MacDonald, Dettwiler and Associates Ltd.

PROVIDING ESSENTIAL INFORMATION

e images a leader in advanced information missions that utilize the full vertical capabilities of the company

r tried, proven, and disciplined fiscal management and strategic focus will continue to build a strong information company with stable growth and profitability

m government registries we're recognized for powerful but cost-effective systems

providing weather imagery for global military operations our backlog grew to record levels

ring ice conditions, and detecting oil spills systems to manage the deployment of mobile assets such as airplanes, police cruisers, and ships

to develop concepts for NASA-led Mars Science Laboratory Mission

MACDONALD DETTWILER

ANNUAL REPORT 2002

ABOUT MACDONALD DETTWILER



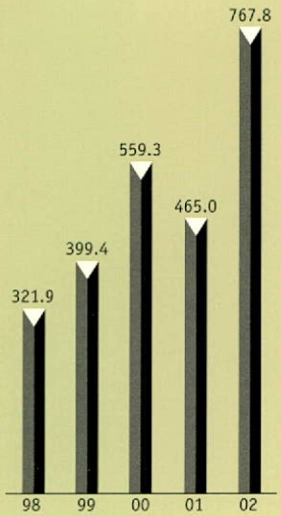

MacDonald, Dettwiler and Associates Ltd. is an information company that provides customers around the world with essential information for decision making in the workplace. Active in data collection, as well as information processing, extraction and distribution, MacDonald Dettwiler operates through two principal groups: Information Products and Information Systems.

The Information Systems Group provides mission-critical information systems for use in three major application areas that include Monitoring Activities on the Planet, Defence, and Robotics. In addition to serving the requirements of our customers, the Information Systems Group is a supplier of systems for the Company's Information Products Group.

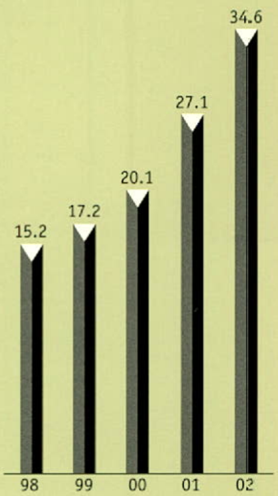
The Information Products Group delivers essential land information products and services in two major markets that include Legal and Asset Information, and Geographic Information.

MacDonald Dettwiler is a publicly traded Canadian company that employs more than 2,200 people across Canada, in the United Kingdom and the United States.

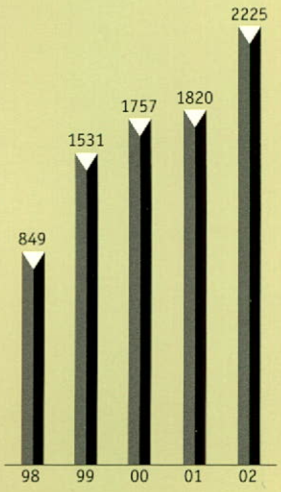
ORDER BACKLOG
[$millions]



R&D INVESTMENT –
INTERNAL & EXTERNAL
[$millions]



EMPLOYEES WORLDWIDE
[December 31]



FINANCIAL HIGHLIGHTS

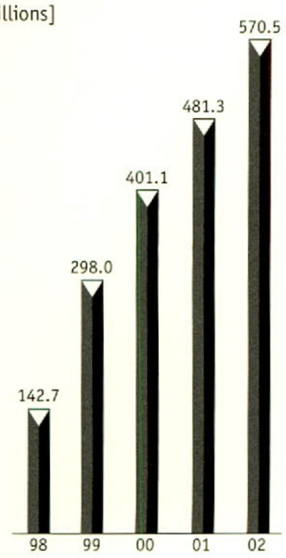
YEARS ENDED DECEMBER 31,	2002	2001	2000	1999	1998
					(IN THOUSANDS OF DOLLARS)
Revenues - Information Systems	315,688	307,823	286,217	232,608	133,059
Revenues - Information Products	254,797	173,452	114,908	65,375	9,597
Total revenues	**570,485**	**481,275**	**401,125**	**297,983**	**142,656**
Net earnings [1]	37,003	27,913	20,934	15,670	7,073
EBITDA	87,470	69,384	52,525	40,029	17,347
Earnings per share - fully diluted [2]					
Net earnings	0.97	0.75	0.63	n/a	n/a

[1] Earnings before amortization of goodwill

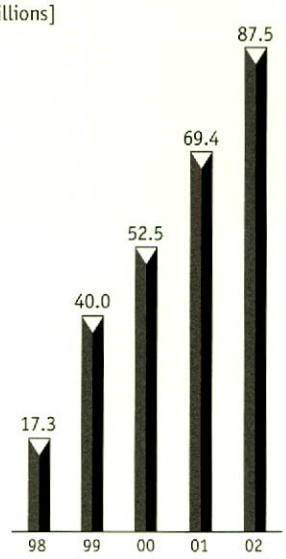
[2] Earnings per share information prior to 2000 is not comparable due to changes in capital structure

AS AT DECEMBER 31,	2002	2001	2000	1999	1998
					(IN THOUSANDS OF DOLLARS)
Balance Sheet Data					
Cash and cash equivalents	23,983	17,071	43,464	48,317	31,630
Total assets	542,875	428,594	413,308	323,480	102,631
Long-term debt	109,704	67,412	89,796	71,686	8,826
Shareholders' equity	215,867	163,663	125,160	53,844	41,005
Other Supplementary Information					
Order Backlog - Information Systems Group	301,036	346,845	441,246	380,457	315,503
Order Backlog - Information Products Group	66,769	49,804	60,963	18,976	6,353
Total Firm Backlog	367,805	396,649	502,209	399,433	321,856
Option Backlog	400,031	68,394	57,110	-	-
Total Backlog	**767,836**	**465,043**	**559,319**	-	-

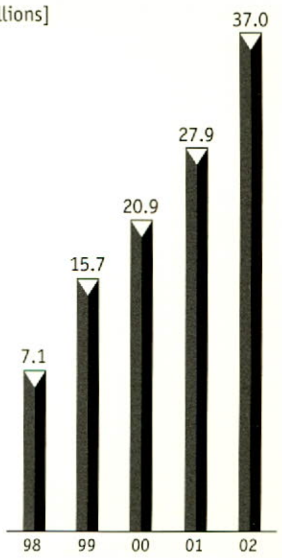
REVENUES
[$millions]



EBITDA
[$millions]



NET EARNINGS
[$millions]



PRESIDENT'S MESSAGE

THE YEAR IN REVIEW

MacDonald Dettwiler had a challenging but successful year in 2002.

Our Information Systems Group completed a period of adjustment around new market priorities. We made a strategic move in the United States information systems market with the acquisition of Dynacs Inc. By year-end we began to see results as our Information Systems backlog grew to record levels.

Our Asset Information Products business in the U.S. continued to perform well, and took advantage of a solid real estate market. In the U.K., we focused on the rollout of our new Legal Information Products, developing the market and signing up many new customers. As a result, transaction volumes in the U.K. climbed steadily throughout the year.

And although we experienced a period of turbulence in the U.S. state/county mapping market, the performance of our other Geographic Information Products businesses, combined with several inroads we made into new market niches, helped to cushion the impact.

During the year we continued to explore new Information Product and Information System initiatives to fuel our company's future growth.

FINANCING ACTIVITIES

MacDonald Dettwiler had solid financial performance for 2002, completing the year ahead of target and with record backlog. We finished the year with a strong balance sheet and healthy financial resources that will help us meet our growth objectives going forward.

Net earnings increased 33% to $37 million for the year from $28 million in 2001, resulting in diluted earnings per common share increasing to $0.97 from $0.75.

Consolidated revenues increased 19% to $570 million for the year, compared to $481 million for 2001.

We continued our strong focus on cash and ended the year with a very healthy balance sheet. As a result, our liquidity ratios continue to be significantly better than that required by our banks. During the year we increased our credit facilities to $300 million with the support of a strengthened banking team. At year-end, unused bank facilities amount to $140 million, allowing the Company considerable flexibility to pursue growth plans.

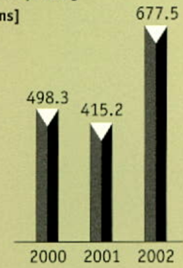
At December 31, 2002 the Company had total backlog of $768 million, $677.5 million in Information Systems, and the remainder in Information Products. This marks an increase of 65% from 2001 and the highest level in the Company's history.

STRATEGIC ACTIVITIES

MDA's Information Products Group expanded its global reach and product offerings, highlighted by the rollout of the NLIS information products in the U.K., and the push by Geographic Information Products into Defence and Security markets.

In England and Wales, the Legal Information Products provided through the National Land Information Service (NLIS) demonstrated growth and acceptance. At the time of writing, transaction levels are up to over 3,500 search sets per week, 136 Local Authorities out of 400 are participating in the Differential Pricing Program, and 165 Local Authorities are able to receive and return requests electronically. All in all, NLIS has gone from having no market share in January 2002 to over 10 percent of the market by year-end.

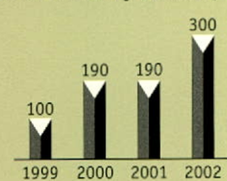
Information Systems Backlog
[Firm & Option]
[$millions]



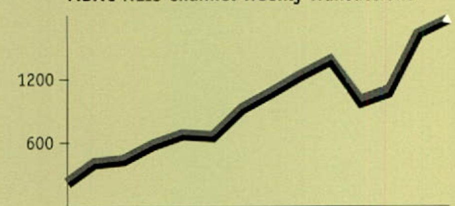
MDA's NLIS Hub Weekly Transactions

January 2002 - February 2003

Total Credit Facility [$millions]



MDA's NLIS Channel Weekly Transactions

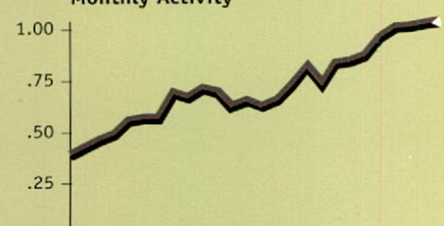


January 2002 - February 2003

Corporate Annual Reports Weekly Filings Through BC OnLine

February 2002 - February 2003

Internet Home Valuations Monthly Activity



January 2001 - February 2003

Our Legal and Asset Information Products business in the U.S. and B.C. underwent a number of expansion initiatives, from the introduction of our first electronic filing product in B.C., to geographic expansion and a major push in the Automated Valuation market in the United States.

High-resolution image of Baghdad.

Our Geographic Information Products business weathered a period of turbulence in our traditional city, county, and state market in the United States, while making inroads in Defence and Security markets. New applications are developing nicely, from providing agricultural information to India, Bangladesh, Thailand and El Salvador, to supplying 3-D terrain information to improve aviation safety.

MDA's traditional Information Systems business underwent significant adjustment and development. In 2002 we established ourselves in the largest systems market in the world with the acquisition of Dynacs Inc., expanding our reach into key

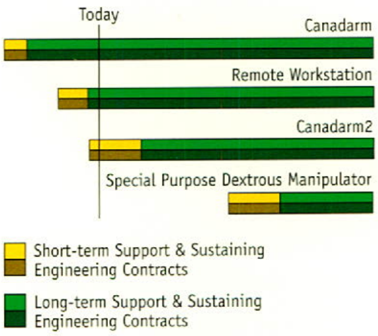
MDA U.S. Locations

U.S. government agencies and prime contractors. The integration of Dynacs into our Information Systems Group has been completed, and we're beginning to capitalize on strong synergies.

We demonstrated considerable growth in the Surveillance area as well. MDA delivered three Amazon surveillance radar systems to the Brazilian Air Force, and we secured a $200 million contract with Canada's Department of National Defence to deliver a new imaging and surveillance radar system for the country's fleet of CP-140 Aurora patrol aircraft.

Our Robotics business continues to transition from development of major robotics components to long-term systems support and enhancement contracts. The first major contracts for the Canadarms on the NASA Shuttle fleet and the Robotic WorkStation on the International Space Station have been secured. A separate contract for the Canadarm2 is being worked on. In the meantime, the next robotic component passed its Acceptance Review with the Canadian Space Agency in December, and will be launched in a few years.

Space Robotics Milestones & Support Contracts



We also began work on several new missions, from designing a new land information satellite to designing Mars exploration equipment. And we entered new applications for our technology, from on-orbit repair of satellites to medical robotics.

Future growth initiatives, including robotic missions to Mars and Hyperspectral satellites.

In summary, our backlog in the Information Systems area has seen a significant increase, and new initiatives are winding their way through feasibility and budget cycles.

LOOKING AHEAD

In 2003, our Information Products Group will continue its product rollout and expansion initiatives in the U.K. and U.S., and take steps to further strengthen our overall market position. We also expect to continue to look for geographic expansion opportunities.

In early 2003 we expanded into Scotland with the acquisition of Millar & Bryce, the largest and most established commercial provider of title and legal information in the country.

Our Information Systems Group will concentrate on a few key contracts in the first half of the year. Then we will also focus on developing new initiatives and the U.S. market.

We have come out of a challenging year with strong backlog in our Systems business and good transaction volume in our Products business. We move forward with many expansion opportunities and updated strategic and competency plans. Our tried, proven, and disciplined fiscal management and strategic focus will continue to build a strong information company with stable growth and profitability.

We want to extend our appreciation and thanks to the many employees and shareholders who have supported MDA's considerable growth and expansion in 2002.

