

1 **Q. Reference: Dr. Booth's Evidence, Appendix D, Page 7, Lines 22-24**

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3 **How would Dr. Booth's DCF analysis of the market for Canada change if he**  
4 **used average projected EPS growth rates for the TSX companies rather than**  
5 **historic growth in dividends and after-tax profits since 1961?**

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7 A. Apart from the fact that Dr. Booth does not have access to any forecasts for TSX  
8 long-term dividend growth, it is not possible for a perpetual growth rate to  
9 materially exceed that of the economy as a whole. For individual companies there  
10 is the added problem that many firms do not pay any dividends, but if successful  
11 will. Until then any speculation on dividend growth for these firms is simply  
12 speculative.