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TRIZEC
CORPORATION
LTD.

ANNUAL REPORT

1973

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table of contents

Highlights of 1973	1	Summary of Property Interests	13
Offices and Principal Subsidiaries	2	Summary of Properties Under Development	16
Directors and Officers	3	Review of Operations	
President's Message	4	Corporate Expansion	18
Consolidated Financial Statements		Development Program	19
Balance Sheet	6	Office Buildings	20
Statement of Earnings	7	Shopping Centres	22
Statement of Retained Earnings	7	Mobile Home Parks	23
Statement of Cash Flow	8	Retirement Lodges	23
Statement of Source and Use of Funds	8	Hotels	24
Notes to Financial Statements	9	Residential Construction	24
Auditors' Report	12	Financing	24
		Graphs	25
		Ten Year Financial Review	25

Si vous préférez recevoir ce rapport en français, veuillez vous adresser au secrétaire, Trizec Corporation Ltd., 5 Place Ville Marie, Montréal, Québec, H3B 2G6

Trizec Corporation Ltd. and Subsidiary Companies

highlights of 1973

	year ended October 31,	
	1973	1972
Cash Flow from Operations	\$14,254,000	\$11,728,000
Per Share*	\$1.95	\$1.63
Net Earnings before Extraordinary Gain	\$4,681,000	\$4,176,000
Per Share*	64¢	58¢
Net Earnings	\$5,813,000	\$4,221,000
Per Share*	80¢	59¢
Gross Income	\$113,261,000	\$104,368,000**
Total Assets	\$678,683,000	\$589,360,000**
Paid-in Capital and Retained Earnings	\$106,193,000	\$101,497,000
Shares Outstanding at October 31	7,342,702	7,267,122
Average Shares Outstanding	7,312,400	7,189,300
Approximate Number of Shareholders	3,500	4,400

*Per share calculations are based on the average number of shares outstanding during the period.

**Restated as per note 2(b) to the financial statements.

Trizec Corporation Ltd. and Subsidiary Companies

offices and principal subsidiaries

Head Office

Trizec Corporation Ltd.
5 Place Ville Marie
Montreal, Quebec
H3B 2G6

Regional Offices

Calgary
Suite 800
3 Calgary Place
355 - 4th Avenue S.W.
Calgary, Alberta
T2P 0J1

Halifax
5670 Spring Garden Road
Halifax, Nova Scotia
B3J 1H6

Montreal
5 Place Ville Marie
Montreal, Quebec
H3B 2G6

Toronto
Yorkdale Shopping Centre
Suite 140
Toronto, Ontario
M6A 2T9

Chicago
216 East Ontario Street
Chicago, Illinois 60611

Denver
Prudential Plaza, Suite A-360
Denver, Colorado 80202

Detroit
First National Building,
Suite 1265
Detroit, Michigan 48226

Los Angeles
6255 Sunset Boulevard
Hollywood, California

New York
375 Park Avenue
New York, New York 10022

Principal Subsidiaries

Trizec Equities Limited
5 Place Ville Marie
Montreal, Quebec
H3B 2G6

**Central Park Lodges of
Canada Ltd.**
Yorkdale Shopping Centre
Suite 203
Toronto, Ontario
M6A 2T9

Mobile Home Communities, Inc.
Prudential Plaza, Suite A-360
Denver, Colorado
80202

Tristar Developments, Inc.
(New York)
375 Park Avenue
New York, New York
10022
(Detroit)
First National Building, Suite 1265
Detroit, Michigan
48226

**Great West International
Equities Ltd.**
Suite 800
3 Calgary Place
355 - 4th Avenue S.W.
Calgary, Alberta
T2P 0J1

Tristar Western Ltd.
1 Calgary Place, Suite 2900
330 - 5th Avenue S.W.
Calgary, Alberta
T2P 0L4

directors

Edward M. Bronfman
Chairman of the Board,
Edper Investments Ltd.

Peter F. Bronfman
President, Edper Investments Ltd.

