

Suppression and Immobilization Programs

Immobilizer program, along with our suppression program will have a significant impact. The Pilot Suppression Program has already reduce our auto theft experience by nearly 25% - that equates to a reduction in our cost of nearly \$10 M from last year - we are hoping to reduce our experience by 30% ++ by calendar year end. That will reduce our exposure by roughly \$12 M.

With our intended 2 year effort with the suppression program, hopefully it will bring us down to an annual experience of about \$15 M versus the current \$37 M, which translates to just under 5,000 vehicles per year being attacked versus the 16,000 + we experienced last year. That would bring us back to the norm.

All these efforts are costing the Corporation roughly \$2 M / year - but as you can see we are getting a significant return on our dollar. Reducing our exposure this year by \$12 M + and hopefully a further \$22 M the following year, translates to a \$34 M reduction in 2 years at a cost of \$ 4 M. Pie in the sky at the moment, but certainly attainable, whether it will be sustainable we're not sure, but remain hopeful.

We are hoping our immobilizer program will close the cap between the regulation (Sept '07) with our existing dated fleet. Once everything integrates, most of Manitoba's fleet will be protected. We remain hopeful our local offenders will be discouraged by the use of electronic immobilizers and our suppression program.

Our Suppression Program has a sunset clause following 2 years of our implementation program. We are hopeful the chronic offenders will no longer remain active.