INSCAPE Corporation

67 Toll Road
Holland Landing, Ontario
L9N 1H2

July 31, 2002

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED APRIL 30, 2002

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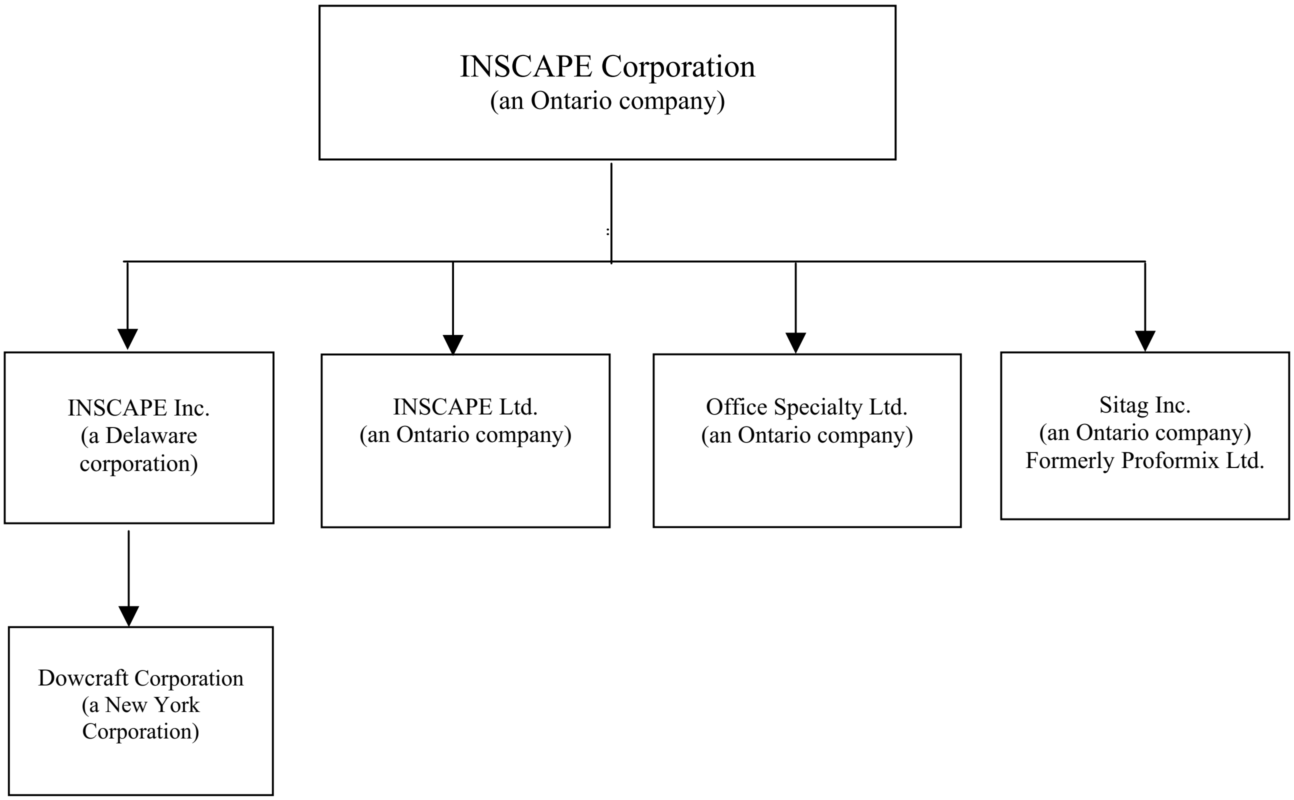
CORPORATE STRUCTURE

INSCAPE Corporation maintains its registered office and principal place of business at 67 Toll Road, Holland Landing, Ontario, L9N 1H2. The terms "Office Specialty", "INSCAPE" and the "Company" as used herein refer to INSCAPE Corporation, its predecessor companies and the following wholly owned subsidiaries:



On December 8, 1997, the Company filed articles of amalgamation to reorganize its capital such that the authorized share capital of the Company consisted of 7,670,881 Class A Multiple Voting Shares ("Multiple Voting Shares") and an unlimited number of Class B Subordinated Voting Shares ("Subordinated Voting Shares") (collectively, the "Capital Reorganization").

In addition to the above-noted wholly owned subsidiaries, INSCAPE Inc. acquired a controlling interest in WORKMACHINE, Inc., a Delaware corporation, in July 2000. Workmachine designs and sells innovative architectural wall system products that have the capability of supporting furniture elements and components. In June 2002, INSCAPE sold its equity interest in WORKMACHINE, Inc. As part of this transaction, the Company acquired certain intellectual property.

In February 2001, INSCAPE Inc. acquired all the shares of Dowcraft Corporation. Dowcraft designs, manufactures and distributes a full line of floor to ceiling moveable partition systems throughout the United States and Canada.