Frank B. Common, Jr., Q.C.**
Lawyer, Ogilvy, Cope, Porteous,
Hansard, Marler, Montgomery &
Renault

Edmond-Jacques Courtois, Q.C.**
Lawyer, Laing, Weldon, Courtois,
Clarkson, Parsons, Gonthier &
Tétrault

Frank M. Covert, Q.C.
Lawyer, Stewart, MacKeen &
Covert

Leo Goldfarb
Senior Vice President,
Trizec Corporation Ltd.

**The Rt. Hon. the
Viscount Hardinge, M.B.E.***
Honorary Chairman,
Greenshields Incorporated

William Hay*
Executive Vice President,
Trizec Corporation Ltd.

Peter R. Kirwan-Taylor
Director, English Property
Corporation Limited

Louis A.-Lapointe, Q.C.
Chairman, Miron Company Ltd.

David A. Llewellyn*
Director and Chief Executive,
English Property Corporation
Limited

Stanley E. Nixon
Chairman, Celanese Canada
Limited

**Hon. Lazarus Phillips,
O.B.E., Q.C.****
Lawyer, Phillips & Vineberg

David G. Philpott
President, D. G. Philpott and
Associates Limited

Isidore C. Pollack
Lawyer, Létourneau, Stein,
Marseille, Delisle & LaRue

Brian P. Riley
Senior Vice President,
Trizec Corporation Ltd.

James A. Soden, Q.C.*
President, Trizec Corporation Ltd.

Jack Wiseman
Senior Vice President,
Trizec Corporation Ltd.

James A. Lowden
Vice President

John A. Meyer
Vice President

Michael M. Novac
Vice President

Jack Rabinovitch
Vice President

J. Peter Griffin
Treasurer

Joseph H. Porteous, Q.C.
Secretary

Richard J. Bordewick
Comptroller

Catrinus Renema
Assistant Vice President

officers

James A. Soden
President

William Hay
Executive Vice President

Leo Goldfarb
Senior Vice President

Brian P. Riley
Senior Vice President

Jack Wiseman
Senior Vice President

Donald M. Reid
Vice President—Finance

Kenner C. Ames
Vice President

David W. Jordan
Vice President

transfer agent

Montreal Trust Company
Montreal, Halifax, Toronto,
Winnipeg, Calgary, Vancouver

share listings

Toronto Stock Exchange
Montreal Stock Exchange

auditors

Coopers & Lybrand
Chartered Accountants,
Montreal, Quebec

*Member of the Executive Committee

**Member of the Executive Committee and the Audit Committee

Trizec Corporation Ltd. and Subsidiary Companies

president's message



James A. Soden, Q.C.

Your company has experienced another year of vigorous growth in cash flow, earnings and assets — a year during which a number of significant additions were made to its portfolio of prime properties both by development and by acquisition.

Trizec's gross assets at fiscal year-end, October 31, 1973, were \$678.7 million compared to \$589.4 million at year-end 1972. Since the year-end, gross assets have risen to a level approaching \$800 million.

It would be appropriate at this point to restate your company's primary corporate objective. It is, simply, to create through development and acquisition a portfolio of high quality real estate properties diversified in function and location and capable of earning a rising level of income over the long term.

Development: Your company possesses the corporate talent and

financial resources to carry out development programs throughout North America totalling many millions of dollars annually. By doing so, we are able to add to Trizec's portfolio at cost and the properties can be designed to our exacting standards for minimizing operating costs and maximizing the potential for uplift in revenues.

Among the major developments completed in the past year your attention is drawn to Scarborough Town Centre, a regional shopping centre in Metropolitan Toronto, Royal Centre, an office tower, hotel, banking hall and retail complex in downtown Vancouver, and 2020 University, an office tower and retail complex in downtown Montreal.

Among the new developments to which Trizec is actively committed are multi-use centre-city complexes in Winnipeg, Calgary and Saint John. With the completion of the first office building and the opening of the Quebec Hilton, we are preparing for the next phase of Place Quebec, the construction of a 35-storey office tower. Other major developments in Canada and the United States are in the planning stages.