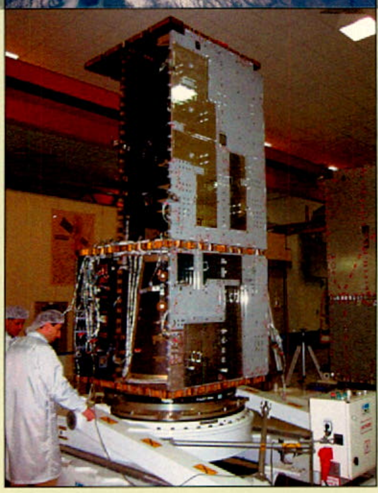
DAN FRIEDMANN
President and CEO

INFORMATION SYSTEMS

MDA's information systems consist of a combination of proprietary software and hardware technology, off-the-shelf third party technology, and customized technology developed in close co-operation with our subcontractors. Our extensive capabilities in program management, systems engineering, systems integration and testing, as well as ongoing support services, allow us to take care of complex customer requirements – from conception through the full system life cycle.

Our Information Systems Group provides mission-critical systems to support the prime objectives of organizations in three major areas – Monitoring the Planet, Defence, and Robotics.

RADARSAT-2 has entered the manufacturing stage. The picture shows the main bus structure in final assembly.

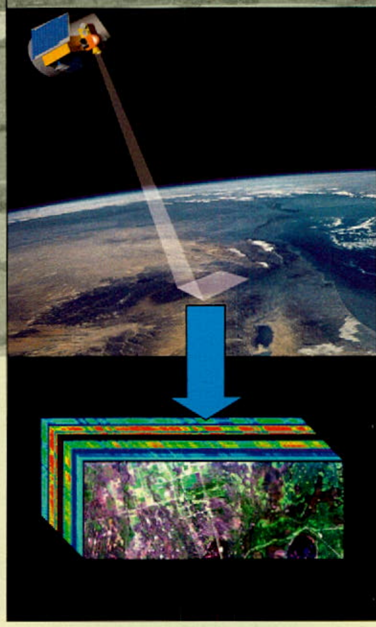


MONITORING THE PLANET

At many locations around the globe, we help our customers use Earth observation data to monitor activity on the planet. We do so by providing ground stations and satellite data for a variety of missions, including RADARSAT missions. We are positioning to be a leader in advanced information missions that utilize the full vertical capabilities of the company, (i.e., design against business objectives, develop satellites and ground stations, and deliver data and value-added products).

A number of new Earth observation programs are on the drawing board. The Landsat Data Continuity Mission in the U.S. is a follow-on to Landsat-7. MDA is actively involved in the Formulation Phase to supply core information systems. We are also under contract to design an Earth observation satellite mission that will use Hyperspectral technology, which uses more of the colour spectrum to provide more information and detail than before. And there are other missions, from defence to commercial applications, that are in the conceptual phase. A good example of an Earth observation mission with several commercial possibilities is the RapidEye project in Germany, a constellation of satellites that would provide essential information to the agriculture and insurance industry. In the Defence area in Canada we've done conceptual work on a mission that would track space objects and debris.

MDA is designing an Earth observation satellite mission that will use Hyperspectral technology to monitor the world's environment. Hyperspectral cameras 'see' more of the colour spectrum to provide a wealth of information about the Earth.



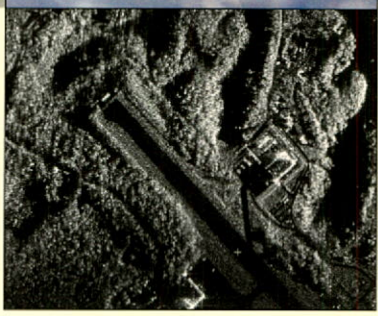
Although 2002 was a challenging year in general, our core business continued to progress well.

MDA continued to upgrade Ground Stations around the world. This is a picture of a recently completed station.

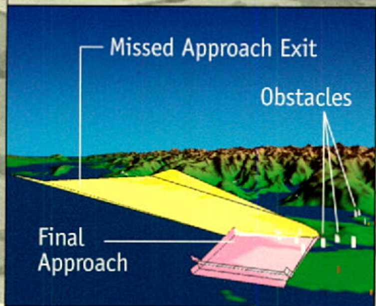
We upgraded two major ground stations in Asia that are used for agricultural and environmental monitoring, management of natural disasters, emergency preparedness and assessment, and mapping. MDA also upgraded three Eagle Vision ground stations for the U.S. Air Force to enable them to receive data from the high resolution QuickBird satellite and from RADARSAT-1. The Eagle Vision upgrades also included the provision of end-to-end capabilities for order management, recording, archiving, cataloguing, and the processing of data.

RADARSAT-2 passed four critical design reviews for the Bus, Payload, Ground Segment, and the Mission itself. All outstanding design issues were addressed. We're now moving on with our suppliers to the manufacturing process, with its challenges, in 2003.

MDA delivered a surveillance imaging radar to the Brazilian Air Force. The picture shows the location of a temporary landing field hastily constructed near illegal crops.



MDA is developing the Terminal Approach Procedures system for the U.S. Air Force. It's used to create a virtual flight path for pilots, warning them of upcoming obstacles and obstructions, while preparing them for immediate evasive action. Image shows Vancouver International Airport.



Canadian Navy personnel sail a computer-simulated sea with MDA's Naval Combat Operator Trainer

DEFENCE

MDA assists Defence departments, aviation authorities, and public safety agencies with systems to manage the deployment of mobile assets such as airplanes, police cruisers, and ships. We train operators of these assets through computer-simulated environments. By basing our systems on commercial technology, we're recognized for powerful but cost-effective systems.

Our Surveillance business reached a major milestone when we were selected by year-end as the Prime Contractor for the $200 million Imaging Radar System project for the CP-140 Aurora fleet. We already had considerable experience with this long-range patrol aircraft. In 2000, MDA won a Department of National Defence contract to validate the design of an advanced Imaging Radar model for the Auroras. And, in 2002, MDA developed the control and motion compensation software for the planned Data Acquisition System.

This latest Canadian announcement followed our successful delivery of SIVAM, a multi-mode imaging radar system used in the surveillance of the Amazon, to the Brazilian Air Force.

Our traditional Defence and Public Safety business continued its steady pace with the expansion of the Naval Combat Operator Training Program to Canada's Victoria class submarines, and additional task orders for the Terminal Approach Procedures project with the U.S. Air Force.

The Department of National Defence in Ottawa approved the second phase of the new Security and Military Police Information System developed by our Information Systems Group. And MDA's contract with the Canadian Navy to provide in-service support for the Maritime Command Operational Information Network was renewed.

The Canadarm2 – and the Robotic WorkStation that controls it – were installed on the International Space Station, and are in the process of transitioning to routine operations.

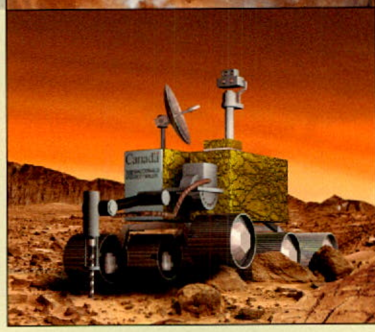
ROBOTICS

Human space flight programs make extensive use of advanced robotics from MDA. We've combined complex electromechanics with visual and force sensors and extensive control software, to form versatile robotic components.

The four major space robotic components that we developed are transitioning into multi-year operational support, and beginning to provide long-term and stable revenue:

- The original **Canadarm** on the Space Shuttle – already operational for years, now under a continuing long-term support contract.
- The **Robotic WorkStation** used by astronauts to tell the Space Station's robotics, cameras, and video equipment what to do – also operational and under a long-term support contract.

MDA is helping define missions to Mars. Early study contracts are underway.

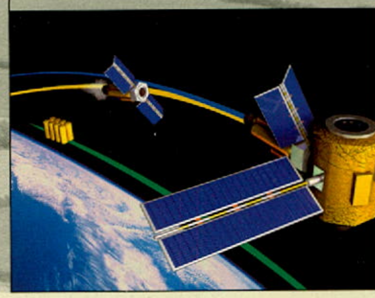


- The **Canadarm2** on the Space Station – now in the process of transitioning to routine operation as we negotiate a long-term support contract.
- And the next generation **robotic hand** that will be added to Canadarm2 – recently delivered to the Canadian Space Agency for launch and installation on the Space Station in 2005.

During 2002, MDA started to participate in the design and development of several new missions that will drive the next wave of contracts and technologies:

- MDA was awarded a $2.3 million contract to develop concepts for NASA-led Mars Science Laboratory Mission.

MDA is building the robotic components of Orbital Express – a U.S. Department of Defense project. It will refuel and repair satellites on orbit.



- We've also been selected as one of four finalists in developing concepts for the NASA Mars Scout Mission planned for 2007. As part of the U.S.-led "Phoenix" team, MDA is carrying out engineering studies and designing concepts for the mission.
- We're partnered with Boeing to develop the "Orbital Express" advanced technology demonstration system for the U.S. Department of Defense. It will be able to autonomously service, repair, and refuel satellites while on orbit.

And, a new development is our experimentation to apply the robotic space technologies we own to terrestrial markets. We're partnering with Foothills Hospital in Alberta to develop the "neuroArm", an advanced robotic device for use in complex neurosurgical procedures.

INFORMATION PRODUCTS

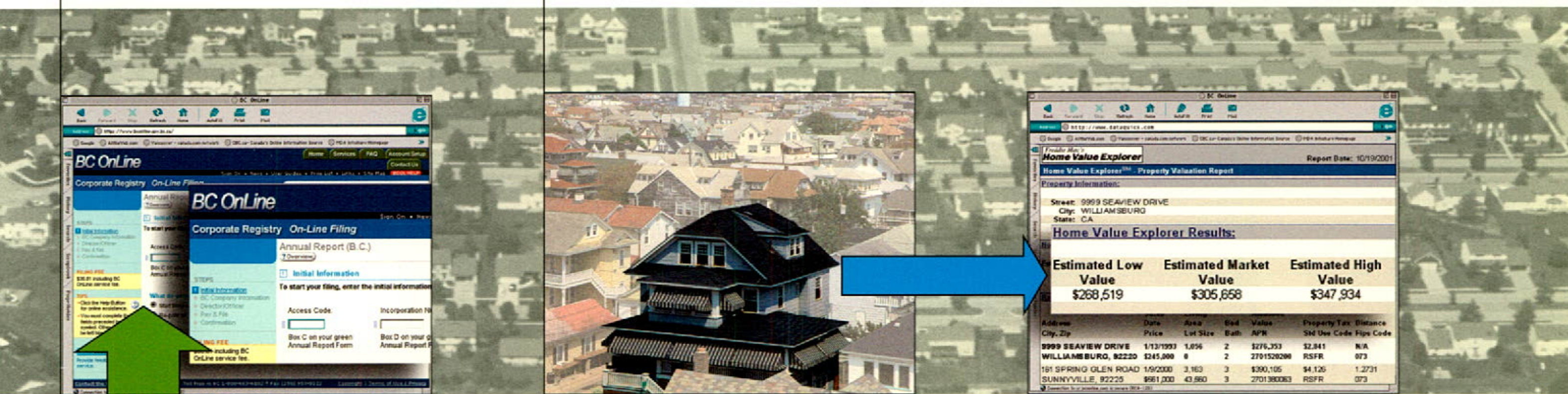
MDA's Information Products are used by businesses involved in real estate transactions, and by organizations involved in land, resource, and transportation management.

In the real estate sector, we provide electronic Legal and Asset information about individual properties to lawyers, lenders, appraisers, realtors, and various businesses.

In the land, resource, and transportation management sectors we provide Geographic Information Products that are derived from satellite and aerial observation sources and combined with other data.

Companies in British Columbia were allowed to file their Annual Reports electronically through BC OnLine for the first time in 2002, and by year-end over 40% of them were doing so. BC OnLine has become a two-way portal, capable of both accepting and distributing information.

The Home Value Explorer is available through MDA's DataQuick. It automatically estimates the value of a property for mortgage lenders and realtors, and it's become DataQuick's fastest growing product



BRITISH COLUMBIA: LEGAL INFORMATION

Through BC OnLine, MDA provides electronic services to access ownership, title, tax, and encumbrance information sourced from government registries. With the increased activity in the real estate market, transaction levels were up in 2002.

BC OnLine changed this year from solely an information source to that of a portal, capable of both accepting and distributing information. The B.C. Corporate and Personal Property Registry implemented the Corporate Annual Report System through BC OnLine, enabling British Columbia companies to file their annual reports electronically. The new service has been well accepted. At the time of writing, 40% of all Annual Reports in B.C. are electronically filed through BC OnLine.

Meanwhile, BC OnLine's new Electronic Filing System is being developed by MDA for the Land Titles Office. When completed in 2004, BC OnLine will offer a convenient, cost-effective alternative to filing over the counter at Land Title Offices throughout British Columbia. It will also help streamline the conveyancing process in the province, making it easier to buy and sell property.

UNITED STATES: LEGAL AND ASSET INFORMATION

Asset information includes all factual information about a property, such as square footage, sales values, parcel maps, neighbourhood comparables, and exposure to hazards. We collect this information from a variety of public and private sources, and turn it into useful products.

Our Legal and Asset Information Products in the United States also benefited from a buoyant real estate market in 2002.

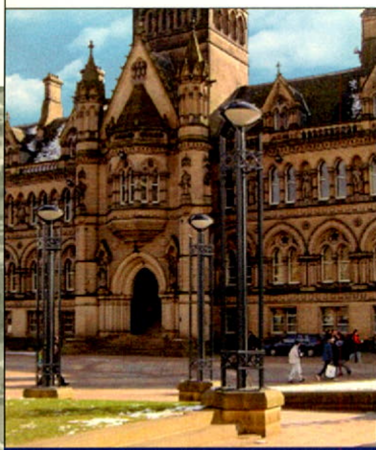
At DataQuick we continued expanding the use of Extensible Markup Language (XML), allowing our customers to buy information products without a human in the loop. Their computers talk to our computers. DataQuick customers can create their own applications that communicate directly with our data stores.