In March 2002, INSCAPE acquired certain assets of Sitag International Inc. As a part of this transaction, the Company also acquired the North American rights to future seating product introductions of Sitag product as designed by Provenda Marketing A.G. Founded in Switzerland, Sitag offers a broad range of high quality seating products that address a wide range of workplace applications. As a result to the Sitag acquisition, the legal name of the company was changed from Proformix Ltd. to Sitag Inc. on March 11, 2002..

The Company's Subordinated Voting Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "INQ". The Company changed its stock symbol to INQ after changing its name to INSCAPE Corporation in September 2000.

GENERAL DEVELOPMENT OF THE BUSINESS

Since 1888, the Company has been engaged in the design, manufacture and distribution of premium quality office systems and furniture. The Company's primary products are (i) office furniture systems (typically modular workspaces with integrated work surfaces, space dividers and lighting) sold under the Platform brand name; (ii) floor to ceiling movable wall systems ; (iii) Office Specialty line of storage solutions and metal filing cabinets; and (iv) Sitag line of seating, tables and ergonomic accessories.

The Company's effective combination of innovative design, customer focus and highly efficient manufacturing processes is reflected in its strong financial performance. Fiscal 2002 was a particularly challenging year for INSCAPE and the contract office industry in general. INSCAPE remained profitable, despite a 22.2% decline in sales to $132.9million According to the Business Institutional Furniture Manufacturer's Association (BIFMA), the decline in industry shipments in 2001 and 2002 is the steepest in thirty years. Prior to this downturn, during the five years ended April 30, 2001, Company revenues increased from $58.6 million to $173.0 million and net income grew at an annual compound rate of 33.1%.

The Financial Post in each of the three years preceding the Company's initial public offering in December 1997 named the Company one of Canada's 50 Best Managed Private Companies.

In June 1999, the Company changed its operating name to INSCAPE in order to better reflect and communicate its position in the market and the scope of its products. In September 2000, the Company also changed its legal name to INSCAPE Corporation.

NARRATIVE DESCRIPTION OF THE BUSINESS

The Company has been engaged in the design, manufacture and distribution of office systems and furniture since 1888. INSCAPE is focused on the premium quality segment of the office furniture industry and offers a wide range of products including storage solutions, office furniture systems, moveable walls, architectural wall systems, seating, tables and ergonomic accessories.

The Company's commitment to product innovation and quality combined with responsiveness to consumer needs has enabled INSCAPE to develop flexible office product solutions for a broad range of customers. The Company's Storage Centers lateral files were developed to offer a wide range of filing options for various media with design features providing unique space-saving capabilities. Introduced in fiscal 1997, the Platform office furniture system's design facilitates adding or relocating electronic equipment and related cabling, as well as office reconfiguration. During Fiscal 2001 the Company vastly broadened its product offering through the acquisitions of Dowcraft and WORKMACHINE. These acquisitions brought moveable walls and architectural wall system solutions to the INSCAPE family of products. Although, the Company sold its equity interest in WORKMACHINE in June 2002, it acquired certain intellectual property that will allow it to offer an integrated architectural wall system solution. Among other things, this allows INSCAPE to offer flexible solutions for private offices, conference rooms etc. The Company's seating, tables and ergonomic products offer a combination of design, comfort and superior aesthetics. In Fiscal 2002, this offering was greatly enhanced by the Sitag acquisition. INSCAPE has received a number of awards, which recognize the innovative and distinct solutions offered by its products, including a Best of NeoCon 2002 Gold Medal in the Executive Seating category awarded to the new Sitag Emotion chair line at the June 2002 NeoCon World's Trade Fair held in Chicago.

The Company's customer list includes many of the largest corporations in North America, many of which can be found in the list of Fortune 1000 companies. INSCAPE has established its credibility with its customers as a consequence of the high quality of its products and its emphasis on providing flexible solutions to office design challenges.

INSCAPE's manufacturing processes and facilities reflect its corporate philosophy of customer responsiveness and product flexibility. The implementation of Just-In-Time ("JIT")/Cellular manufacturing has enabled the Company to produce both large and small customized orders in a highly efficient, low cost manner. The Company's focus on achieving standards of quality throughout its operations has been recognized through INSCAPE's registration under the ISO 9001 program.

The North American Office Furniture Industry

Enhanced productivity and profitability remain the focus of North American businesses in today's highly competitive global marketplace. This continued focus has resulted in fundamental shifts in the nature of corporate organizational structures, technology and work processes which, in turn, are creating new opportunities for growth in the office furniture industry. Several of the most significant factors contributing to this growth are the following:

Continued corporate reengineering and restructuring. Businesses are more often experimenting with workplace design as a means of increasing productivity and reducing facility costs. Streamlined organizations are emerging with the need for furniture that facilitates increased interaction and communication among employees. Organizations such as consulting firms and accounting firms, whose employees spend considerable time out of the office, are moving toward concepts such as shared or non-assigned workstations. Companies that service the office furniture market place must be able to provide solutions that are easily adaptable to changes in office design.