Acquisitions: While your company continues to place emphasis on development, it takes every advantage of opportunities for profitable acquisitions, particularly when they possess the potential for further expansion. Uniquely promising is the acquisition of Mobile Home Communities, Inc., a Denver-based real estate company and one of the largest owners and operators of mobile home

parks in the United States.

The Fisher Building in Detroit, renowned for its architecture, was acquired late in December, 1973, and is a highly desirable investment in the central core of that major American city.

Your company has also concluded an agreement to acquire \$60 million of well financed office space totalling 1,509,000 sq. ft. in the Los Angeles area. This transaction, through a subsidiary, Tristar Western Ltd., will establish the strong corporate presence we have wanted in the south-west United States where we anticipate promising development opportunities.

The United States has become increasingly attractive for future growth even as we continue to press ahead with our active expansion programs in Canada where Trizec now has important holdings in every large urban centre from Halifax to Vancouver.

Foreign Investment Review Act : Your company's planning for current and future development has anticipated the passage of this legislation which now comes into force in the next few months. The effect of this legislation on the Canadian business community in general will remain somewhat unclear until we have the opportunity to see whether it will be administered in keeping with the expressed intent of its authors.

Industry outlook : Shortages of construction materials are already being experienced and these can be expected to worsen before materials are once more in ready supply. Accompanying the short-

ages have been pronounced increases in prices. Construction wages are also rising and their effect on completion costs has been compounded by strikes and other work stoppages.

Zoning and other restrictions on real estate development are becoming progressively more limiting. The real estate industry as a whole welcomes those measures which will bring about more desirable uses of land. All too often, such measures are indiscriminately applied and the consequences of their application are not adequately thought through.

In spite of these difficulties, there is no apparent slackening in the demand for accommodation of the type in which Trizec continues to be most interested. In addition, development funds are becoming increasingly more available although it is doubtful that we shall see any significant reduction in their cost, largely because of the continuing strong expansionary trend in the economy in general and because of the urgency of expanding our national energy resources in particular.

None of these factors, of course, has an adverse effect on our existing portfolio. They serve, rather, to enhance the value of development already in place.

Dividends : Half-yearly dividends of 15 cents and 20 cents were declared during the year. A half-yearly dividend of 20 cents was declared subsequent to the year-end.

Election to the Board : Mr. Jack Wiseman, a senior vice president of

the company, was elected to the board of directors during the year. Mr. Samuel Hashman resigned from the board to assume his duties as president of Tristar Western Ltd., the new Trizec subsidiary in which your company holds a 66.7 per cent interest with the balance being held by Mr. Hashman and his associates.

During the year, a seven-member executive committee of the board was appointed to facilitate the board's business. As has been our practice for the last three years, the accounts of your company were reviewed before publication by the audit committee of three outside directors.

Staff : The success of your company rests upon the individual dedication and effort of all of its employees. I wish to commend them for their contribution to Trizec's continuing growth.

On behalf of the board



March 29, 1974.

Trizec Corporation Ltd. and Subsidiary Companies

consolidated balance sheet as at october 31, 1973

	(in thousands of dollars)	
	1973	1972 note 2(b)
ASSETS		
Property interests (note 4)		
Income producing properties	496,386	454,037
Properties under development	118,055	82,406
Properties held for development	11,650	7,311
Equipment	1,436	1,777
	627,527	545,531
Accumulated depreciation	21,635	17,949
	605,892	527,582
Investments (note 5)	10,763	3,685
Other assets		
Cash	4,720	5,825
Accounts receivable (note 6)	26,915	19,601
Deposits	3,270	7,387
Prepaid expenses and deferred charges	9,946	8,103
Excess of cost of shares over net assets of subsidiary companies (note 4(a))	17,177	17,177
	678,683	589,360
LIABILITIES		
Long term debt (note 7)	495,227	433,285
Accounts payable and accrued liabilities	42,294	33,177
Bank advances	18,246	9,843
Deferred income taxes	16,232	11,093
Minority interest in subsidiary companies	491	465
	572,490	487,863
SHAREHOLDERS' EQUITY		
Capital Stock (note 8)		
Authorized —		
10,000,000 shares without nominal or par value		
Issued and fully paid — 7,342,702 shares (1972—7,267,122 shares)	90,245	88,805
Contributed surplus	780	780
Retained earnings	15,168	11,912
	106,193	101,497
	678,683	589,360