Automated Valuation Models, which deliver estimates of property value to mortgage lenders in seconds through the Internet, showed considerable growth during the year. Federal mortgage lender Freddie Mac renewed its agreement with DataQuick to offer their popular Valuation Model, called "Home Value Explorer". The number of transactions related to valuation doubled during 2002.

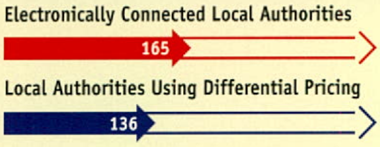
In the fall, DataQuick introduced AVMFinder, an information product that allows mortgage lenders and real estate professionals to access multiple Valuation Models from a single location–the DataQuick Web page.

Expansion continued in the Legal products area, as LandMDA completed its rollout in Florida and then expanded into 11 California counties, where intensive marketing efforts are underway.

Local Authorities like this one in Bradford, England are the main suppliers of information to NLIS. About half of them are now electronically connected.



Status of Local Authorities in England & Wales



UNITED KINGDOM: LEGAL INFORMATION

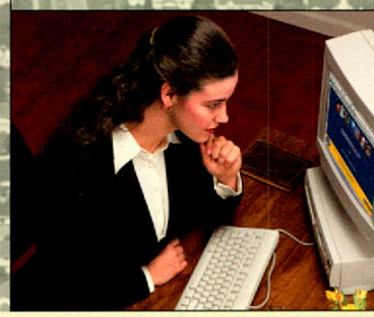
The National Land Information Service (NLIS) is part of an initiative to modernize government services in the United Kingdom, with a goal to provide online land and property related information. MDA operates the NLIS Hub, an Internet-based system through which land information is electronically requested and retrieved from a variety of databases held by central and local governments.

We also own and operate one of the three information Channels, *TransAction Online*, which delivers property-related electronic information (retrieved through the Hub) to the legal and financial community. The Hub is the wholesale end of the NLIS flow of information, while the Channels are the retail end.

The success of NLIS depends on three critical factors: **Transactions, Pricing,** and **Delivery.**

Transaction Levels – Transaction levels are determined by the success of the three Channels through which the NLIS products are marketed, one of which is our own *TransAction Online*.

Our NLIS Channel provides customers speed and convenience. Solicitors fill out a form once on their computer screen, then submit their search requests electronically



From a standing start a year ago, our Channel has achieved success in the marketplace. Solicitors have discovered the speed and convenience of filling out a form on their computer screen once, and then submitting their search requests electronically. As well, we've increased the variety of reports we provide. *TransAction Online* customers can easily verify that a plot of land or property is free of encumbrances from mining activities, railway encroachments, utility rights-of-way, or drainage problems.

The result has been strong acceptance of our Channel in the marketplace, and transaction levels are growing steadily.

In fact, thanks to superb marketing efforts by all three Channels, the transaction levels at the NLIS Hub have gone from 0 to 3,500 per week in just over one year.

Pricing – To offer competitive pricing for the NLIS service, the Local Authorities need to sell the information to our Hub at a reduced price, so that information requests that are processed electronically don't cost any more than the customer would pay over-the-counter. The Differential Pricing Program makes this possible. Of the 375 Local Authorities targeted for this program, 136 have signed up so far.

The Local Authority Modernization Program (LAMP) takes the processing of land information requests from Level 1, or paper processing, to Level 3, where requests are fully processed electronically.

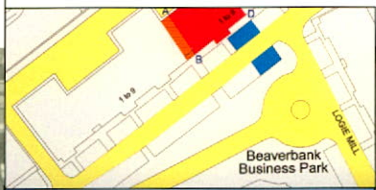
LEVEL 3

LEVEL 1

Delivery – To improve the speed of delivery, Local Authorities in the U.K. have to modernize. There are three stages of modernization in the NLIS program.

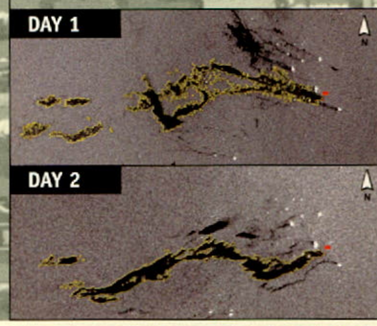
At Level 1, the pre-modernization stage, search requests are processed on paper. At Level 2, search requests are received and returned electronically, although manual systems may be used to process the search. And at the highest level, Level 3, the search process is entirely electronic. At this point, 165 Local Authorities are at Level 2 or 3, and this number is growing steadily.

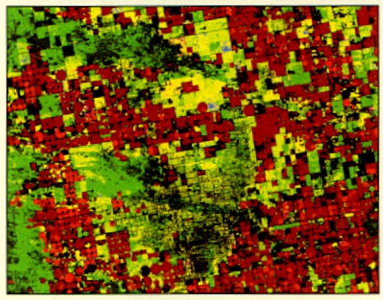
MDA acquired Millar & Bryce Ltd. in early 2003, the largest and most established commercial provider of title and legal information in Scotland. A sample of their product offerings, (top) is their "Property Definition Report" of a business park in Edinburgh (pictured below).



Twenty-four hours a day, seven days a week, MDA's secure production centre produces valuable land information from satellite imagery for defence organizations.

These satellite images of an oil spill off South America (top) show it increasing in size over a two day period. Oil companies and investigators use this information to assist clean-up activities, and to help prevent similar incidents in the future. The image (bottom) of a farm field in Texas is the kind of land information we provide the U.S. Department of Agriculture to monitor crop growth.





Upgrading from Level 1 to Level 2 is a simple process accomplished by providing a standard kit, while upgrading from Level 2 to Level 3 is more complex. We've created a special program, called the Local Authority Modernization Program (LAMP), to help Local Authorities achieve Level 3. LAMP was introduced this fall, and we've already signed up four Local Authorities to the program.

We continue to search for geographic expansion opportunities in the region, outside of England and Wales. MDA recently acquired Miller & Bryce in Scotland, immediately establishing our company as the leading land and property information supplier in Scotland with a 60% share of the market. This is consistent with geographic expansion of our essential land information business in Europe.

Millar & Bryce has an excellent history of profitability and a solid base of repeat customers, and they have a proprietary database built over many years that is continuously updated. Headquartered in Edinburgh, they supply information products to over 1,000 legal, accounting, and banking firms throughout Scotland.

INTERNATIONAL: GEOGRAPHIC INFORMATION

Geographic Information Products include maps, satellite images, and value-added information products derived from aerial and satellite images. MDA provides a range of products that are used by regional and local governments and industry for land use planning, transportation, and resource management. We gather this information from aerial photographs, laser imagery instruments, and high-resolution Earth observation satellites.

During 2002 our traditional city, county, and state Geographic Information business went through a turbulent period, part of the realignment of government priorities after the events of September 11, 2001. But we saw gradual growth in this area towards the end of the year.

We also found growth opportunities in the areas of Defence and Security. We now operate a secure 7/24-production centre where we can derive value-added information products from satellite imagery. This facility has helped our company procure multi-million dollar intelligence contracts to produce geospatial information products for defence and defence-related agencies in North America and Europe.

Many new applications in our Geographic Information Products area are working well. They include providing all-weather imagery for global military operations, assisting oil companies in various parts of the world to monitor oil seeps and oil spills, collecting inventory for forest companies in Northern British Columbia to help determine which trees to harvest, and monitoring crop growth for the U.S. Department of Agriculture.

Finally, we celebrated the first European sale of RADARSAT-2 data as the year ended. The government of Norway, one of the first countries to sign up for the RADARSAT-1, has now signed on to use imagery from its successor, RADARSAT-2, for ship detection, monitoring ice conditions, and detecting oil spills in Norwegian territorial waters. This includes a significant payment up front, in line with our plans to finance a portion of RADARSAT-2 with advance data sales.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS

This discussion and analysis may contain forward-looking statements involving risks and uncertainties including, but not limited to, changes in the market and changes in the economy.

In light of the many risks and uncertainties associated with the future, we cannot assure that the forward-looking statements discussed in this report will be realized.

BUSINESS OVERVIEW

MacDonald, Dettwiler and Associates Ltd. (TSX:MDA) is an information company that provides customers around the world with essential information used for decision making in the workplace. Operating through two groups, Information Systems and Information Products, MDA is active in data collection, information extraction and information distribution.

The Information Systems Group provides mission critical information systems to support the prime objectives of organizations in three major areas – monitoring the planet, defence and robotics. The Information Products Group delivers essential land information products that are used by businesses involved in real estate transactions and by organizations involved in land, resource and transportation management.

The Company adheres to a rigorous set of program management, system engineering, and development methodologies established over three decades of business, ensuring our information systems programs are executed to the highest technical standards, and in the most cost-effective and efficient manner possible. We apply a similar set of values to our information products, ensuring we create and sell products and services we understand, and that meet the specific needs of our customers. We have transitioned from a pure systems-related company into a company that now derives almost half its revenues from information products.

Revenues from our Information Systems group are derived from large, multi-year domestic and international contracts with governments and commercial customers. Our Information Systems group is integral to maintaining our backlog. Our backlog provides us with a view to the future, and we are continually working on systems business opportunities that will maintain that backlog. Our management team is driven to ensure our heritage systems business continues to grow both organically and through acquisitions. This year MDA moved into the United States information systems market with the strategic acquisition of Dynacs Inc.("Dynacs"). This acquisition has provided us with access to the largest systems market in the world.

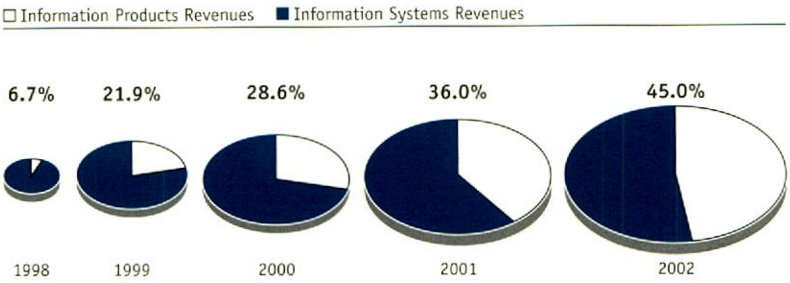
Revenues from our Information Products group are derived in a variety of ways. Our legal and asset information products business generates revenues from transaction fees and single and multi-year data licence agreements for electronic land information. Our transaction fees range from $10 to several hundreds of dollars, for providing essential legal and asset information electronically to customers. We presently operate in British Columbia, the United Kingdom and in the United States. We look for growth opportunities through new value-added products as well as geographic expansion. We recently acquired a company in Scotland, Millar & Bryce Limited, which not only expands our geographic reach in the United Kingdom, but also provides us with access to new value-added legal information products that can potentially be rolled out into other areas of our business.

Our geographic information products business typically generates revenues from contracts with commercial companies and multiple levels of governments in Canada, the United States, and internationally. Contracts for our geographic information products and services range from tens of thousands of dollars to several million dollars. MDA owns the exclusive marketing rights to RADARSAT-1 earth observation imagery, and is a licenced reseller of image products from all operational civilian satellite missions. We are also a major supplier of geospatial and mapping related services in Canada and the United States. Early in 2002 we acquired Earth Satellite Corporation ("EarthSat"), which creates and distributes value-added information products derived from satellite imagery. EarthSat operates one of the world's largest secure, production centres in the United States, and is a key provider of satellite imagery information to the United States government.

RESULTS OF OPERATIONS

Company revenues for the year ended December 31, 2002 increased 19% to $570.5 million, up from $481.3 million in 2001. The Information Systems group accounted for 55% of revenues, with the remaining 45% contributed by the Information Products group. This compares to 64% and 36% respectively for the year ended December 31, 2001.

Revenues for the Information Systems group, net of intersegment eliminations of $6.4 million, was stable during the year with a modest increase of 3% from $307.8 million in 2001 to $315.7 million for 2002. Uncertainty in the global economy and the reassessment of government priorities post 9/11 slowed procurements in the international systems market.



INFORMATION PRODUCTS GROUP REVENUES AS A PERCENTAGE OF CONSOLIDATED REVENUES

Revenues for the Information Products group increased by 47% from $173.5 million in 2001 to $254.8 million in 2002. Included in 2002 are 11 months of revenues from the acquisition of EarthSat. Information Products revenues increased by 23% exclusive of the acquisition.

Total backlog, funded plus options, increased to $768 million as at December 31, 2002. Option backlog relates to signed and funded contracts where authorization has not been given to commence work. Option backlog includes the 2002 fourth quarter contract award of the imaging and surveillance radar system with Canada's Department of National Defence and a contract with NASA for ongoing engineering services for the Canadarm. Fully committed and funded backlog at December 31, 2002 amounted to $368 million, compared to $397 million at December 31, 2001. The decrease in fully funded backlog is mainly attributable to the completion of several key milestones on the RADARSAT-2 program.

Selling, general and administration expenditures increased $5.6 million to $59.1 million, which represents 10.4% of 2002 revenues compared to 11.1% for the previous year. This represents a 10% increase year over year compared to a 19% increase in consolidated revenues. Amortization of capital assets and licences amounted to $19.2 million in 2002 (3.4% of revenues) compared to $17.5 million in 2001 (3.6% of revenues). Amortization expense increased $1.7 million year over year, which is consistent with the growth profile of the Company.

The Company applies settlement accounting to account for stock-based compensation, and accordingly, no compensation expense has been recognized for fixed stock option plans in 2002. The Company's Board of Directors has reviewed the long-term compensation plan for 2003 and is replacing the current stock option plan with a restricted common stock plan and performance stock option plan, that rewards employees based on compounded annual earnings per share growth performance.

The Company invested $34.6 million in research and development ("R&D") in 2002, investigating new technologies to support our business. This includes internally funded R&D and R&D that the Company performs in the normal course of business. R&D expenditures performed in the normal course of business have been included in cost of sales. Internally funded R&D amounted to $6.1 million in 2002 compared to $6.0 million in 2001.