New office technology. The proliferation of technology has and is expected to continue to require office furniture to change and adapt. Office furniture must have the capability to support the increased levels of electronic equipment and its related wiring and cabling requirements.

Concern about ergonomics. There has been a heightened sensitivity to concerns about ergonomics, health and safety in the office in recent years. Employees expect their workplaces to be healthier, friendlier and more comfortable than those of the past. Businesses will increasingly seek furniture that enhances employee comfort and productivity through ergonomic design.

In addition, demand for office furniture is influenced by several economic factors such as white-collar employment levels and corporate cash flow, which reflect general macroeconomic conditions.

According to information from BIFMA, shipments of office furniture to the U.S. market by U.S. manufacturers declined by 17.4% in 2001 to approximately US$11.0 billion. BIFMA anticipates that there will be a further decline of 13.3% in 2002 followed by an increase of 8.8% in 2003. The declines in 2001 and 2002 are the steepest experienced by the industry in the past thirty years. Prior to this the dollar value of U.S. office furniture industry shipments increased in each of the past 25 years, with the exception of 1975, 1991 and 1999.

Furniture systems, consisting of panels, work surfaces and storage elements such as pedestals, which are typically used under the work surface within the workstation, constitute one of the largest and fastest growing segments of the office furniture market. These systems provide customers with the ability to reconfigure and add office furniture in a flexible manner to meet the changing needs of their organizations. This growth is expected to continue as businesses become more dependent on technology and facility managers demand furniture that can easily accommodate complex wire and cable requirements. Seating products represent the second largest segment of the office furniture market. Ergonomics is becoming increasingly recognized as an important element in increasing employee productivity and this has resulted in a growing demand for innovative products in this segment. While the nature of filing and storage in the work place is changing, this product type continues to account for a significant portion of the office furniture market. Although implementation of changes in information technology may over time reduce the requirement for storage and retrieval of paper media, the increasing use of computers to store and retrieve information has and is expected to continue to change the type of media requiring storage thereby increasing the need for specialized storage within work areas.

Even though many North American companies have embraced open-concept offices, there remains a need for privacy in certain industries and functions within all organizations. Rather than traditional inflexible solutions such as dry wall construction, companies are increasingly starting to use moveable wall solutions. Not only are these advantageous from a tax perspective, they also allow companies to reconfigure in a cost effective manner.

The office furniture industry is highly competitive. Companies compete on the basis of (i) product innovation and design, including ergonomic and aesthetic factors; (ii) on-time delivery and quick response time; (iii) quality and durability; (iv) value; and (v) customer service and support. Efficient, low-cost manufacturing is also essential for long-term success. INSCAPE competes with several major North American office furniture manufacturers and several smaller specialty manufacturers. These companies include Steelcase, Herman Miller (including its subsidiary Meridian), Haworth, Knoll and Teknion. These companies account for over 60% of North American office furniture sales, while the balance of the market is serviced by a large number of smaller manufacturers.

Corporate Strategy

The Company's strategic objective is to continue to expand its share of the premium quality segment of the office furniture market by providing customers with customized, innovative and timely solutions while maintaining strong profitability. The key elements of this strategy are as follows:

Product Innovation

INSCAPE is committed to using product innovation to provide quality solutions to the changing requirements of the office furniture market. Utilizing direct customer feedback and market research, the Company has developed distinct solutions to customer needs in select markets within the office furniture industry. The Company's Storage Centers lateral files were developed in 1986 to offer a wide range of filing options for conventional and electronic media with design features that provided unique space-saving capabilities. Design of the Platform office system began in 1994 and it was introduced to the market in fiscal 1997. The product design reflects a response to growing technology requirements in offices and the more frequent need to change office furniture configurations. The Company intends to continue to develop and expand its product lines as the work place environment evolves and technologies change. This is evidenced by the recent acquisitions of Dowcraft, WORKMACHINE and Sitag.

Expanding Sales and Marketing Efforts

INSCAPE plans to continue expanding the marketing and distribution of its products in current markets, as well as to introduce its products to international markets. The Company's immediate focus remains North America, where it sells approximately 95% of its products. However, the Company intends to expand the sales of its products into international markets through a combination of (i) sales through local distributors, and (ii) implementation of licensing arrangements with third party manufacturers in select markets. To date, the Company has entered into a distribution arrangement in the United Kingdom and a licensing arrangement with a Singapore-based company to manufacture and distribute Platform system in Singapore, Malaysia and Indonesia.

Maximizing Manufacturing Efficiency and Flexibility

The Company's manufacturing strategy is focused on maximizing cost efficiency and maintaining the flexibility to serve the needs of a broad range of customers. To this end, the development and integration of manufacturing methods has been, and will continue to be, an integral part of the Company's product design process. INSCAPE's use of JIT/Cellular manufacturing has enabled it to mass-produce customized products in short lead-times while generating strong profit margins. Using this approach INSCAPE has been able to significantly reduce machine set-up and other indirect labour costs, processing time for customer orders and inventory levels. The Company intends to continue to invest in sophisticated engineering technology to further speed customization of orders and new product design.