Signed on behalf of the board
William Hay, *Director*

F. B. Common, Jr., *Director*

The accompanying notes are an integral part of the financial statements.

consolidated
statement of earnings
for the year ended
october 31, 1973

	(in thousands of dollars)	
	1973	1972 note 2(b)
Income		
Operations	112,166	102,420
Interest and miscellaneous income	1,095	1,948
	<u>113,261</u>	<u>104,368</u>
Expenses		
Operating and rent	53,598	50,119
Salaries, general and administrative	4,950	4,795
Property taxes	13,487	12,634
Interest	26,704	25,042
	<u>98,739</u>	<u>92,590</u>
Operating profit before other charges	<u>14,522</u>	<u>11,778</u>
Other charges		
Depreciation (note 4(e))	4,541	4,073
Minority interest	225	168
Income taxes—current	160	—
—deferred	4,915	3,361
	<u>9,841</u>	<u>7,602</u>
Earnings before extraordinary gains	<u>4,681</u>	<u>4,176</u>
Extraordinary gains arising from sales of property interests (less deferred income taxes of \$239,000)	1,132	45
Net earnings for the year	<u>5,813</u>	<u>4,221</u>
Earnings per share (note 9)		
Before extraordinary gains	64.0¢	58.1¢
Extraordinary gains	15.5¢	.6¢
Net earnings for the year	<u>79.5¢</u>	<u>58.7¢</u>

consolidated
statement
of retained earnings
for the year ended
october 31, 1973

	(in thousands of dollars)	
	1973	1972
Balance—beginning of year	11,912	9,132
Net earnings for the year	5,813	4,221
	<u>17,725</u>	<u>13,353</u>
Dividends	2,557	1,441
Balance—end of year	<u>15,168</u>	<u>11,912</u>

The accompanying notes are an integral part of the financial statements.

Trizec Corporation Ltd. and Subsidiary Companies

consolidated statement of cash flow from operations for the year ended october 31, 1973

	(in thousands of dollars)	
	1973	1972 note 2(b)
Net earnings for the year before extraordinary gains	4,681	4,176
Non-cash items—		
Depreciation	4,541	4,073
Deferred income taxes	4,915	3,361
Other	117	118
Cash flow from operations	14,254	11,728
Cash flow from operations per share (note 9)	\$1.95	\$1.63

consolidated statement of source and use of funds for the year ended october 31, 1973

	(in thousands of dollars)	
	1973	1972 note 2(b)
Cash flow from operations	14,254	11,728
Disposal of assets		
Sale of property interests and investments	14,950	7,528
Repayment of related debt	(10,084)	(3,376)
	4,866	4,152
Financing		
Capital stock issued	1,440	2,247
Additional long term debt—net	68,665	61,527
Mortgage and sinking fund payments	(8,065)	(7,648)
	62,040	56,126
Funds obtained from (retained in) other assets and liabilities	14,644	(2,405)
Dividends paid	(2,557)	(1,441)
Funds available for investment	93,247	68,160
Invested as follows:		
In construction and development of properties	80,586	63,659
In property companies and joint ventures	12,661	4,501
	93,247	68,160

The accompanying notes are an integral part of the financial statements.

notes to consolidated financial statements for the year ended october 31, 1973

1. Accounting Practices

The company is a member of the Canadian Institute of Public Real Estate Companies (CIPREC). The company's accounting policies and its standards of financial disclosure are in accordance in all material respects with the recommendations of that Institute.

2. Principles of Consolidation

(a) The consolidated financial statements include:

- (i) The accounts of all companies in which the company holds an interest in excess of 50%, with the exception of Mobile Home Communities, Inc. (note 5(a)).
- (ii) The accounts of all unincorporated joint ventures in which the company holds an interest, to the extent of the company's interest in their respective assets, liabilities and earnings.