Interest expense increased by $312,000 during the year. The cost of borrowing decreased in 2002 compared to 2001, however the Company's overall debt increased to finance the acquisitions of EarthSat and Dynacs. The Company's interest coverage for 2002, EBITDA divided by interest expense, is healthy at a ratio of 14.1:1, compared to our bank covenant of 3.5:1. Our debt to EBITDA coverage, debt divided by EBITDA, is also very strong at 1.3:1, compared to our bank covenant ceiling of 3.5:1.

The Company's overall effective tax rate increased to 40.4% in 2002, up from 39.3% the prior year. These income tax rates used for preparation of the financial statements include both current or cash taxes and future income taxes. The cash tax rate of 32.5% is significantly lower than the overall income tax rate.

Earnings before amortization of goodwill increased 33% to $37.0 million for the year ended December 31, 2002 ($0.97 per common share diluted), up from $27.9 million for 2001 ($0.75 per common share diluted).

Under the new accounting recommendations effective January 1, 2002, intangible assets acquired, which have indefinite lives, are not amortized and are tested for impairment at least annually. Accordingly, amortization of goodwill was nil in 2002, compared to $9.3 million net of taxes in 2001. During the year and again at the end of 2002, the Company performed an analysis of goodwill and intangible assets to review them for impairment. The result of the analysis is that the fair value of goodwill and intangible assets continue to exceed the book value of these assets by a healthy margin.

On a segmented basis, operating earnings (prior to amortization, new business start-up costs, interest and corporate expenses) for the Information Systems group increased 9.6% to $50.8 million in 2002. This represents 16.1% of revenues for 2002, compared to 15.1% of revenues for 2001. Operating earnings for the Information Products group increased 54% to $52.2 million in 2002.

This represents 20.5% of revenues for 2002, compared to 19.6% for 2001. Corporate expenses increased from $3.6 million in 2001 to $4.2 million in 2002. Corporate expenses are expenditures that cannot be specifically allocated to either Information Systems or Information Products, and include items such as insurance, audit and consulting fees, and acquisition-related expenses.

Investments in new business start-ups increased from $7.2 million in 2001 to $11.3 million in 2002. These expenditures relate to one-time expenses incurred by the Information Products group to set up and develop new business ventures and are expensed in the year incurred. Expenditures in 2002 relate primarily to our United Kingdom operations.

LIQUIDITY AND CAPITAL RESOURCES

Earnings before interest, income taxes and amortization of goodwill and capital assets ("EBITDA") increased by 26% from $69.4 million in 2001 to $87.5 million in 2002. EBITDA as a percentage of revenues increased from 14.4% in 2001 to 15.3% in 2002. The Information Products group typically has higher EBITDA margins than Information Systems, and as the Information Products group has become a greater percentage of the Company, EBITDA margins have increased (Information Products contributed 45% of revenues in 2002 compared to 36% in 2001).

During 2002, the Company completed three acquisitions, one in the Information Products group and two in Information Systems.

On January 29, 2002, the Company finalized the acquisition of EarthSat for cash consideration of $46.7 million. EarthSat is a provider of information products derived from satellite imagery and other sources.

On April 11, 2002, the Company acquired certain assets of Automated Mining Systems Inc. for $225,000 and future contingent consideration of up to $2 million. Automated Mining Systems Inc. is a supplier of products designed to enable robotic operation of underground mining equipment.

On June 28, 2002 the Company acquired Dynacs for consideration of $11.6 million and future contingent consideration of up to $14 million. Dynacs is an engineering company based in the United States.

During April 2002 the Company amended its syndicated credit agreement and increased its facility from $190 million to $300 million. This facility enhances the financial resources available to the Company to continue implementing its business plan and to finance its growth and acquisition strategy.

In April 2002, certain principal shareholders of the Company sold five million common shares of the Company through a secondary offering of securities. The Company did not receive any proceeds from the offering. This sale increased the liquidity of the Company's publicly-traded shares and broadened the Company's shareholder base, while allowing certain major shareholders, who have supported and facilitated the Company's transition to a public company, to reduce their share ownership positions to more desirable long-term levels.

FINANCIAL POSITION AND FINANCING ACTIVITIES

Total assets employed as at December 31, 2002 amounted to $543 million, an increase of $114 million over 2001. Additions to capital assets were $18.2 million in 2002, compared to $18.3 million in 2001. Capital asset additions amounted to 3.2% of revenues in 2002 compared to 3.8% of revenues in 2001. Goodwill increased by $63 million year over year, due to the acquisitions in 2002.

Net long-term debt and obligations under capital leases (debt less cash), amounted to $85.7 million on December 31, 2002 compared to $50.3 million as at December 31, 2001.

During 2002, the Company entered into interest rate swaps that, combined with interest rate swaps previously implemented, effectively fixed the interest rates on a portion of the Company's debt until the end of 2003. The rates range from 3.9% to 5.6% and cover a debt amount that varies between $70 million and $100 million. At December 31, 2002 the Company had drawn cash advances of approximately $107 million of its $300 million facility. The Company has also issued a letter of credit of $39 million related to RADARSAT-2 at December 31, 2002. In the event the Company was financially unable to meet its commitments for the construction of the satellite, any amounts drawn under the RADARSAT-2 letter of credit would be provided to the Company for the completion of the satellite.

Accounts receivable, net of provisions, as at December 31, 2002 were $130.5 million compared to $97.5 million in 2001. The increase in accounts receivable is consistent with the increase in revenues year over year. Accounts receivable can change significantly on a month-to-month basis depending on contract milestone billings. The average number of days receivables were outstanding was 42 days at December 31, 2002. Most of the Company's receivables are with governments and government agencies. Inventory at December 31, 2002 was $2.4 million and related to miscellaneous materials, consumables and work in progress. The Company generally does not commence work on a contract until the contract is signed. If the Company commences work on a project prior to the contract being signed, the costs are accumulated as work-in-progress inventory.

Deferred revenues as at December 31, 2002 increased by $14.6 million to $98.9 million. Deferred revenues represent amounts billed or cash received in excess of revenues recognized on long-term contracts. Long-term deferred revenues are revenues that will not be recognized until 2004.

During the year the Company's net increase in its long-term debt was $42.3. During the year the Company borrowed $57.8 million to finance the acquisitions of EarthSat and Dynacs and repaid $15.5 million. The Company generated $12.4 million through the issuance of common shares. The common shares issued related to the exercise of share options and an employee share purchase plan.

OTHER MATTERS

During 1998, the Company entered into a licence agreement with Orbital Imaging Corporation ("Orbimage"), for a ten-year exclusive licence for certain specified data. In January 2001, the Company terminated the original licence agreement with Orbimage and entered into a new agreement. The new agreement provides that the Company will licence certain rights to data from the RADARSAT-2 satellite. As at December 31, 2001 US$30.0 million had been received from Orbimage and formed part of the total consideration for the new agreement. The new agreement required payments from Orbimage of US$10 million during 2002. Orbimage is in arrears in payment and is currently under Chapter 11 bankruptcy protection. The Company and Orbimage are presently involved in a court appointed non-binding mediation process.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In December 2001, the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Section 3870. This section established standards for the recognition, measurement, and disclosure of stock-based compensation. It applies to transactions in which shares of common stock, stock options or other equity instruments are granted or liabilities incurred based on the price of common stock or other equity instruments.

Under section 3870, which was effective for stock-based compensation issued on or after January 1, 2002, the Company may apply either the fair value-based method or the intrinsic value method of accounting for stock-based compensation awards granted to employees.

The Company applies settlement accounting to account for stock-based compensation, and accordingly, no compensation expense has been recognized for fixed stock option plans. Section 3870 required additional disclosure of options granted to employees, including disclosure of pro forma earnings and pro forma earnings per share as if the fair value based accounting method had been used to account for employee stock options. The Company has provided this disclosure in its financial statements.

In August 2001, the Accounting Standards Board of the CICA issued new recommendations on Business Combinations and Goodwill and Other Intangible Assets.

The Business Combinations recommendations, CICA Handbook Section 1581, were effective for business combinations initiated on or after July 1, 2001. As a result, intangible assets acquired in a business combination must be identified and recognized separately from goodwill when they arise from either contractual or other legal rights or if they can be separated from the acquired enterprise and sold, transferred, licenced, rented or exchanged, either individually or with a group of related assets or liabilities.

The Goodwill and Other Intangible Assets recommendations, CICA Handbook Section 3062, preclude the amortization of goodwill and other intangibles with indefinite life. Goodwill and other intangibles with an indefinite life are tested for impairment annually. Goodwill is tested for impairment at the reporting level rather than at an acquisition-specific or enterprise-wide level.

CRITICAL ACCOUNTING POLICIES

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are based upon historical experience and various other assumptions that are believed to be reasonable under the circumstances. These estimates are evaluated on an on-going basis and form the basis of making judgements regarding the carrying values of assets and liabilities and the reported amount of revenues and expenses. Actual results may differ from these estimates under different assumptions. A summary of the Company's significant accounting policies is set out in the notes to the consolidated financial statements.

BUSINESS RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties that can significantly affect its financial condition and future financial performance. We have a comprehensive planning process where risks are identified and plans initiated to minimize risks wherever possible. Key risks include, among others:

FIRM FIXED PRICE CONTRACTS

A large percentage of the Company's contracts are firm fixed price contracts. These firm fixed price contracts at times involve the completion of large-scale system engineering and software development projects. There is a risk in all of the firm fixed price contracts that the Company will be unable to deliver under the contract within the time specified and at a cost to the Company which is less than the contract price. The technical nature and sophistication of the systems deliverable under these contracts may require amendments to be negotiated from time to time, subject to agreed contract change processes. In the absence of any agreement to such amendments which increase the price payable or extend delivery times, customers may be in a position to terminate the contract for default, or to demand repayments or penalties. Notwithstanding that the Company, together with the customer, constantly monitors these projects to determine early warnings related to these risks, a contract may end up in a default or in overruns. A significant contract overrun that is caused by actions or inactions by the Company could affect the Company's results of operations and financial condition.

RELIANCE ON THIRD PARTIES/SUBCONTRACTORS

The Company's business is often dependent upon performance by third parties and subcontractors for completion of contracts on which it is the prime contractor. Subcontractors for large system programs are selected in concurrence with the customer's requirements, and if not directed by the customer, are selected through a competitive bid or negotiated process. Most major development subcontracts are established as firm fixed price contracts, generally with supporting performance bonds or other security, liquidated damages or other penalties for non-performance. However, some subcontractors have limitations and exclusions from liability. The Company believes that these subcontractors would have an economic incentive to perform such subcontracts for the Company although no company can protect itself against all material breaches, particularly those related to financial insolvency of the subcontractors or to cost overruns by subcontractors. A significant price increase in those few subcontracts which are not firm fixed price, delay in performance, a failure to perform from any major subcontractor or the inability to obtain replacement subcontractors at a reasonable price, when and if needed could have a material adverse effect on the Company's business, results of operation and financial condition.

POTENTIAL FOR LIABILITY

There is a risk that the Company's products or systems may contain errors or defects or fail to perform. While the Company contractually limits its liability for damages arising from its provision of products and systems, limitations of liability, although existing in the vast majority of the Company's contracts, may not have not been included in all of the Company's past contractual arrangements and even where such limitations have been included, there can be no assurance that they will be enforceable in all circumstances or in all jurisdictions or that they otherwise will protect the Company from liability for damages except for the insurance coverage which does apply. Furthermore, litigation regardless of contracts could result in substantial cost to the Company, divert management's attention and resources from the Company's operations and result in negative publicity that may impair the Company's ongoing marketing efforts. Although the Company purchases product liability (covering risk of property damage and personal injury) and computer software and service errors and omissions insurance, there is no assurance that this insurance will cover the claims or that the claims will not exceed the insurance limit.

DEPENDENCE ON KEY PERSONNEL

The success of the Company is largely dependent on the abilities and experience of its executive officers and other key employees. Competition for highly skilled management, technical, research and development and other employees is intense in the technology industry. There can be no assurance that the Company can retain its current key employees or attract and retain additional key employees as needed. The loss of certain key employees could have an adverse impact upon the Company's growth, business and profitability.

DATA CONTRACTS

Having secure data supply is paramount to successfully participate in the US property information market. The Company has taken steps, through a variety of business alliances and agreements, to gain access to a large portion of land information data available in the United States. The data, however, needs to be complete, current and cost effective in order to successfully develop products and participate in the US property information market. The competition for the property information business is increasing with new entrants entering the market with new products in different jurisdictions. Despite successful recruitment of additional personnel and resellers, there can be no assurance that the Company will be successful in significantly increasing market demand for the Company's products.

The Company believes that its continued growth in this sector will require additional geographic expansion in the United States. To the extent that the Company is unable to expand in the United States or penetrate that market in a timely and cost effective manner, the Company's business growth could be adversely affected.

DEPENDENCE ON DATA PROVIDERS

Certain of the products to be offered by the Company in its Information Products group rely on data to be supplied by third parties. These contracts normally have provisions which permit either party to terminate the agreement in the event of a breach by the other party. In addition, there may be costs to the Company associated with its breach of such contracts and the acquisition of software and/or data to provide its products. In the event that any of such contracts are terminated, the Company may experience delays in providing its products from other data sources or software development which delays may affect the Company's operations or financial condition. The Company's growth strategy in the United Kingdom requires that it receives data from the Local Authorities at wholesale prices. There can be no assurance that the Company will be able to acquire such data from all Local Authorities at prices that permit the Company to realize a profit.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of MacDonald, Dettwiler and Associates Ltd. and all information in this annual report are the responsibility of management and have been approved by the board of directors.