Complementary Acquisitions

In order to broaden the range of products it offers as well as increase its over-all market share, INSCAPE intends to pursue selective complementary acquisitions. In 1993 and 1994, respectively, management has successfully acquired and integrated the businesses of Storwal International ("Storwal") and Curtis Products Corporation ("Curtis"). Storwal was a well-recognized North American manufacturer of premium quality filing products. INSCAPE successfully integrated a number of the superior design features of Storwal's products with its own and took advantage of synergies in components and manufacturing systems. In addition, Storwal's extensive customer lists and installed customer base significantly enhanced INSCAPE's sales and marketing scope. Due in large part to the acquisition, INSCAPE's sales increased from $26 million in 1992 to $38 million in 1993. Curtis, a manufacturer of office seating, was a marginally profitable company at the time it was acquired. Curtis' product-lines were rationalized to focus primarily on stackable seating, manufacturing operations were relocated to INSCAPE's facilities and cellular manufacturing processes were implemented for each remaining product line. On May 1, 2000, the Company changed the name of Curtis to INSCAPE Systems Ltd.

On November 8, 1998, the Company purchased all right, title and interest in the ergonomic hardware products of Proformix Systems Inc., including ownership of the ‘Proformix’ name. The acquisition provides the Company with entry into the growing and highly attractive market for ergonomic products in the office environment. Proformix hardware products include patented preset negative tilt keyboards, mouse trays, document holders, antiglare screens and other related ergonomic accessories. The Company has formed a separate operating unit in a newly formed operating subsidiary, Proformix Ltd. The management of this unit is charged with the opportunity and responsibility to develop the products and expand their distribution within North America. Currently, Proformix hardware products are sold to a number of well-known corporate clients in North America. Pursuant to the Sitag acquisition in March 2002, the legal name of this company was changed to Sitag Inc.

On December 2, 1999, the Company purchased all of the outstanding shares of Joyce Furniture Inc. (“Joyce”), an established manufacturer of commodity-oriented metal filing and storage products located in Scarborough, Ontario. Joyce operates out of an 180,000 square foot leased manufacturing facility under the brand name ‘Cole’. The purpose in purchasing Joyce was to provide the Company with an existing filing operation that could provide the added manufacturing capacity needed by the Company for its filing and storage products. Management has discontinued the ‘Cole’ brand of products in favour of the Company’s own brand filing and storage products, which offer higher margins and better growth prospects. On May 10, 2000, Joyce Furniture Inc. was continued as an Ontario Corporation and renamed Office Specialty Ltd.

In addition, INSCAPE Inc. acquired a controlling interest in WORKMACHINE, Inc., a Delaware corporation, in July 2000. WORKMACHINE designs and sells innovative architectural wall system products that have the capability of supporting furniture elements and components. Although, the Company sold its equity interest in WORKMACHINE in June 2002, it acquired certain intellectual property that will allow it to offer an integrated architectural wall system solution. Among other things, this allows INSCAPE to offer flexible solutions for private offices, conference rooms etc.

In February 2001, the Company entered the fast growing moveable wall segment by acquiring all the shares of a New York company, Dowcraft Corporation. Dowcraft designs and manufactures a full line of floor to ceiling moveable partition systems.

In March 2002, the Company acquired the rights to manufacture and distribute Sitag seating products within North America. Founded in Switzerland, Sitag offers a broad range of high quality seating products that address a wide range of workplace applications. As part of the agreement, INSCAPE also acquired the North American rights to new seating product introductions.

INSCAPE Products

INSCAPE's products fit within four broad categories: (i) Filing and Storage; (ii) Office Furniture Systems including full height moveable walls; (iii) Seating, and Ergonomic Accessories; and (iv) Architectural Solutions. The Company's broad range of products enables it to offer customers complete office solutions.

Filing and Storage

The Company's strength historically has been its filing and storage product line. Products offered include Storage Centers, 8900*plus*, 9900, Radius Series, Storwal Performance Group, Linear and Arcus lateral files, as well as a number of complementary products. Of these, Storage Centers and 8900*plus* are the two biggest lines. Management believes the success of this category can be attributed to strong brand name recognition and the innovative design and superior filing and storage solutions, which the Company's products provide.

The Storage Centers product was the first lateral file in North America to feature a broad range of cabinet heights, which allow for multiple drawer configurations. Storage Centers cabinets are available in 42 heights in 1½-inch increments whereas, traditionally, these cabinets were available only in four or five heights. The choice in heights and a broad selection of drawer sizes also available in 1½-inch increments provides customers the ability to create solutions that meet their specific media storage needs. The result is that customers are able to achieve significant floor space savings, often in the order of 20% relative to competitive products. The product line is also designed to allow customers to meet various interior design criteria. Customers can choose from a wide range of aesthetic options, including customized colours and drawer fronts.