(b) The investment in shares of corporate joint ventures in which the company has an interest of 50% or less are carried in the accounts on the equity basis. Previously, these investments were included in the accounts to the extent of the company's interest in their respective assets, liabilities and earnings (note 5(b)). This change in accounting practice has no effect on net earnings or cash flow from operations. The accounts for 1972 have been reclassified to reflect this change.

3. Foreign Exchange

(a) Property interests and investments in United States funds have been expressed in Canadian dollars at the rate of exchange prevailing at the date such assets were acquired.

(b) Long term debt payable in United States funds has been expressed in Canadian dollars at the rate of exchange prevailing when the funds were received or, where applicable, at the rate established under foreign exchange commitments.

(c) Other assets and liabilities in United States funds have been expressed in Canadian dollars at the rate of exchange prevailing at the date of the balance sheet, or, where applicable, at rates established under foreign exchange commitments.

4. Property Interests

(a) Property interests are valued at cost (including development expenses) plus the excess of the cost of shares of certain subsidiaries over the carrying cost of the properties acquired. This excess has been ascribed by management to these individual properties. In addition, an amount of \$17,177,000 representing the excess of cost of shares over net assets of certain other subsidiaries has not been allocated to property interests.

(b) Property interests have been increased by the addition of the following directly related development expenses:

	1973	1972
	(in thousands of dollars)	
Salaries, general and administrative	2,396	1,898
Property taxes	1,219	766
Interest	8,828	5,397
	12,443	8,061

(c) Properties carried at net book value of approximately \$319,496,000, are situated on land held under leases or agreements expiring in the years 2019 to 2074.

(d) It is estimated that the company's share of further expenditures required to complete the properties under development will amount to approximately \$21,297,000 as at October 31, 1973. Financing has been arranged for approximately \$10,151,000 of this amount (see also note 5(b)).

(e) Depreciation on income producing properties is based on a sinking fund method under which an increasing amount consisting of a fixed annual sum together with interest compounded at the rate of 4% per annum is charged to earnings so as to depreciate fully the properties over their estimated lives of from 25 to 60 years.

(f) The undepreciated capital cost available to the company for income tax purposes amounts to approximately \$451,500,000.

5. Investments

Investments are classified as follows:

	1973	1972
	(in thousands of dollars)	
Unconsolidated subsidiary company (a)— Shares and warrants—at cost	6,950	—
Corporate joint ventures (b)—		
Shares—at equity value	3,207	1,971
Advances	486	655
	3,693	2,626
Miscellaneous	120	1,059
	10,763	3,685

Trizec Corporation Ltd. and Subsidiary Companies

5. Investments (cont'd.)

(a) Unconsolidated subsidiary company —

On October 29, 1973, Tristar Developments, Inc., a wholly-owned subsidiary, acquired 45.3% of the outstanding shares of Mobile Home Communities, Inc. (MHC) which, together with the 9.6% of the shares previously acquired, resulted in the ownership of 54.9% of the shares of MHC for a cash consideration of approximately \$7 million. In addition, Tristar acquired 31.0% of MHC's share purchase warrants which are exercisable at \$10.00 per share until August 26, 1974.

On October 30, 1973, Tristar made a public offer to purchase the balance of the shares and warrants of MHC. At the expiry of the offer on January 7, 1974, Tristar had acquired 95.2% of the total outstanding shares of MHC and 93.3% of the total outstanding warrants of MHC for an aggregate cost of approximately \$12.3 million.

The interest of the company as at the expiry of the offer, in the net assets of MHC as at August 31, 1973 (the date of the latest audited financial statements) is as follows:

(in thousands of dollars)	
Assets, at book value (after deducting accumulated depreciation of \$3,746,000)	38,607
Liabilities	30,165
Net assets	8,442
The company's 95.2% interest in net assets	8,037
Excess of cost of investment over interest in net assets (to be attributed to property interests)	4,271
Total acquisition costs to January 7, 1974	12,308

As the purchase of MHC was not complete at October 31, 1973, it is not considered appropriate to consolidate its assets and liabilities as at that date.