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). The consolidated financial statements include certain amounts that are based on best estimates and judgements. Financial information presented in accordance with GAAP used elsewhere in the annual report is consistent with these consolidated financial statements. This annual report also contains certain other supplemental non-GAAP financial information, such as order backlog information, which is not derived from or contained in the consolidated financial statements.

Management of the Company, in discharging its responsibility for the integrity and objectivity of the consolidated financial statements, has developed and maintained a system of internal controls. Management believes the internal controls provide reasonable assurance that financial records are reliable and form a proper basis for the preparation of the consolidated financial statements, and that assets are properly accounted for and safeguarded.

The board of directors carries out its responsibility for the consolidated financial statements in this annual report principally through its audit committee and governance committee. The audit committee, consisting solely of outside directors that are independent of any significant shareholders, reviews the Company's annual consolidated financial statements and recommends them to the board of directors for approval. The shareholders' auditors have full access to the audit committee, with and without management being present. The governance committee consists solely of outside directors, all of whom are independent.

The shareholders' auditors, KPMG LLP, Chartered Accountants, have performed an independent audit of the consolidated financial statements and their report follows.

DANIEL E. FRIEDMANN
President and Chief Executive Officer

ANIL WIRASEKARA
Executive Vice President and Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the consolidated balance sheets of MacDonald, Dettwiler and Associates Ltd. as at December 31, 2002 and 2001 and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Vancouver, Canada
February 17, 2003

MACDONALD, DETTWILER AND ASSOCIATES LTD.

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS OF DOLLARS)
DECEMBER 31, 2002 AND 2001

	2002	2001
Assets		
Current assets:		
Cash and cash equivalents	$ 23,983	17,071
Accounts receivable	130,524	97,468
Future income taxes (note 12)	12,087	6,836
Prepaid expenses	9,569	8,286
	176,163	129,661
Other long-term assets (note 5)	3,560	3,507
Capital assets (note 6)	58,028	54,153
Future income taxes (note 12)	3,683	6,774
Intangible assets (note 7)	62,571	58,886
Goodwill (note 7)	238,870	175,613
	$ 542,875	428,594
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 96,598	95,511
Deferred revenues	61,410	39,729
Current portion of long-term debt and obligations under capital leases (note 8)	1,687	2,076
	159,695	137,316
Deferred revenues	37,450	44,523
Long-term debt and obligations under capital leases (note 8)	108,017	65,336
Future income taxes (note 12)	4,868	-
Other long-term liabilities (note 9)	16,978	17,756
	327,008	264,931
Shareholders' equity:		
Capital stock (note 10)	139,233	123,804
Contributed surplus	2,050	2,050
Retained earnings	68,857	31,854
Cumulative translation adjustment	5,727	5,955
	215,867	163,663
	$ 542,875	428,594

Contingencies and commitments (notes 4 and 14)
Subsequent event (note 22)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

Director ______________________ Director ______________________

MACDONALD, DETTWILER AND ASSOCIATES LTD.

CONSOLIDATED STATEMENTS OF EARNINGS

(IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE AMOUNTS)
YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
Revenues	$ 570,485	481,275
Expenses:		
Direct costs	417,858	352,288
Selling, general and administration	59,052	53,441
Amortization of capital assets and licenses	19,170	17,512
Research and development (note 13)	6,058	6,001
	502,138	429,242
Earnings before other items	68,347	52,033
Interest expense	(6,219)	(5,907)
Other expenses	(47)	(161)
	(6,266)	(6,068)
Earnings before income taxes and amortization of goodwill	62,081	45,965
Provision for income taxes (note 12)	25,078	18,052
Earnings before amortization of goodwill	**37,003**	**27,913**
Amortization of goodwill, net of income taxes of nil (2001 - $4,248) (note 3(a))	-	9,260
Net earnings	**$ 37,003**	**18,653**
Earnings before amortization of goodwill per common share (notes 2(d) and 21):		
Basic	$ 1.02	0.80
Diluted	0.97	0.75
Earnings per common share (notes 2(d) and 21):		
Basic	$ 1.02	0.53
Diluted	0.97	0.50

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(IN THOUSANDS OF DOLLARS)
YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
Retained earnings, beginning of year	$ 31,854	13,201
Net earnings	37,003	18,653
Retained earnings, end of year	$ 68,857	31,854

See accompanying notes to consolidated financial statements.

MACDONALD, DETTWILER AND ASSOCIATES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS OF DOLLARS)
YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
Cash flows provided by (used in):		
Operations:		
Net earnings	$ 37,003	18,653
Items not affecting cash:		
Amortization of capital assets and licenses	19,170	17,512
Amortization of goodwill	-	13,508
Future income taxes	2,708	7,645
Imputed interest	544	566
Loss on disposal of capital assets	76	188
	59,501	58,072
Change in non-cash working capital items	(11,663)	(24,803)
	47,838	33,269
Investments:		
Purchase of capital assets	(18,221)	(18,252)
Purchase of intangible assets	(7,365)	(6,823)
Acquisitions (note 4)	(42,597)	-
	(68,183)	(25,075)
Financing:		
Proceeds from borrowing	57,825	6,083
Repayment of long-term debt and obligations under capital leases	(27,264)	(28,636)
Proceeds from issue of capital stock	12,435	11,691
Payment of promissory notes payable initially issued on acquisitions (note 4)	(15,739)	(23,725)
	27,257	(34,587)
Increase (decrease) in cash	6,912	(26,393)
Cash and cash equivalents, beginning of year	17,071	43,464
Cash and cash equivalents, end of year	$ 23,983	17,071

Supplementary cash flow information (note 19).

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)
YEARS ENDED DECEMBER 31, 2002 AND 2001

1. NATURE OF OPERATIONS:

MacDonald, Dettwiler and Associates Ltd. was incorporated on February 3, 1969 under the Canada Business Corporations Act. MacDonald, Dettwiler and Associates Ltd. (together with its subsidiaries, the "Company"), based in Richmond, British Columbia, is an information company that provides customers around the world with essential information for decision making in the workplace. The Company operates through two principal groups, Information Systems and Information Products. The Information Systems Group provides mission critical information systems to support the prime objectives of organizations in three major areas – monitoring the planet, defence and robotics. The Information Products Group delivers essential land information products that are used by businesses involved in real estate transactions and by organizations involved in land, resource and transportation management.

2. SIGNIFICANT ACCOUNTING POLICIES:

(a) **Generally accepted accounting principles:**

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) **Principles of consolidation:**

The consolidated financial statements include the accounts of the Company and all entities which are controlled by the Company, referred to as subsidiaries. The Company owns 100% of the outstanding equity in each of its subsidiaries. Entities which are jointly controlled, referred to as joint ventures, are accounted for using proportionate consolidation. The Company's 50% interest in LandMDA, L.L.C. is considered to be a joint venture.

Investments over which the Company does not have the ability to exercise significant influence are accounted for under the cost method of accounting. The carrying value of investments is recorded at cost and written down if there is a decline in value of the investment that is other than temporary.

All significant intercompany balances and transactions have been eliminated.
The Company's significant operating subsidiaries include the following:

Access BC Information Services Ltd.
Automated Mining Systems Inc.
DataQuick Information Systems, Inc.
Dynacs Inc.
Earth Satellite Corporation
MacDonald Dettwiler (Channel) Limited (United Kingdom)
MacDonald Dettwiler (Hub) Limited (United Kingdom)
MacDonald Dettwiler Space and Advanced Robotics Ltd.
MD Atlantic Technologies, Inc.
Radarsat International Inc.
Triathlon Ltd.

(c) **Revenue recognition:**

Revenues from long-term contracts are recognized using the percentage of completion method based on costs incurred relative to total estimated costs. Revenues from long-term production type contracts are recognized using the percentage of completion method based on the units of delivery method. The inception to date effect of any changes in estimates of contract price or costs to complete is recognized in the period when the change is determined by management.

Consideration from sales of digital information products that include a commitment for the Company to provide updates is allocated to the various elements of the arrangements based upon the relative fair value of each component. Revenues related to sales of information products are recognized when shipped. Revenues related to updating customer information are recognized ratably over the contract period. Revenues from subscription products are recognized ratably over the term of the contract. All other revenues are recorded and related costs are transferred to cost of sales at the time the product is delivered or the service is provided.

The Company recognizes the full sales amount as revenues for product sales where the Company acts as principal obligor to the customer and is responsible for compiling and formatting the source data, processing the order and delivering the product, collecting the proceeds for the sale and assuming the credit risk with respect to the customer.

Deferred revenues represent amounts billed or cash received in excess of revenues recognized on long-term contracts. Similarly, accounts receivable include unbilled amounts where revenues recognized on long-term contracts based on percentage of completion exceed the amount billed to date.

(d) **Earnings per share:**

Basic earnings before amortization of goodwill per common share is computed by dividing earnings before amortization of goodwill by

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

(d) **Earnings per share (Continued):**
the weighted average number of common shares outstanding during the period.

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings before amortization of goodwill per common share and diluted earnings per common share is calculated using the treasury stock method and reflects the potential dilution of securities by including stock options and contingently issuable shares, in the weighted average number of common shares outstanding for a period, if dilutive.

(e) **Use of estimates:**
The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates relate to the determination of percentage of completion and estimated project costs and revenues for contract revenue recognition, impairment of assets and rates for amortization, estimated amount of future income tax balances and the estimated balances of accrued liabilities and pension obligations. Actual results could differ from those estimates.

(f) **Cash equivalents:**
Cash equivalents include short-term deposits, which are all highly liquid marketable securities having a term to maturity of three months or less when acquired. Short-term deposits are valued at cost.

(g) **Capital assets:**
Capital assets are initially recorded at cost. Amortization is subsequently provided on a straight-line basis at the following rates:

Asset	Rate
Computers and software	10% - 33%
Equipment	20%
Furniture and fixtures	20%
Leasehold improvements	Lesser of useful life or term of lease

The recoverability of capital assets is based on factors such as future asset utilization and the future undiscounted cash flows expected to result from the use of the related assets. An impairment loss is recorded in the period when it is determined that the carrying amount of the asset is not recoverable. At that time the carrying amount is written down to the undiscounted future cash flows.

(h) **Internally-developed software:**
The Company develops software internally for use in providing electronic information products to its customers. Costs that relate to the conceptual formulation and design of internally-developed software are expensed in the period incurred. The Company capitalizes direct costs that are incurred to produce the finished product after technological feasibility is established. The Company performs periodic reviews to ensure the unamortized costs remain recoverable from future revenue. Costs to support or service internally-developed software are expensed in the period incurred.

(i) **Pensions:**
The Company maintains defined benefit and defined contribution pension plans that provide retirement benefits for approximately 180 salaried employees of MacDonald Dettwiler Space and Advanced Robotics Ltd. The Company also provides these employees with certain health care, dental care and life insurance benefits to eligible retired employees and their dependants. The cost of pensions and other retirement benefits earned by these employees is determined based on independent annual actuarial valuations, performed using the projected benefit method pro-rated on services and management's estimate of expected plan investment performance, salary escalation, and various other factors, including mortality rates, terminations, and retirement ages. Defined benefit pension plan assets are reported at market values.

The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. Adjustments arising from plan amendments, experience gains and losses and changes in assumptions are amortized using the corridor method for the pension plan.

(j) **Research and development:**
Research costs are expensed in the period incurred. Development costs are expensed in the period incurred unless the Company believes a development project meets generally accepted criteria for deferral and amortization.

(k) **Government assistance and investment tax credits:**

Research and development costs are reduced by related government assistance. Investment tax credits are accounted for using the cost reduction method, whereby the benefit is recognized as a reduction in the cost of the related asset or expenditure when there is reasonable assurance the tax credits will be received.

(l) **Translation of foreign currencies:**

Foreign operations which are considered integrated (financially and operationally dependent on the parent) are translated to Canadian dollars using current rates of exchange for monetary assets and liabilities. Historical rates of exchange are used for non-monetary assets and liabilities and average rates for the year are used for revenues and expenses except for amortization, which is translated at exchange rates used in the translation of the relevant asset accounts. Gains or losses resulting from these translation adjustments are included in income.

Foreign operations which are considered self-sustaining (financially and operationally independent of the parent) are translated to Canadian dollars using the current rates of exchange for assets and liabilities and using average rates for the year for revenues and expenses. Gains or losses resulting from these translation adjustments are deferred in a separate component of shareholders' equity ("Cumulative translation adjustment") until there is a realized reduction in the parent's net investment in the foreign operation.

Trade transactions completed in foreign currencies are reflected in Canadian dollars at the rates prevailing at the time of the transactions. Amounts payable and receivable in foreign currencies are reflected in the consolidated financial statements in equivalent Canadian dollars at the rate of exchange prevailing at the balance sheet date.

(m) **Income taxes:**

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases (temporary differences). The resulting changes in the net future income tax asset or liability are included in income. Future income tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the substantive enactment date. Future income tax assets are evaluated periodically and if realization is not considered "more likely than not" a valuation allowance is provided.

(n) **Intangible assets:**

Intangible assets acquired either individually or with a group of other assets are initially recognized and measured at cost. The cost of a group of intangible assets acquired in a transaction, including those acquired in a business combination that meet the specified criteria for recognition apart from goodwill, is allocated to the individual assets acquired based on their relative fair values.

Intangible assets with finite useful lives relate to licenses and are amortized over their estimated useful lives, which is the exclusive period of the licenses prior to any renewal periods (6 to 10 years). The amortization methods and estimated useful lives of intangible assets are reviewed annually.

Intangible assets with indefinite useful lives are not amortized and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test compares the carrying amount of the intangible asset with its fair value, and an impairment loss is recognized in income for the excess, if any.

(o) **Goodwill:**

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the assets acquired, less liabilities assumed, based on their fair values. Goodwill is allocated as of the date of the business combination to the Company's reporting units that are expected to benefit from the synergies of the business combination.

