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Than Solidify Current Market***

***Top Ranked Priorities For CEOs In 2004: Ensuring Long-Term  
Company Financial Health; Increasing Productivity And  
Performance Improvement; Attracting And Retaining High  
Calibre Employees***



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## **NINE IN TEN (87%) CEOs BULLISH THEIR BUSINESS HAS WHAT IT TAKES TO COMPETE IN GLOBAL MARKETPLACE – CONSISTENT WITH 2002 VIEWS**

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*Top Ranked Priorities For CEOs In 2004: Ensuring Long-Term Company Financial Health; Increasing Productivity And Performance Improvement; Attracting And Retaining High Calibre Employees*

**Toronto, ONTARIO** – The majority of Canadian CEOs (87%) are charging into the coming year brimming with confidence that their business has what it takes to compete in a global marketplace. This enthusiasm, however, is tempered with a good dose of prudence, as seven in ten (71%) believe that it is more important for their company to solidify in its current market than to expand into new markets. Accordingly, activity which is defined as “expanding into new markets either inside or outside of Canada” has remained a fairly low priority as 10<sup>th</sup> on the list (out of 12) that CEOs have for 2004, compared to ninth when they considered 2003. As for their top priorities, focusing on the “long-term financial health of the company” is at the top of the list, followed by “increasing productivity and performance improvement” and “attracting and retaining high calibre employees”.

*These are the findings from the Ninth Annual Canada's Most Respected Corporations Survey sponsored by KPMG and conducted by Ipsos-Reid. The survey was conducted between August and November, 2003. The survey involved interviews of 255 of the leading CEOs in Canada.*

### ***Nine In Ten (87%) CEOs Bullish On Competing In The Global Marketplace...***

Nine in ten (87%) Canadian CEOs indicate that their business has what it takes to compete in a global marketplace – unchanged from 2002 (86%). Only 10% disagree with this point of view. Intensity of agreement is also high – 39% of CEOs strongly agree with the view that they have what it takes to compete, also essentially unchanged from 41% in 2002.

### ***Despite Enthusiasm, Most CEOs Are Being Prudent...***

The strong majority (71%) believes that it's more important to solidify their current market than to expand. However, a healthy three-in-ten (29%) CEOs have contrary beliefs. While CEOs have traditionally been more inclined to believe that it's more important to solidify the home front rather than to expand into new markets, it seems that in the coming year they will be more inclined to do so than in the past. In 1999, 57% indicated that it was better to solidify, 61% in 2000, 52% in 2001, and 60% in 2002.

### ***So, What Are The Priorities?***

While market expansion may not be the flavour of the year for seven-in-ten, other priorities have CEOs' attention. The top ranked priorities for CEOs for 2004:

- Ensuring the long-term financial health of the company at 95% (down three points from last year's 98%) with 81% indicating it is a *major priority*.
- Increasing productivity and performance improvement at 91%, (down 2 points from last year's 93%) with 65% stating that this is a *major priority*.
- Attracting and retaining high calibre employees (89%), with 58% answering that this is a *major priority*.
- Customer loyalty growth (84%), with 61% stating this is a *major priority*.
- Ensuring trust from shareholders (82%), with 54% stating that this is a *major priority*.
- Corporate governance (78%), 37% of Canada's CEOs believe this is a *major priority*.

- Risk management (77%), with 36% considering this a *major priority*.
- Increasing short-term profitability (72%), with 32% believing this is a *major priority*.
- Transparency and public reporting (69%), with 36% stating this is a *major priority*.
- Expanding into new markets either inside or outside of Canada (61%), 24% indicating that they consider this a *major priority*.
- Expanding into new products or services (55%), 18% indicating this is a *major priority*.
- Growth through merger and acquisition (53%), with 19% indicating this is a *major priority*.

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