(b) Corporate joint ventures —

The company carries out numerous developments through corporate joint ventures in which the company has an interest of 50% or less (note 2(b)). A financial summary of the company's proportionate interest in these partially-owned joint venture property development companies is as follows:

	1973	1972
(The company's proportionate interest —in thousands of dollars)		
Income producing properties	1,626	1,640
Properties under development	8,646	2,025
Properties held for development	1,123	—
	11,395	3,665
Liabilities less other assets	7,702	1,039
Company's investment	3,693	2,626
Net earnings	53	45
Cash flow from operations	86	91
Estimated cost to complete these properties under development	14,965	7,067
Financing available	14,180	6,375

6. Accounts Receivable

Included in accounts receivable is an amount of \$4,032,000 in respect of funds provided to a trustee under the terms of the Executive Share Purchase Plans, which funds have been loaned to employees (some of whom are directors) to purchase fully paid shares of the company.

7. Long Term Debt

Long term debt maturities are as follows:

	Average interest rates as at October 31, 1973 %	Years ending October 31,					Subsequent	Total
		1974	1975	1976	1977	1978		
(in thousands of dollars)								
Debt subject to regular amortization—								
Mortgage loans, bonds and debentures	7.8	7,499	8,036	8,699	9,791	10,238	261,186	305,449
Debt not subject to regular amortization—								
Mortgages	8.4	2,776	769	1,509	377	125	2,319	7,875
Bank loans	11.1	481	336	29	16	8		870
Notes payable	6.7	10,398	2,745	9,182	747	156	1,155	24,383
Term development loans	11.3			5,300	24,500			29,800
Income bonds	6.3		10,000	5,000				15,000
Construction loans	11.3	55,137	18,795	1,472	420	420	3,360	79,604
Convertible debentures and notes (note 8(b))	4.1						32,246	32,246
		76,291	40,681	31,191	35,851	10,947	300,266	495,227

Notes payable include \$4,000,000 due to a major shareholder and \$2,000,000 due to an affiliated company.
Long term financing has been arranged to repay \$66,192,000 of construction loans and \$24,500,000 of term development loans.

8. Capital Stock

- (a) During the year ended October 31, 1973, the company's issued and fully paid capital was increased by the issue of 75,580 shares for a cash consideration of \$1,440,252.
- (b) As at October 31, 1973, 2,403,002 shares were reserved for the conversion of certain debt, the subscription privileges of the share purchase warrants and the exercise of share options, as follows:

	Shares reserved	Price (i)	Exercisable
\$10,000,000 7% Convertible debentures due December 31, 1993 (ii)	500,000	\$ 20.00	Between December 31, 1975 and 1980
\$ 9,797,336 7% Convertible notes due December 31, 1990	653,155	15.00	Between December 31, 1974 and 1980
\$13,198,918 7% Convertible (1971) notes due December 31, 1990 (interest commencing July 1, 1976)	879,927	15.00	Between December 31, 1974 and 1980
2,250,000 Share purchase warrants	225,000	22.70	Before February 15, 1979
Share option plans—Granted			
—January 1973	53,580	16.90	20% annually to January 1978
—March 1973	9,250	19.25	20% annually to March 1978
—July 1973	2,500	18.25	20% annually to July 1978
Reserved, but not granted	79,590		
	2,403,002		

(i) Subject to adjustment.
(ii) As at October 31, 1973, \$9,250,000 of the principal amount of the 7% convertible debentures were outstanding. The balance of \$750,000 was issued with effect from December 31, 1973, to a major shareholder.

Trizec Corporation Ltd. and Subsidiary Companies

9. Per Share Calculations

(a) Earnings and cash flow from operations per share have been calculated on the basis of the average number of shares outstanding during each of the years under review.

(b) The company's long term convertible debt includes certain issues which, if they had been converted for the year under review, would have decreased the earnings per share before extraordinary items and net earnings per share for the year to 56.7¢ and 69.4¢ respectively. In addition, the cash flow from operations per share would have decreased to \$1.67.