The Company's Radius Series lateral files provide the same features as the Storage Centers product but are aimed at a slightly higher price point. This product features a more aesthetically pleasing recessed side pull for opening the cabinets and offers various drawer design options to the customer. For example, the Acoustical front addresses the issue of reflected sound in the office and the Impression front can be imprinted with computer generated geometric designs or corporate logos. The Company's 8900*plus* lateral file series was designed to provide customers with high quality storage solutions at a more affordable price. The series does not offer the same options in heights, colours and drawer fronts as are available in the Storage Centers product.

The Company offers a range of ancillary storage products that complement traditional filing products. For example, storage pedestals are typically used under the worksurface within work areas. Workplace lockers provide for the storage of personal items, such as coats, as well as the storage of paper and other media. These units are generally used within workstations to create a personalized work environment for employees.

Office Furniture Systems

In response to trends in the office environment and changes in customers' needs, INSCAPE embarked in 1994 on the development of a new furniture system designed specifically to manage the increasing proliferation of technology in the workplace. Jan Kuypers, a leading industrial designer, along with an INSCAPE design team, was commissioned to create Platform. Based on feedback from the Company's customer base and market research, Platform was designed to address the current and future cable requirements of most businesses. The Company believes Platform is one of the most innovative office furniture products in the market today. Although the product was launched initially in fiscal 1997 in selective major U.S. centres and introduced to the broader North American market in fiscal 1998, the product accounted for 44% of the Company's total sales in fiscal 2000. It is the most successful product launched by INSCAPE in the last 15 years.

Platform's design accommodates fiber-optic and twisted-pair cable required for computer networks. The patented aspect of the panel frame is the fence-like construction, which uses vertical posts and horizontal beams attached with connectors to form a lightweight framework. These horizontal beams on the outside of the vertical posts provide "lay-in" cavities for cabling. Fishbone-shaped wire management devices clip onto the panel interior to hold up and segregate communications cabling from electrical wiring to avoid electro-magnetic interference. A four-circuit electrical system is carried at desk height. The system meets or surpasses current and anticipated Telecommunications Industry Association/Electronic Industry Association guidelines. Platform's construction eliminates the need for bulky connectors while minimizing the tools required for assembly. The frame supports snap-on cladding panels that can be easily inserted or removed by the user to reconfigure the desking arrangement or to give direct access to wires and cables. Panel options available include perforated, embossed, screened or fabric-covered styles.

Some key benefits of Platform are:

- Large amounts of communication cabling can be installed without the need to thread the cables through apertures that are typical of other products in the market today. This "lay-in" capability significantly reduces the time required for the installation and reconfiguration of communication cables.

- Transition points where power and communication wiring enter the furniture from the building walls, floor or ceiling are typically cumbersome, unsightly and inflexible. The Platform system offers unique wiring and cabling solutions not found in competitive systems.

- Seamless polymer-wrapped worksurfaces combine with various support elements, such as height adjustable legs, to create space-efficient workplaces. Stackable, lightweight tubular steel panels are easily installed and reconfigured without imposing significant constraints on the space planner.

- A wide variety of Platform storage components address the need for personalized, cost-effective filing for paper and electronic media in the workplace. Competitive systems products do not typically offer such a wide range of products. Platform products integrate easily with INSCAPE's other filing products.

Movable Wall Systems

Even though open office systems are very popular, almost every organization has a need for private offices and meeting rooms. The traditional solution for creating such private space is drywall. The disadvantage of this solution is that once the space is created, it is very expensive to alter as it involves demolition and re-construction. Most organizations are in a constant state of change and need to respond to changes in their business. These changes often result in a re-configuration of their workspace. A floor to ceiling moveable wall system addresses this need. The company added such a system to its family of products via the acquisition of Dowcraft Corporation in February 2001. Dowcraft offers a wide array of customized moveable wall solutions. These walls pay for themselves on the first move and also offer significant tax advantages over traditional dry wall construction. The company is in the process of integrating the Dowcraft wall system with the other INSCAPE products, in particular with the Platform system.

Architectural Wall System

The Company acquired a controlling interest in WORKMACHINE, Inc. in July 2000. WORKMACHINE designs and sells innovative architectural wall system products that have the capability of supporting furniture elements and components. WORKMACHINE is an innovative product that uses a post and lintel construction approach. Through the use of a proprietary aluminum technology post, it neatly accommodates cabling, power and data boxes. Unlike other systems, WORKMACHINE incorporates a ceiling into the post and lintel mainframe. The ceiling panels used are extremely sound tight due to precision fit and finish. Its wall panels have the capability of supporting furniture elements such as work surfaces and overhead storage components. Although, the Company sold its equity interest in WORKMACHINE in June 2002, it acquired certain intellectual property that will allow it to offer an integrated architectural wall system solution.