Goodwill is not amortized and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and the second step of the impairment test is unnecessary.

The second step has not been required but would be carried out if the carrying amount of a reporting unit exceeds its fair value, in which case the implied fair value of the reporting unit's goodwill is compared with its carrying amount to measure the amount of the impairment loss. The implied fair value of the reporting unit's goodwill is determined in the same manner as the value of goodwill is determined in a business combination described in the preceding paragraph, using the fair value of the reporting unit as if it was the purchase price. When the carrying amount of a reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the earnings statement before extraordinary items and discontinued operations.

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

(p) **Stock-based compensation:**

The Company has a stock-based compensation plan. No compensation expense is recognized for this plan when share options are issued to employees as options are issued at the market value of the shares at the date of the grant. Consideration paid by employees on the purchase of shares under the employee share purchase plan and exercise of stock options is recorded as share capital. The Company discloses the pro forma effect of accounting for these awards under the fair value based method (note 11(b)).

(q) **Warranty costs:**

The Company accrues warranty costs based on the estimated costs, with reference to past experience.

3. CHANGES IN ACCOUNTING POLICY:

(a) **Business combinations, goodwill and other intangible assets:**

In August 2001, the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Section 1581, Business Combinations, and Section 3062, Goodwill and Other Intangible Assets. Under Section 1581, intangible assets acquired in a business combination should be identified and recognized apart from goodwill when they arise from either contractual or other legal rights or they can be separated from the acquired enterprise and sold, transferred, licensed, rented or exchanged, either individually or with a group of related assets or liabilities. Under Section 3062, goodwill and intangible assets having indefinite lives are not amortized and are tested for impairment at least annually. Intangible assets with definite lives are amortized over their estimated useful lives.

The Company has adopted Sections 1581 and 3062 effective January 1, 2002. As of the date of adoption, the Company had unamortized goodwill in the amount of $175,613,000 and unamortized identifiable intangible assets in the amount of $37,059,000, which are no longer being amortized. This change in accounting policy resulted in a reduction in amortization expense related to goodwill and these intangible assets of $10,588,000 (net of taxes of $4,856,000) for the year ended December 31, 2002. In accordance with the requirements of Section 3062, this change in accounting policy is not applied retroactively and the amounts presented for prior periods have not been restated for this change.

The consolidated statements of earnings provide information on the effect of amortization of goodwill on net earnings and earnings per common share of the prior period. Goodwill and intangible assets with an indefinite useful life were reviewed for impairment in the current year. No impairment charge was required.

(b) **Stock-based compensation plans:**

In December 2001, the Accounting Standards Board of the CICA issued Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments. Under Section 3870, which is effective for stock-based compensation issued on or after January 1, 2002, and is not required to be applied retroactively, the Company is not required to record compensation expense for stock-based compensation awards granted to employees, except for employee awards that are direct awards of stock, call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by the issuance of equity instruments. The Company has granted no such awards and, consequently, the adoption of the new standard has had no impact on the figures presented.

4. ACQUISITIONS:

(a) On June 28, 2002, the Company entered into an agreement to acquire all of the outstanding shares of Dynacs Inc. ("Dynacs"). The results of Dynacs' operations have been included in the consolidated financial statements since the date of acquisition. Dynacs is a systems company based in the United States. The agreement required the Company to invest $11,600,000 in Dynacs in order to repay existing creditors. Contingent consideration of up to $14,000,000 is payable based on Dynacs achieving certain income targets over the period to 2006.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition. As Dynacs is in the process of obtaining a third-party review of the valuation, the allocation of the purchase price is subject to refinement.

	June 28, 2002
Current assets	$ 9,003
Goodwill	12,433
Total assets acquired	21,436
Current liabilities	(20,535)
Long-term liabilities	(901)
Purchase consideration	$ -

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

(b) On April 11, 2002, the Company entered into an agreement to acquire certain assets of Automated Mining Systems Inc. ("AMS") for $225,000 plus related acquisition costs of $84,000. AMS is a supplier of electronic products designed to enable robotic operation of underground mining equipment. The purchase price has been fully allocated to inventory. In accordance with the agreement, the Company is required to pay contingent consideration of up to $2,000,000, based on AMS achieving certain financial targets over the period to 2007.

(c) On January 29, 2002, the Company acquired all of the outstanding common shares of Earth Satellite Corporation ("EarthSat"). The results of EarthSat's operations have been included in the consolidated financial statements since the date of acquisition. EarthSat is a provider of information products derived from satellite imagery and other sources. The aggregate purchase price was $46,704,000.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition. Included in the current liabilities assumed are notes payable of $2,400,000 and $8,800,000 which are due to the vendors and are payable on the conversion of certain working capital amounts to cash. These notes were repaid during 2002.

	January 29, 2002
Current assets	$ 14,066
Equipment	1,069
Other long-term assets	122
Goodwill	46,458
Total assets acquired	61,715
Current liabilities	(16,660)
Long-term liabilities	(3,322)
	$ 41,733
Cash consideration	$ 46,704
Cash of acquired operations	(4,971)
	$ 41,733

(d) As a result of receiving regulatory approvals related to the transfer of various pension plan assets pursuant to the acquisition of the Advanced Technology and Robotics Program of the Space Systems Division of Spar Aerospace Limited ("SPAR") in 1999, the Company was required to pay $475,000 to SPAR during 2002.

(e) Pursuant to an agreement entered into with Local Government Information House in the United Kingdom, effective September 2001, the Company entered into an arrangement to provide an electronic land information access and delivery service for consideration, including acquisition costs, of £12,585,000. Consideration for the acquisition was in the form of promissory notes. During 2002, $4,539,000 (2001 - $23,725,000) of the promissory notes were repaid. Accordingly, no promissory notes remained outstanding at December 31, 2002.

The arrangement allows the Company to earn fees on a transaction basis for an exclusive period to October 2007, plus an optional three-year renewal period. In conjunction with the acquisition, the Company is committed to pay a periodic charge of £250,000 quarterly commencing April 2002 through June 2007.

Net non-cash assets acquired at fair value:	
Assets acquired	$ 9,667
Liabilities assumed	(928)
Net non-cash assets acquired	8,739
Excess of cost of net assets over assigned fair values – goodwill	19,525
Promissory notes payable	$ 28,264

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

4. ACQUISITIONS (CONTINUED):

(f) Pursuant to the acquisition agreement relating to the purchase of Atlantic Technologies LLC on November 3, 2000, the Company issued 170,307 common shares to the vendor on each of November 3, 2001 and 2002. Accordingly, goodwill related to the acquisition increased by $2,994,000 in 2001 and 2002. Additional consideration of 170,308 common shares is contingently issuable based on the vendor meeting certain conditions during the next year. If these conditions are met, the common shares will be released to the vendor on the third anniversary of the closing of the transaction. The purchase accounting for this transaction will be adjusted for the value of this contingent consideration when the conditions are determined to have been met and the shares are issued. The vendor has an option to require the Company to repurchase under the terms of the agreement the cumulative number of shares issued at prices increasing to $16.82 per share over the next year.

(g) Pursuant to the acquisition of FDI Forest Dimensions Inc. ("FDI") in 1999, additional consideration of $80,000 was paid to the former shareholder. Additional consideration of up to $568,000, may be payable contingent upon FDI achieving certain revenue levels in the upcoming two years.

5. OTHER LONG-TERM ASSETS:

	2002	2001
Non-interest bearing note receivable discounted at a rate of 4%	$ 2,040	1,955
Prepaid fees	869	901
Investment in Digital Globe, Inc. (formerly EarthWatch, Incorporated)	556	556
Investment in ImageONE Co., Ltd.	95	95
	$ 3,560	3,507

Future payments due under the note receivable are as follows:

2004	$ 1,271
2009	1,090
	2,361
Imputed interest	(321)
	$ 2,040

6. CAPITAL ASSETS:

2002	Cost	Accumulated amortization	Net book value
Computers and software	$ 111,565	66,348	45,217
Equipment	23,791	18,754	5,037
Furniture and fixtures	8,262	6,548	1,714
Leasehold improvements	19,771	13,711	6,060
	$ 163,389	105,361	58,028

2001	Cost	Accumulated amortization	Net book value
Computers and software	$ 102,114	60,541	41,573
Equipment	23,081	18,357	4,724
Furniture and fixtures	8,334	6,279	2,055
Leasehold improvements	18,310	12,509	5,801
	$ 151,839	97,686	54,153

As at December 31, 2002 total assets under capital leases included above have a cost of $8,600,000 (2001 - $10,955,000) and a net book value of $476,000 (2001 - $1,388,000).

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

7. GOODWILL AND OTHER INTANGIBLE ASSETS:

(a) The changes in the carrying amount of goodwill for the year ended December 31 is as follows:

2002	Information systems	Information products	Total
Balance as at January 1	$ 58,722	116,891	175,613
Goodwill acquired during period (note 4)	12,517	46,458	58,975
Goodwill related to contingent consideration (notes 4(d), 4(f) and 4(g))	475	3,074	3,549
Foreign exchange	719	14	733
Balance as at December 31	$ 72,433	166,437	238,870

2001	Information systems	Information products	Total
Balance as at January 1	$ 62,311	99,659	161,970
Goodwill acquired during period (note 4)	254	19,525	19,779
Goodwill related to contingent consideration (notes 4(f) and 4(g))	-	3,070	3,070
Goodwill amortization	(3,972)	(8,114)	(12,086)
Foreign exchange	129	2,751	2,880
Balance as at December 31	$ 58,722	116,891	175,613

(b) **Intangible assets as at December 31 are as follows:**

2002	Gross carrying amount	Accumulated amortization	Total
Amortized intangible assets:			
Licenses	$ 28,526	10,121	18,405
Unamortized intangible assets:			
Perpetual license	37,287	2,967	34,320
Intellectual property	10,741	895	9,846
	48,028	3,862	44,166
	$ 76,554	13,983	62,571

2001	Gross carrying amount	Accumulated amortization	Total
Amortized intangible assets:			
Licenses	$ 28,449	6,622	21,827
Unamortized intangible assets:			
Perpetual license	30,124	2,992	27,132
Intellectual property	10,830	903	9,927
	40,954	3,895	37,059
	$ 69,403	10,517	58,886

The aggregate amortization expense for the year ended December 31, 2002 was $3,493,000 (2001 - $4,856,000).

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

8. LONG-TERM DEBT AND OBLIGATIONS UNDER CAPITAL LEASES:

	2002	2001
Loan payable in Canadian dollars, interest at bankers acceptances plus 0.70% – 1.75%, repayable on April 14, 2005. The revolving period can be extended, subject to bank approval, on an annual basis.	$ 107,000	33,200
Term loan payable in Canadian dollars, interest at bankers acceptances plus 1.00% – 1.75%.	-	29,375
Equipment loan, interest at LIBOR plus 2.25% – 4.33%, principal and interest repayable at US$31,500 monthly, ending June 1, 2005.	1,313	1,975
Equipment loan, interest at 7.25%, principal and interest repayable at US$19,000 monthly, ending November 1, 2003.	295	624
Western Economic Diversification loan, non-interest bearing, repayable semi-annually at the greater of $103,300 or 2.5% of certain specified gross revenues for the preceding six months, ending April 1, 2005.	385	1,068
Western Economic Diversification loan, non-interest bearing, repayable in annual instalments of $134,000 ending March 31, 2005.	435	569
Obligations under capital leases	276	601
	109,704	67,412
Less: current portion	1,687	2,076
	$ 108,017	65,336

In April 2002, the Company amended its syndicated credit agreement and increased its facility from $190,000,000 to $300,000,000. The new three year revolving bank facility provides that up to $100,000,000 of the facility can be applied to letters of credit. The bank facility is secured by general security agreements and guarantees of the Company and certain of its subsidiaries. Equipment loans are secured by specific assets.

During the year ended December 31, 2001, the Company entered into a two year interest rate swap, effective October 2001. The interest rate swap allows the Company to pay a fixed interest rate of approximately 3.86% plus 0.70% to 1.75% on debt of $30,000,000. Interest is paid quarterly in arrears.

During the year ended December 31, 2002, the Company entered into a fourteen month interest rate swap, effective November 2002. The interest rate swap allows the Company to pay a fixed interest rate of approximately 3.15% plus 0.70% - 1.75% on a debt of $70,000,000. The notional value of this swap decreases by $10,000,000 quarterly until October 2003, then increases to $70,000,000 for the remaining quarter. Interest is paid monthly in arrears.

Principal repayments on long-term debt and capital leases as at December 31, 2002 are as follows:

	Long-term debt	Capital leases	Total
2003	$ 1,411	282	1,693
2004	731	-	731
2005	107,286	-	107,286
Total future minimum payments	109,428	282	109,710
Amount representing interest on capital leases	-	6	6
	$ 109,428	276	109,704

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

9. OTHER LONG-TERM LIABILITIES:

	2002	2001
Accrued acquisition and integration costs	$ 13,292	15,704
Pension (note 17)	2,638	2,052
Other long-term liabilities	1,048	-
	$ 16,978	17,756

10. CAPITAL STOCK:

Authorized:

Unlimited number of common shares with no par value

Unlimited number of preferred shares, issuable in series, convertible to common shares

Common shares issued and fully paid:

	Number of shares	Amount
Balance at December 31, 2000	34,429,751	$ 109,119
Common shares issued upon conversion of employee options (note 11(a))	1,066,755	11,522
Common shares issued related to acquisition (note 4(f))	170,307	2,994
Common shares issued in conjunction with employee share purchase plan (note 11(c))	10,286	169
Balance at December 31, 2001	35,677,099	123,804
Common shares issued upon conversion of employee options (note 11(a))	923,407	10,009
Common shares issued related to acquisition (note 4(f))	170,307	2,994
Common shares issued related to private placement	45,175	1,037
Common shares issued in conjunction with employee share purchase plan (note 11(c))	68,412	1,389
Balance at December 31, 2002	36,884,400	$ 139,233

On February 7, 2002, the Company issued 45,175 common shares through a private placement for proceeds of $1,037,000. The common shares issued under the private placement are subject to restriction that limit the number of shares that the subscriber may sell, transfer or dispose to February 2005.

