

**ROC Pref III Corp. Announcement**

TORONTO – October 12, 2006 (RPB.PR.A) - ROC Pref III Corp. announces that its preferred shares have been placed on CreditWatch with negative implications as of today. The move comes as a result of the downgrades of Quebecor World Inc. and Tribune Company during September. The rating on the preferred shares reflects the rating on the C\$263,860,000 million fixed-rate managed credit linked note issued by The Toronto-Dominion Bank (the “CLN”). The return on the CLN, and thus on the preferred shares, is linked to the credit performance of a portfolio of 125 companies (the "Reference Portfolio"). The Reference Portfolio is actively managed by Connor, Clark & Lunn Investment Management (the “Investment Manager”).

The Investment Manager has executed trades in the Reference Portfolio which are expected to have the effect of removing the CLN, and thus the preferred shares, from Credit Watch on S&P’s next weekly review of the CLN. Barring unexpected changes to the credit quality of the reference portfolio, the Investment Manager does not expect a downgrade of the CLN or the preferred shares at this time. The Investment Manager commented that “In recent weeks, despite on-going concern regarding certain portfolio holdings, we have remained confident in the overall portfolio credit quality. The vast majority of the holdings are performing well with the trading reserve account sufficient to allow us to trade defensively should the need arise.”

The preferred shares benefit from the protection of a first loss tranche equal to 3.35% of the Reference Portfolio and from a fixed recovery rate of 40% on any defaults. As a result, ROC Pref III Corp. will be able to sustain 7 or more defaults, which is approximately 2.5 times the average default rate and 1.5 times the worst default rate experienced in a portfolio of the same credit quality as the Reference Portfolio in any 5.5 year period since 1981.

ROC Pref III Corp.’s preferred shares pay a fixed quarterly coupon of 4.40% on their \$25.00 principal value and will mature on March 22, 2012. The Standard & Poor’s rating addresses the likelihood of full payment of interest and payment of \$25.00 principal value per preferred share on the maturity date.

The Preferred Shares are listed for trading on the Toronto Stock Exchange under the symbol RPB.PR.A.

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