Seating, and Ergonomics

The Company views its seating, tables and ergonomic product lines as being complementary to its office furniture systems products. They allow INSCAPE to offer integrated furniture solutions to its customers. This category of products has been largely introduced to the Company through its acquisition of Curtis (seating) and Proformix (ergonomics). The Company has, however, made a number of product rationalizations and additions the product lines acquired through these acquisitions. In particular, the Company made several new seating and keyboard introductions during the past year. Management expects that these improvements and introductions will facilitate rapid revenue growth in the coming fiscal year(s). The seating offering has been greatly enhanced as a result of the Sitag acquisition in 2002.

Sales and Marketing

INSCAPE markets its products through a combination of regional field sales personnel, a network of independent sales representatives and dealers. The Company's market covers a broad range of industries. INSCAPE has been particularly successful in the professional service industries, such as legal, accounting and banking, as well as in other industries, such as high technology, communications, pharmaceutical and entertainment. INSCAPE's products are purchased by some of the largest corporations in North America, many of who can be found in the list of Fortune 1000 companies. A major portion of the Company's sales is derived from substantial projects where large numbers of employees are being relocated to new or refurbished facilities. This installed user base leads to incremental add-on business, commonly referred to as "day-to-day sales".

Geographic Markets

INSCAPE's sales by geographic region for the year ended April 30, 2002 as compared with April 30, 2001 are set out below:

INSCAPE Sales by Geographic Market
($000's)

	Year Ended April 30	
Geographic Market	2002	2001
United States	$121,443 (90%)	$153,260 (89%)
Canada & International	$13,175 (10%)	$19,772 (11%)

INSCAPE entered the U.S. market in the early 1980's and, since then, the Company has been successful in expanding its share of the U.S. market and establishing its name within the U.S. interior design community. Due to the size of the U.S. market and the Company's relatively small market share, management expects that the U.S. will remain the principal focus for future sales of the Company's products.

INSCAPE has been selling its office products in Canada since the early 1900's. In Canada, INSCAPE is a well-recognized brand name and the Company's filing and storage products command a significant market share in the premium quality/price category.

The largest market for INSCAPE's products outside of North America has been in the United Kingdom. The Company commenced selling its filing and storage products in the United Kingdom through a single office furniture distributor in 1990.

Continued long-term success in meeting customers' furniture needs in North America will require manufacturing capability in reasonable proximity to the Company's customers. For markets outside of North America and Europe, INSCAPE's strategy is to pursue licensing arrangements with third party manufacturers in select markets. INSCAPE has entered into a licensing agreement with a Singapore-based company to manufacture and distribute Platform products in Singapore, Malaysia and Indonesia. The agreement provided for an initial technology transfer payment and ongoing royalties computed as a percentage of sales.

Distribution Channel

Architects, interior designers and facility managers have significant roles in the process of furniture selection by a potential customer. These professionals typically act as consultants to businesses in the design of facilities and interior space to meet their business needs. In carrying out their duties, architects, interior designers and facility managers are often asked to recommend office systems and furniture to their customers or employer.

The Company has divided North America into geographic regions for the purposes of sales management. Senior INSCAPE sales personnel are assigned to each of these regions to work closely with independent sales representatives or direct regional sales teams to promote the Company's products in specified territories. These sales representatives and regional sales teams market the Company's products to architects, interior designers, facility managers and dealers to increase awareness of the unique solutions offered by the Company's products. The Company has developed long term relationships with a number of these independent sales organizations.

In a typical transaction for a large project order, INSCAPE sales staff and/or independent sales representatives will work with furniture dealer sales personnel to promote INSCAPE's products to end users and their advisors. When the customer has determined its furniture requirements, it places an order with a furniture dealer, which in turn orders the product from INSCAPE. The dealer, which typically carries a broad range of competitive office furniture products, installs the furniture and provides ongoing service to the end user. A smaller order would usually result from service provided by a dealer to an end user with little input from INSCAPE's sales staff or independent representatives.

The Company markets its products to architects, interior designers, dealers and facility managers through various mediums. For example, INSCAPE developed "*Filespec*", a proprietary software tool used to assess current and future filing and storage needs. In completing the assessment of storage needs, the software demonstrates the competitive advantages of INSCAPE's filing products. In addition, the Company engaged a team of outside consultants to prepare a special report, "Communications Cable Management in the Open Office", which acts as a guide for addressing cable management issues in the office environment and also describes the solutions provided by the Platform office furniture system.

The Company also promotes its products through the use of high quality sales literature, regular advertising in industry trade magazines and participation at industry trade shows.

Manufacturing

INSCAPE's emphasis on responsiveness to customer needs is reflected in its manufacturing methodology. Manufacturing processes are developed concurrently with product design and with the objective to be flexible enough to adapt to the unique requirements of its customers on a timely basis.