11. STOCK-BASED COMPENSATION PLANS:

(a) During the year ended December 31, 1999, the Company implemented a fixed stock option plan. Under this plan, the Company may grant to its employees options to acquire up to 6,000,000 common shares. In addition, certain shareholders were granted options to acquire 127,500 common shares. The exercise price of each option granted will not be less than the fair market value at the time of granting and an option's maximum term is 10 years. Options vest and become exercisable as determined by the Board of Directors in each individual award agreement. The options outstanding at December 31, 2002 vest over a period of 3 years, to the extent of one-third per year on each anniversary date of the grant. As at December 31, 2002, 1,282,433 (2001 - 410,349) options were exercisable.

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

11. STOCK-BASED COMPENSATION PLANS (CONTINUED):

(a) **(Continued):**

A summary of the status of the stock option plan as of December 31, 2002 and changes during 2002 and 2001 is presented below:

	Shares	Weighted average exercise price per share
Options outstanding, December 31, 2000	4,414,500	$ 10.82
Options granted during 2001	1,472,500	22.88
Options forfeited during 2001	(270,016)	11.98
Options exercised during 2001	(1,066,755)	10.80
Options outstanding, December 31, 2001	4,550,229	14.66
Options granted during 2002	212,000	24.48
Options forfeited during 2002	(150,219)	17.17
Options exercised during 2002	(923,407)	10.86
Options outstanding, December 31, 2002	3,688,603	$ 16.07

The following table summarizes information about fixed stock options outstanding at December 31, 2002:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
Range of exercise prices per share	Number of options	Weighted average remaining contractual life	Weighted average exercise price per share	Number of options	Weighted average exercise price per share
$ 10.65	2,069,512	7.1 years	$10.65	812,551	$10.65
$ 14.00 to 19.90	37,667	8.2 years	$18.30	18,996	$17.92
$ 20.25 to 25.60	1,581,424	8.7 years	$23.12	450,886	$22.95
	3,688,603	7.8 years	$16.07	1,282,433	$15.08

On May 15, 2002, the shareholders of the Company approved an amendment to the stock option plan to increase the amount issuable to 6,500,000 common shares. At December 31, 2002, there were 948,735 options available to be granted.

(b) The Company applies settlement accounting to account for stock-based employee compensation awards, and, accordingly, no compensation expense has been recognized for the Company's fixed stock option plan. Had compensation expense for the Company's stock-based compensation issued on or after January 1, 2002 been determined based on the fair value at the applicable grant dates, the Company's net earnings for the year ended December 31, 2002 would have been reduced to the pro forma amounts indicated below. These pro forma figures do not reflect options granted prior to January 1, 2002, the date of adoption of the new standard (note 3(b)). The reduction in net earnings would reduce disclosed basic and fully diluted earnings per common share by $0.02.

Net earnings:	
As reported	$ 37,003
Pro forma	36,425

The fair value of each option grant was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.3%
Dividend yield	0%
Expected option lives	1.1 – 3.1 years
Volatility	27%

The weighted average fair value of each option granted was $5.01.

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

(c) On October 1, 2001, the Company implemented an employee share purchase plan. Under this plan, the Company may issue 1,500,000 common shares to its employees. The maximum number of common shares that may be issued under the plan in any one year is 300,000. Under the terms of the plan, employees can purchase shares of the Company at 85% of the market value of the shares. Employees can allocate a maximum of 10% of their salary to the plan. During the year ended December 31, 2002, 68,412 (2001 – 10,286) common shares were issued at an average price of $20.59 (2001 - $20.14) per common share. As the employee share purchase plan is not compensatory, the discount from market price of 15% reduces the proceeds from issuing the related shares.

12. INCOME TAXES:

(a) The provision for income taxes is comprised of the following:

	2002	2001
Current	$ 20,195	4,841
Future	4,883	13,211
Provision for income taxes prior to goodwill amortization	25,078	18,052
Tax provision allocated to goodwill	-	4,248
Provision for income taxes	$ 25,078	13,804

(b) A reconciliation of income taxes at statutory rates to actual income taxes is:

	2002	2001
Combined basic income tax rate	39.6%	44.6%
Income tax expense at the basic income tax rate	$ 24,596	14,483
Non-deductible goodwill amortization	-	770
Large corporation tax	756	712
Foreign earnings subject to different rates	(3,207)	(2,713)
Manufacturing and processing rate reduction	(1,273)	(1,931)
Change in statutory rates	723	2,246
Change in valuation allowance	3,872	-
Other	(389)	237
	$ 25,078	13,804

(c) The tax effects of temporary differences that give rise to significant portions of future income tax assets and future income tax liabilities as at December 31, 2002 and 2001 are presented below:

	2002	2001
Warranty provisions and other liabilities	$ 11,141	6,498
Losses carried forward	4,266	4,240
Share issue costs	651	978
Deferred revenue	(2,677)	(3,210)
Investment tax credits	(1,294)	(1,670)
Current future income tax assets	$ 12,087	6,836
Accrued acquisition and integration costs	$ 4,989	6,619
Capital assets	(646)	2,099
Goodwill and other intangibles	(660)	(1,944)
Non-current future income tax assets	$ 3,683	6,774
Capital assets	$ (1,154)	-
Goodwill and other intangibles	(3,714)	-
Non-current future income tax liabilities	$ (4,868)	-

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

12. INCOME TAXES (CONTINUED):

(c) **(Continued):**

The Company has assessed the realization of net future tax assets as more likely than not. In assessing the realizability of future tax assets, the Company considered whether it is more likely than not that some portion or all future tax assets would not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during periods in which temporary differences become deductible. The Company considered projected future taxable income and tax planning strategies in making the assessment.

(d) At December 31, 2002, the Company has non-capital losses carried forward for Canadian and United Kingdom tax purposes totaling approximately $25,768,000 that are available to reduce taxable income of future years. These non-capital loss carryforwards expire as follows:

2006	$ 1,167
2007	2,923
2008	661
2009	2,915
No expiry date	18,102
	$ 25,768

The Company also has investment tax credits of approximately $5,539,000 available to offset future Canadian federal income taxes payable. The investment tax credits expire between 2008 and 2010.

13. RESEARCH AND DEVELOPMENT:

Research and development expenditures of $6,058,000 (2001 - $6,001,000) represent internally funded research and development less related grants of $3,137,000 (2001 - $4,496,000). In addition, during the year ended December 31, 2002, the Company incurred $28,561,000 (2001 - $21,101,000) of research and development which was performed as part of customer contracts. Customer contractual research and development expenditures have been included in cost of sales and are reduced by investment tax credits. Investment tax credits recognized on research and development activities during the year ended December 31, 2002 amounted to $10,005,000 (2001 - $2,640,000).

14. CONTINGENCIES AND COMMITMENTS:

(a) At December 31, 2002, the Company was committed under operating leases, primarily relating to office space, for the following minimum annual rentals:

2003	$ 13,294
2004	12,806
2005	12,433
2006	11,901
2007	11,635
Subsequent years to December 2013	45,487
	$ 107,556

(b) During 1998, the Company entered into a license agreement with Orbital Imaging Corporation ("Orbimage"), at market value for a ten-year exclusive license for certain specified data. During 2001, the Company terminated the original license agreement with Orbimage and entered into a new agreement. The new agreement, at market value, provides that the Company will license certain rights to data from the Radarsat-2 satellite. As at December 31, 2002, US$30,000,000 had been received and will form part of the total consideration for the new agreement. In conjunction with the new agreement, Orbimage agreed to relinquish certain data rights that had been licensed under the original agreement.

The Company is currently engaged in a dispute with Orbimage over non-payment of data license fees of US$10,000,000. Orbimage is currently under the protection of the bankruptcy court. The Company and Orbimage are presently involved in a court appointed non-binding mediation process.

In addition, the Company is either a plaintiff or a defendant to legal proceedings. These actions are in the ordinary course of business.

(c) As at December 31, 2002, the Company's banks have issued letters of credit to certain customers of the Company for $14,369,000 (2001 - $3,520,000) of which $10,610,000 (2001 - $728,000) is guaranteed by the Export Development Corporation ("EDC"), a Canadian government corporation. If the Company failed to perform as agreed with these customers and if the letters of credit were called, the $3,759,000 (2001 - $2,792,000) would be due to the Company's banks and $10,610,000 (2001 - $728,000) guaranteed by EDC would be due to EDC. In addition, the Company's banks have issued a letter of credit in the amount of $38,829,000 (2001 - $33,568,000) related to the construction of the Radarsat-2 satellite. In the event the Company was financially unable to meet its commitments for the construction of the satellite, the funds from the draw-down of the letter of credit would be provided to the Company to complete the construction of the satellite. These amounts are secured by general security agreements and guarantees of the Company and certain of its subsidiaries.

(d) Certain government assistance may be repayable based on future sales levels related to the projects funded. At December 31, 2002, the amount of government assistance received subject to possible repayment is approximately $7,229,000 (2001 - $7,103,000). Amounts, if any, that may be repayable would be accounted for in the period in which it is determined that repayment is likely.

(e) Concurrent with the acquisition of the DataQuick Products Group, the Company entered into an agreement whereby the Company has a non-exclusive, perpetual world-wide irrevocable right to use, sell and license or sub-license certain real property information. Under the terms of the agreement, the Company is committed to annual fees of approximately US$8,500,000 in 2003.

(f) The Company has granted the EDC an option to require the Company to purchase up to 87,607 preferred shares in EarthWatch Incorporated at a price of US$22.67 per share plus accrued interest. The option may be exercised each May 15 and November 15 until 2006. The number of shares available at each exercise date is a percentage of the gross revenue from contracts between the Company and Digital Globe, Inc. (formerly EarthWatch Incorporated) related to the QuickBird Program, the development and launch of a one-meter resolution satellite, during the prior six-month period. If EDC should elect not to exercise their option at any particular exercise date, the maximum number of shares is reduced by the number of shares that could have been exercised.

(g) Effective July 30, 1999, a subsidiary of the Company entered into an agreement with a U.S. based company to form LandMDA, L.L.C. ("LandMDA"), in which it has a 50% interest. This investment is accounted for using the proportionate consolidation method. The main activities of LandMDA include the development and implementation of an information model for accessing land-related information. Each party to the joint venture has committed to contributing US$1,625,000 to LandMDA during 2003. During 2002 and 2001, no contributions were made by the members to LandMDA. During 2000, each member contributed US$1,500,000 to LandMDA. The agreement contemplates further capital contributions by each member based on certain milestones.

15. FINANCIAL INSTRUMENTS:

(a) **Fair values of financial instruments:**

The carrying values of the Company's investments and long-term debt approximate their fair values. The Company's non-interest bearing note receivable has been discounted at a market rate of interest.

The carrying values of cash and short-term deposits, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the near-term maturity of these financial instruments.

The fair value of the long-term obligations under capital leases, which is based upon discounted cash flows, including interest payments, approximates the carrying value as the interest rates implicit in the leases are similar to current market rates.

(b) **Foreign currency risk:**

Foreign currency risk is managed whenever possible by matching assets with related liabilities by currency and through the use of derivative instruments such as forward currency contracts. These instruments are used for purposes other than trading and are employed in connection with an underlying asset, liability or anticipated transaction.

At December 31, 2002, the Company had forward foreign currency purchase contracts for $12,394,000 and forward foreign currency sales contracts for $17,938,000, expiring at various dates through 2004. Based on market exchange rates at December 31, 2002, the foreign currency contracts had a fair value of approximately $223,000.

16. RELATED PARTY TRANSACTIONS:

During 2001, the Company had business transactions with Orbital Sciences Corporation ("Orbital"), the former majority shareholder, and Orbimage. The sales of $5,573,000 and purchases of services of $25,000 were at market price and in the normal course of business. The Company also reimbursed Orbital for services rendered on its behalf. During 2001, Orbital sold its remaining interest in the Company.

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

17. PENSION AND RETIREMENT PLANS:

The Company maintains contributory and non-contributory, defined benefit pension plans covering a portion of its employees. The defined benefit plans provide pension benefits based on various factors including earnings and length of service. The present value of accumulated pension benefits based on earnings and length of service is provided for in the financial statements. The Company also provides for post-retirement benefits for these employees, comprised of extended health benefits, dental care and life insurance. The cost of these benefits is funded annually out of general revenues.

The plan assets are invested primarily in publicly traded equity and fixed income securities.

The total pension expense for the Company's defined contribution pension plans for the year ended December 31, 2002 was $1,147,000 (2001 - $615,000).

