness
Rotman School of Management,
University of Toronto
Managing Director, Canadian Coalition
for Good Governance

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Fiducie globale des régimes de retraite
de la Société de transport de Montréal

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President
Metcalfe & Mansfield Alternative
Investments Corp.

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Corporate Director

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Real Estate Group
Caisse de dépôt et placement du Québec

Raymond Laurin ^{4, 6}
Vice President
Régime de rentes du Mouvement Desjardins

Louis Monette
Chairman of the Board
President and General Manager
Association de bienfaisance
et de retraite des policiers
et policières de la Ville de Montréal

Ghislain Parent
Executive Vice President, Finance
and Operations
Caisse de dépôt et placement du Québec

Hon. David R. Peterson, P.C., Q.C. ⁴
Chairman
Cassels Brock & Blackwell, LLP

John T. Riordan
Consultant and Life Trustee
of the International Council of Shopping Centers

Shareholders

Caisse de dépôt et placement du Québec
Alcan Adminco (2000) Inc.

Association de bienfaisance et de retraite
des policiers et policières
de la Ville de Montréal

Régime de rentes du Mouvement Desjardins

Fiducie globale des régimes de retraite
de la Société de transport de Montréal

The 2007 Report on Activities
is a publication of:
Communications and Public Affairs
Ivanhoe Cambridge
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This Report on Activities is also available
through Ivanhoe Cambridge's Web site
(www.ivanhoecambridge.com).

*Ce rapport d'activités est aussi disponible en
français sur demande ou sur le site Internet
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¹ Executive Committee

² Investment Committee

³ Management Committee

⁴ Audit Committee

⁵ Human Resources and Compensation Committee

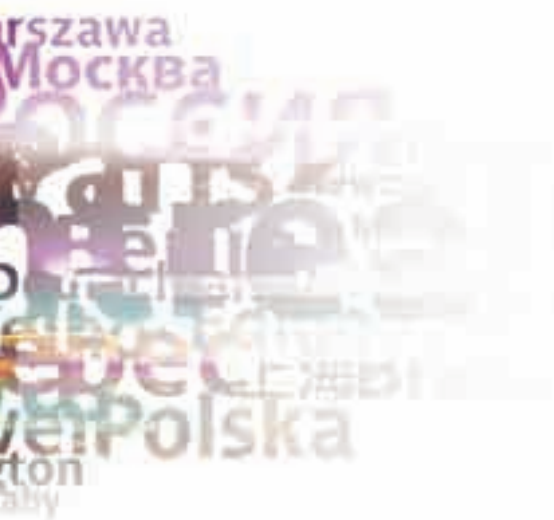
⁶ Retirement Committee

P.C.: Privy Council

Q.C.: Queen's Counsellor

O.B.E.: Order of the British Empire

Note: List compiled as at January 31, 2008.



A driving force, an industry leader

Ivanhoe Cambridge is a pre-eminent Canadian-based global property owner, manager, developer and investor, focusing on high-quality regional and super-regional shopping centres located in urban areas.

Ivanhoe Cambridge's reputation has been built on the strength of its dynamic shopping destinations. The Company takes pride in its innovative customer service approach, extensive expertise and far-reaching business network. Its primary objective is to provide welcoming and entertaining shopping environments to its retailers and their customers, while maintaining solid financial results.

Beyond its strong Canada-wide presence, Ivanhoe Cambridge is active elsewhere in North America, Latin America, Europe and Asia. Abroad, Ivanhoe Cambridge owns properties either directly or through joint ventures with prominent real estate partners and also holds interests in several shopping centre development and management companies. The Company maintains offices in Europe and Asia in order to better capitalize on opportunities and support its international activities.

Headquartered in Montreal, Ivanhoe Cambridge is a principal real estate subsidiary of the Caisse de dépôt et placement du Québec, one of the largest institutional fund managers in Canada. Other shareholders of the Company include four prominent Canadian pension funds.