The Company's products are produced using the JIT/Cellular manufacturing method. Under this concept, each product is broken down into component parts. A manufacturing cell is designed to produce each of these parts and consists of dedicated machines capable of performing a specific series of functions. Self-managed work teams control the production activity of each cell, including quality assurance. Employee productivity is enhanced through (i) cross-training of all employees in a team allowing them to perform virtually every operation in the cell; and (ii) incentive-based compensation linked to quality and production volumes. In connection with its JIT approach to manufacturing, the Company also seeks to achieve JIT inventory practices through its relations with its principal suppliers.

The use of the JIT/Cellular approach has generated significant economic benefits for the Company. Through the reduction of activities such as material handling and tooling set-ups, most non-productive time has been eliminated resulting in greatly reduced manufacturing costs. These manufacturing efficiencies and related inventory reductions are directly reflected in INSCAPE's strong financial performance.

The JIT/Cellular approach and its dedicated machine set-up ensure that manufacturing unit cost of production is minimized. This approach allows for manufacture of small-customized orders in an efficient manner. As a result, small orders remain a profitable segment of the Company's business. Additionally, the JIT/Cellular set-up allows INSCAPE to build any manufactured product in its price list within a day. This ability to respond quickly to customers is a significant competitive advantage.

INSCAPE maintains a high level of product quality by demanding strict adherence to its policies and procedures. The Company's focus on achieving high quality standards in all areas of its operation has been recognized through its registration under the ISO 9001 quality assurance program.

Facilities

In North America, INSCAPE's products are manufactured in four facilities: a 290,000 sq. ft. plant in Holland Landing, Ontario, two facilities totaling 220,000 square feet in Scarborough, Ontario, and a 160,000 square foot plant in Falconer, New York.

The Holland Landing facility is built on 35 acres of land owned by the Company in Holland Landing, Ontario, approximately 45 minutes north of Toronto. An expansion project completed in the third quarter of 1997 added 80,000 sq. ft to the Company's plant which, along with additional production equipment and new painting facilities. This facility is used primarily to support the manufacture of systems products, but is capable of manufacturing all Company products. In addition, this facility houses many of the Company's administrative, support, engineering and corporate offices.

An 180,000 square foot Scarborough operation was added in December 1998 as a result of the acquisition of Joyce Furniture Inc. (see discussion on *Complementary Acquisitions*). The facility is held on a long-term lease basis through December 2008 and is being used as the primary manufacturing capacity for the Company's filing products. The Company uses another 40,000 square foot Scarborough facility for the manufacture and assembly of seating products.

In 1998, Dowcraft relocated into a newly built, 160,000 square foot facility in Falconer, New York. This facility is held on a long-term lease that runs through June 2008.

Other Company premises include a number of showrooms in various major North American cities, including, Toronto, Chicago, New York, Boston, Los Angeles, Minneapolis and Dallas.

Employees

INSCAPE employs approximately 780 people of whom approximately 450 are unionized. The Company believes that it offers competitive compensation to both its unionized and non-union employees and that it has excellent relations with its employees.

The Holland Landing manufacturing employees belong to two locals of the IWA-Canada: one covering Office Specialty employees and the other INSCAPE Systems employees. Employees at the Scarborough facility are unionized with the Steelworkers of America. Some Dowcraft employees belong to the Sheet Metal Workers' International Association.

Intellectual Property, Proprietary Information and Technical Know-How

The Company believes that its success depends, in part, upon its ability to develop and protect proprietary technology contained in its products and its manufacturing process and relies on a valuable body of technical know-how related to the design of its products. INSCAPE holds a number of design and utility patents relating to its furniture products in the principal markets in which it competes including patents relating to the Platform system. The Company currently relies upon these patents, intellectual property laws, as well as contractual restrictions, to establish and protect proprietary rights in its products and designs. INSCAPE has also entered into non-disclosure agreements with its employees as appropriate and non-disclosure agreements with certain of its suppliers so as to limit access to and disclosure of its proprietary information.

Environmental Matters

The Company is subject to environmental regulation by federal, provincial, state and local authorities. Although INSCAPE's operations do not involve activities likely to create significant environmental risks, its operations involve the use of chemicals that must be stored, handled, used and disposed of in accordance with environmental regulation. To date, environmental legislation and regulations have not had a material adverse effect on INSCAPE's operations or financial condition and management believes that the Company currently is in material compliance with applicable environmental legislation and regulations.

Competition

The Company operates in a highly competitive environment. In the markets in which the Company operates, the Company generally competes with a small number of larger companies. Several of the Company's larger competitors operate in many of the Company's geographic and product-markets and exert a high degree of control over office furniture dealers who principally sell their products. The Company also competes with a large number of smaller, independent companies, many of which are well established in the markets in which they sell their products. Other competitors may choose to enter the Company's geographic and product markets in the future. As a result of this competition, the Company may lose customers or have difficulty acquiring new customers. As a result of competitive pressures on the pricing of products, the Company's revenues and/or margins may decline.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth the revenues and net income, in total, for each of the last five completed financial years.