The status of the Company's defined benefit pension plans and post-retirement plans as of December 31, 2002 and 2001 is as follows:

		2002		2001
	Pension plans	Post-retirement plans	Pension plans	Post-retirement plans
Pension and post-retirement expense:				
Current service cost	$ 578	179	536	179
Interest cost	880	464	860	422
Expected return on plan assets	(1,408)	-	(1,275)	-
Amortization of past service costs	63	-	63	-
Amortization of losses (gains)	(81)	(89)	(18)	483
Net benefit plan expense	$ 32	554	166	1,084

		2002		2001
	Pension plans	Post-retirement plans	Pension plans	Post-retirement plans
Accrued benefit obligations:				
Projected benefit obligations, beginning of year	$ 14,876	6,450	11,770	5,366
Service cost	713	179	714	179
Interest cost	880	464	860	422
Benefits paid	(150)	-	(140)	-
Actuarial (gains) losses	(1,274)	(89)	1,672	483
Projected benefit obligations, end of year	$ 15,045	7,004	14,876	6,450
Plan assets:				
Fair value of plan assets, beginning of year	$ 19,866	-	18,214	-
Actual return on plan assets	(65)	-	1,614	-
Employee contributions	135	-	178	-
Benefits paid	(150)	-	(140)	-
Fair value of plan assets, end of year	$ 19,786	-	19,866	-

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

	2002 Pension plans	2002 Post-retirement plans	2001 Pension plans	2001 Post-retirement plans
Funded status of the plan, end of year:				
Funded status – surplus (unfunded)	$ 4,741	(7,004)	4,990	(6,450)
Unamortized past service costs	480	-	-	-
Unamortized net actuarial (gains) losses	(855)	-	(592)	-
Net accrued benefit asset (liability)	$ 4,366	(7,004)	4,398	(6,450)

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligations are as follows:

	2002 Pension plans	2002 Post-retirement plans	2001 Pension plans	2001 Post-retirement plans
Discount rate, beginning of year	6.5%	7.0%	7.0%	7.5%
Discount rate, end of year	6.5%	6.5%	6.5%	7.0%
Expected rate of return on plan assets	7.0%	n/a	7.0%	n/a
Rate of compensation increase	4.5%	n/a	4.5%	n/a
Medical inflation trend rate	n/a	9.5% reducing by 0.5% per annum to 5.0% ultimate rate	n/a	8.5% reducing by 0.5% per annum to 5.0% ultimate rate

18. SEGMENTED INFORMATION:

The Company has two operating segments, Information Products and Information Systems. The Information Products group delivers essential land information products that are used by businesses involved in real estate transactions and by organizations involved in land, resource and transportation management.

The Information Systems group provides mission critical information systems to support the prime objectives of organizations in three major areas – monitoring the planet, defence and robotics.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Revenue is based on the geographic location of customers.

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

18. SEGMENTED INFORMATION (CONTINUED):

	Consolidated		Corporate		Information Systems		Information Products	
	2002	2001	2002	2001	2002	2001	2002	2001
Revenues:								
Canada	$ 241,299	247,050	-	-	176,093	188,357	65,206	58,693
United States	255,511	180,566	-	-	112,905	82,618	142,606	97,948
Other	80,123	58,187	-	-	33,138	41,376	46,985	16,811
	576,933	485,803	-	-	322,136	312,351	254,797	173,452
Less intersegment revenues	6,448	4,528	-	-	6,448	4,528	-	-
	$ 570,485	481,275	-	-	315,688	307,823	254,797	173,452
Earnings before undernoted	$ 103,007	80,308	-	-	50,825	46,385	52,182	33,923
Amortization of capital assets and licenses	(19,170)	(17,512)	-	-	(5,416)	(5,631)	(13,754)	(11,881)
New business start-up costs	(11,328)	(7,195)	-	-	-	-	(11,328)	(7,195)
Corporate expenses	(4,162)	(3,568)	(4,162)	(3,568)	-	-	-	-
Earnings before other items	68,347	52,033	(4,162)	(3,568)	45,409	40,754	27,100	14,847
Interest expense	(6,219)	(5,907)	(6,219)	(5,907)	-	-	-	-
Other expenses	(47)	(161)	(47)	(161)	-	-	-	-
Earnings before income taxes and amortization of goodwill	$ 62,081	45,965	(10,428)	(9,636)	45,409	40,754	27,100	14,847
Amortization of goodwill	$ -	13,508	-	-	-	3,972	-	9,536

New business start-up costs are comprised of one-time expenses incurred by the information product business segment to set up and develop new business ventures and which are not expected to be recurring.

As the Company does not evaluate the performance of its business segments based on assets employed, segmented information on assets is not included.

The Company's capital assets and goodwill and other intangible assets are primarily located as follows:

	2002	2001
Canada	$ 131,776	134,420
United States	176,274	121,337
United Kingdom and other	51,419	32,895
	$ 359,469	288,652

The approximate sales to significant customers are as follows:

	2002	2001
Customer A	$ 138,215	134,539
Customer B	46,863	50,126

(TABULAR AMOUNTS IN THOUSANDS OF DOLLARS)

19. SUPPLEMENTARY CASH FLOW INFORMATION:

	2002	2001
Interest paid	$ 5,811	5,074
Interest received	266	1,044
Income taxes paid	4,757	13,216
Income taxes recovered	234	1,725
Non-cash financing and investing activities:		
Promissory notes issued on acquisition (note 4)	11,200	28,264
Contingent shares issued (note 4(f))	2,994	2,994

20. COMPARATIVE FIGURES:

Certain prior year amounts have been reclassified to conform with the presentation adopted in the current year.

21. EARNINGS PER SHARE:

	2002			2001		
	Income	Weighted average number of common shares outstanding	Per share amount	Income	Weighted average number of common shares outstanding	Per share amount
Earnings before amortization of goodwill per common share:						
Basic	$ 37,003	36,352,342	$ 1.02	$ 27,913	34,937,272	$ 0.80
Stock options	-	1,491,733	-	-	1,961,398	-
Contingently issuable shares	-	312,230	-	-	482,537	-
Diluted	$ 37,003	38,156,305	$ 0.97	$ 27,913	37,381,207	$ 0.75
Earnings per common share:						
Basic	$ 37,003	36,352,342	$ 1.02	$ 18,653	34,937,272	$ 0.53
Stock options	-	1,491,733	-	-	1,961,398	-
Contingently issuable shares	-	312,230	-	-	482,537	-
Diluted	$ 37,003	38,156,305	$ 0.97	$ 18,653	37,381,207	$ 0.50

22. SUBSEQUENT EVENT:

Effective February 2003, the Company acquired 100% of the outstanding common shares of Millar & Bryce Limited ("M&B") for basic cash consideration of £7,750,000. Contingent consideration of up to £1,500,000 is payable based on M&B achieving certain income targets to 2004. M&B is a commercial provider of title and legal information in Scotland.

COMPANY INFORMATION

BOARD OF DIRECTORS

JAMES F. SHEPARD (1)(2)
Vancouver, British Columbia
Chairman of the Board

DANIEL E. FRIEDMANN
Vancouver, British Columbia
President and Chief Executive Officer
MacDonald, Dettwiler and Associates Ltd.

MARK L. CULLEN (1)(2)(3)
Vancouver, British Columbia
Corporate Director and Financial Consultant

JOHN M. REID (1)(3)
Vancouver, British Columbia
President and Chief Executive Officer
BC Gas Inc.

PETER G. RESTLER (2)
Brooklyn, New York
Partner
CAI Managers & Company, LP

HARTLEY T. RICHARDSON (3)
Winnipeg, Manitoba
President and Chief Executive Officer
James Richardson & Sons, Limited

MARK A. SHUPARSKI (1)(3)
West Vancouver, British Columbia
Executive Vice President
Bentall Capital LP

(1) Member of the Governance and Nomination Committee
(2) Member of the Human Resources and Compensation Committee
(3) Member of the Audit Committee

DIRECTORS, OFFICERS AND SENIOR MANAGEMENT

DANIEL E. FRIEDMANN
President and Chief Executive Officer of the Company

ANIL WIRASEKARA
Executive Vice President and Chief Financial Officer

DAVID N. CADDEY
Executive Vice President and Division General Manager

BERNARD S. CLARK
Executive Vice President and Division General Manager

PAUL GORTON
Director and Division General Manager

PETER LOUIS
Vice President and Division General Manager

KAREL VANTURENNOUT
Vice President, Strategic Business Development

CHRISTOPHER HARRISON
Treasurer

TERRY W. PICHE
Director of Commercial Services and Assistant Secretary

GORDON D. THIESSEN
Vice President, Chief Accounting Officer and Secretary

OFFICES & SUBSIDIARIES

CORPORATE HEADQUARTERS

MACDONALD, DETTWILER AND ASSOCIATES LTD.
13800 Commerce Parkway
Richmond, British Columbia
Canada V6V 2J3
Telephone (604) 278-3411
Fax (604) 278-1837
www.mda.ca

MDA BUSINESS LOCATIONS

INFORMATION SYSTEMS:

MDA VANCOUVER
MacDonald, Dettwiler and Associates Ltd.
Head Office
13800 Commerce Parkway
Richmond, British Columbia
Canada V6V 2J3
Telephone (604) 278-3411
Fax (604) 278-1837
www.mda.ca

MDA OTTAWA
MacDonald, Dettwiler and Associates Ltd.
2060 Walkley Road
Ottawa, Ontario
Canada K1G 3P5
Telephone (613) 736-9716
Fax (613) 736-7549

MDA HALIFAX
MacDonald, Dettwiler and Associates Ltd.
Suite 60, 1000 Windmill Road
Dartmouth, Nova Scotia
Canada B3B 1L7
Telephone (902) 468-3356
Fax (902) 468-7795
halifax.mda.ca

MD ROBOTICS
MacDonald Dettwiler Space and Advanced Robotics Ltd.
9445 Airport Road
Brampton, Ontario
Canada L6S 4J3
Telephone (905) 790-2800
Fax (905) 790-4400
www.mdrobotics.ca

DYNACS INC.
Head Office
1300 Hercules Drive
Suite 210
Houston, Texas
USA 77058
Telephone (281) 226-5200
Fax (281) 226-5205
www.dynacs.com

INFORMATION PRODUCTS:

TRANSACTION ONLINE
MacDonald Dettwiler (Channel) Limited
Ground Floor, Clare House
Langley Business Centre
Station Road
Langley, Berkshire
U.K. SL3 8DS
Telephone 01753 214550
Fax 01753 214551
www.transaction-online.co.uk

NLIS HUB
MacDonald Dettwiler (Hub) Limited
Ground Floor, Clare House
Langley Business Centre
Station Road
Langley, Berkshire
U.K. SL3 8DS
Telephone 01753 214573
Fax 01753 214575
www.nlis.org.uk

MILLAR & BRYCE
Millar & Bryce Limited
5 Logie Mill, Beaverbank Office Park
Edinburgh, Scotland
EH7 4HH
Telephone 0131 556 1313
Fax 0131 557 5960
www.millar-bryce.com

DATAQUICK
DataQuick Information Systems, Inc.
9620 Towne Centre Drive
San Diego, California
USA 92121-1963
Telephone (858) 597-3100
Fax (858) 455-4706
www.dataquick.com

LANDMDA
LandMDA, L.L.C.
9011 Arboretum Parkway
Richmond, Virginia
USA 23236
Telephone (866) 605-1520
Fax (804) 267-8832
www.landmda.com

BC ONLINE
Access BC Information Services Ltd.
Suite 400A, 4000 Seymour Place
Victoria, British Columbia
Canada V8X 5J8
Telephone (250) 953-8250
Toll-free in B.C. 1-800-663-6102
Help Desk (250) 953-8200
Fax (250) 953-8222
www.bconline.gov.bc.ca

MAPPING – UNITED STATES
MD Atlantic Technologies, Inc.
2227 Drake Avenue SW, Bldg 14
Huntsville, Alabama
USA 35805-5146
Telephone (256) 882-7788
Fax (256) 882-7774
www.atlantictech.com

MAPPING – INTERNATIONAL
Triathlon Ltd.
Corporate Headquarters
13800 Commerce Parkway
Richmond, British Columbia
Canada V6V 2J3
Telephone (604) 233-5000
Fax (604) 233-5005
www.triathloninc.com

RSI
Radarsat International Inc.
Headquarters/Client Services
13800 Commerce Parkway
Richmond, British Columbia
Canada V6V 2J3
Telephone (604) 231-5000 / (604) 244-0400
Fax (604) 231-4900 / (604) 244-0404
www.rsi.ca

EARTHSAT
Earth Satellite Corporation
6011 Executive Boulevard
Suite 400
Rockville, Maryland
USA 20852
Telephone (301) 231-0660
Fax (301) 231-5020
www.earthsat.com

INVESTOR INFORMATION

INCORPORATION	MacDonald, Dettwiler and Associates Ltd. was incorporated February 3rd, 1969
TRANSFER AGENT	**COMPUTERSHARE TRUST COMPANY OF CANADA** 510 Burrard Street Vancouver, B.C. V6C 3B9 Canada Telephone (604) 661-0222 Fax (604) 661-9480
AUDITORS	KPMG LLP, Chartered Accountants
INVESTOR RELATIONS	**HEATHER HARRISON** E-mail hlh@mda.ca Telephone (604) 231-2064 Fax (604) 273-9830 **INVEST@MDA.CA**
MEDIA RELATIONS	**TED SCHELLENBERG** E-mail teds@mda.ca Telephone (604) 231-2215 Fax (604) 273-9830 **INFO@MDA.CA**
STOCK LISTING	MacDonald Dettwiler is listed on the Toronto Stock Exchange under the trading symbol MDA
ANNUAL MEETING	The annual meeting of shareholders will be held on Wednesday May 14th, 2003 at 1:30 p.m. at the Hyatt Regency Hotel in Vancouver, B.C. Canada
FURTHER INFORMATION	**www.mda.ca** takes you to the MacDonald Dettwiler home page. Our web site provides you with access to all of our news releases, quarterly reports and annual reports. It provides an overview of the company and our subsidiaries.

maps, satellite images, and value-added information products derived from

major ground stations in Asia that are used for agricultural and environmental monitoring, management of natural disasters, emergency preparedness and assessment, and mapping

new imaging and surveillance radar system for the country's fleet of CP-140 Aurora patrol aircraft electronic services to access ownership, title, tax, and encumbrance inform

extensive capability in program management, systems engineering, systems integration and testing

Hyperspectral technology, which uses more of the colour spectrum to provide more information and detail imagery from RADARSAT-2, for ship

3-D terrain information to improve aviation safety transaction volumes in the UK climbed steadily throughout the year

a multi-mode imaging radar system used in the surveillance of the Amazon, to the Brazilian Air Force

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