	Year Ended April 30,				
	2002	2001	2000	1999	1998
			($000's) (Audited)		
Sales	134,618	$173,032	$132,872	$116,143	$94,565
EBDITA[(1)]	18,210	39,676	37,360	34,667	25,991
EBIT[(2)]	10,680	34,225	33,274	31,673	23,885
Net earnings	7,711	24,661	24,631	21,925	16,039
Total Assets	125,561	32,695	103,004	106,891	82,129
Long Term Debt (less current portion)	766	961	-	-	-

Notes:
(1) Earnings before interest, taxes, depreciation and amortization.
(2) Earnings before interest and taxes.

Dividend Policy

The Company paid a one time $2.00 special dividend on August 5, 1999 to shareholders of record on July 15, 1999.

On June 22, 1999, the Company announced an intention to pay a quarterly dividend of $0.11 on its Subordinated Voting Shares and Multiple Voting Shares commencing with the release of the Company's first quarter results in September 1999. In connection with the release of its quarterly results for the fiscal years 2000 and 2001, the Company declared a quarterly dividend of $0.11 per Subordinated Voting Share and/or Multiple Voting Share, for total dividends of $0.44 per share per year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

A discussion and analysis by management of the financial position and results of operations of the Company is found in the Annual Report of the Company for the year ended April 30, 2002 which is herein incorporated by reference.

MARKET FOR SECURITIES

The Subordinate Voting Shares are listed and posted for trading on the Toronto Stock Exchange (TSX) under the symbol "INQ".

DIRECTORS AND SENIOR OFFICERS

The names, municipalities of residence, positions with the Company and principal occupations of the directors and senior officers of the Company are as follows:

Name and Municipality of Residence	Office	Principal Occupation
Madan Bhayana North York, Ontario	Executive Chairman and Chairman of the Board	Executive Chairman of INSCAPE Corporation
Ram Ramkumar Etobicoke, Ontario	President, Chief Executive Officer and Director	President, Chief Executive Officer INSCAPE Corporation
Bartley Bull North York, Ontario	Chief Financial Officer, Treasurer and Director	Chief Financial Officer, Treasurer INSCAPE Corporation
Raj Pasricha Richmond Hill, Ontario	Executive Vice-President	Executive Vice-President INSCAPE Corporation
The Honourable David R. Peterson(1),(2) Toronto, Ontario	Director	Chairman and Partner Cassels Brock & Blackwell LLP
Alan J. Power(1),(2) King City, Ontario	Director	President, Chief Executive Officer Decoma International Inc
Vivian Young(1),(2) New York, N.Y.	Director	Founder Young & Bailey LLC.
Rohit Bhardwaj Vandorf, Ontario	Vice President, Finance and Corporate Secretary	Vice President, Finance, Corporate Secretary INSCAPE Corporation
Joe Cyr Nobelton, Ontario	Executive Vice-President	Executive Vice-President INSCAPE Ltd.
Leigh Wright Carlisle, Ontario	President	President Office Specialty Ltd.

Notes:
(1) Member of audit committee.
(2) Member of compensation and corporate governance committee.

Other than Alan Power, who was appointed to the board on March 25th, 2002, each of the foregoing persons was elected as a director of the Company on December 8, 1997, the date of the Capital Reorganization. Each director holds office until the next annual meeting of shareholders unless his/her office is earlier terminated or vacated. Each director has held the same principal occupation for the previous five years except for Mr. Wilson who, prior to June 2000 was Vice-Chairman and Director of RBC Dominion Securities Inc. and Ms. Young who was previously a Strategic Counselor at Lowe, Lintas & Partners.

As at July 31, 2002, the directors and senior officers of the Company, as a group, beneficially own, directly or indirectly, an aggregate of 4,607,390 Subordinated Voting Shares and 5,345,881 of the Multiple Voting Shares of the Company, being 47.4% and 100.0%, respectively of the issued and outstanding shares of each such class.

ADDITIONAL INFORMATION

The Company shall provide to any person or company, upon request to the Secretary of the Company:

(a) when the securities of the Company are in the course of distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a proposed distribution of its securities:

  (i) one copy of this Annual Information Form, together with one copy of any document or pertinent pages of any document incorporated herein by reference;
  (ii) one copy of the comparative financial statements of the Company for is most recently completed financial year together with the report of the auditor thereon and one copy of any interim financial statements of the Company subsequent to the financial statements for it's most recently completed financial year;
  (iii) one copy of the Proxy and Information Circular of the Company in respect of its most recent annual meeting of shareholders that involved the election of directors; and
  (iv) one copy of any other documents which are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) and (iii) above.

(b) at any other time, one copy of the documents referred to in clauses (a) (i), (ii) and (iii) above, upon the payment of a reasonable charge from such a person or company who is not a security holder of the Company.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, is contained in the management Information Circular of the Company for the Annual Meeting of the Shareholders of the Company to be held on September 18, 2002, copies of which may be obtained upon request from the Secretary of the Company. Additional financial information is provided in the Company's comparative financial statements for its most recently completed financial year.