10. Contingent Liabilities and other Commitments

(a) The company has guaranteed certain of the obligations of its subsidiaries and affiliated companies and has pledged certain of its holdings in shares, debentures and notes of its subsidiaries as security for certain bank and other loans.

(b) The company and certain subsidiaries are contingently liable for obligations of their respective associates in joint venture developments. In each case, all of the assets of the joint venture are available for the purpose of satisfying such obligations.

(c) Certain lenders hold debentures of subsidiaries aggregating \$41,300,000 as collateral for loans which amounted to \$29,300,000 as at October 31, 1973. In addition, a subsidiary has issued a \$5,000,000 collateral mortgage in respect of a performance guarantee.

(d) A subsidiary of the company acquired a controlling interest in a company which has developed a regional shopping

centre. The share purchase agreement provides for adjustment to the purchase price related to the profitability of the shopping centre during the third year of operation ending in 1976.

11. Remuneration of Directors and Officers

The following remuneration was paid to 18 directors of the company and to 20 officers (8 of whom were directors). In 1972 there were 18 directors and 17 officers (7 of whom were directors).

	1973 \$	1972 \$
Directors—		
Trizec Corporation Ltd.	63,450	54,400
Officers—		
Trizec Corporation Ltd.	775,223	527,560
Subsidiaries—		
Cummings Properties Limited	18,100	116,646
Great West International Equities Ltd.	82,487	90,000
Place Quebec Inc.	10,000	10,000
	885,810	744,206

auditors' report to the shareholders

We have examined the consolidated balance sheet of Trizec Corporation Ltd. and its subsidiary companies as at October 31, 1973 and the consolidated statements of earnings, retained earnings, cash flow from operations and source and use of funds for the year then ended. Our examination of the financial statements of Trizec Corporation Ltd. and the subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at October 31, 1973 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change referred to in note 2(b) to the consolidated financial statements, on a basis consistent with that of the preceding year.

Coopers & Lybrand
Chartered Accountants
Montreal, January 11, 1974

TRIZEC CORPORATION LTD.

5 PLACE VILLE MARIE
MONTREAL 113, P. Q.

TEL: (514) 861-9393
TELEX: 05-268876

le 28 mars 1974.

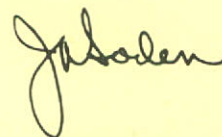
À nos actionnaires,

Votre compagnie rapporte une augmentation appréciable de ses résultats d'exploitation, reflétant les acquisitions faites au cours de l'année ainsi que le fait que les nouveaux projets ont atteint le stade du revenu.

Voici les revenus consolidés du premier trimestre, terminé le 31 janvier 1974, et les chiffres de la période correspondante de l'an dernier:

	<u>31 janvier 1974</u>	<u>31 janvier 1973</u>
Revenu brut	\$30,365,000	\$27,527,000
Fonds générés par l'exploitation	3,885,000	2,992,000
Bénéfice net	1,103,000	916,000
Fonds générés par l'exploitation par action	52.8¢	41.2¢
Bénéfice net par action	15.0¢	12.6¢
Nombre moyen d'actions en circulation	7,359,411	7,267,122

Le président,



James A. Soden.

TRIZEC CORPORATION LTD.

5 PLACE VILLE MARIE
MONTREAL 113, P. Q.

TEL: (514) 861-9393
TELEX: 05-268876

March 28, 1974

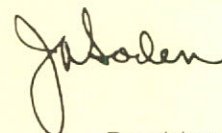
To our shareholders:

A substantial increase in first quarter results was reported by your company, largely reflecting the new developments coming into the revenue stream and the acquisitions made by your company during the year.

The consolidated earnings for the first three months, ended January 31, 1974, compared with the same period last year, are:

	<u>January 31, 1974</u>	<u>January 31, 1973</u>
Gross Revenue	\$30,365,000	\$27,527,000
Cash Flow from Operations	3,885,000	2,992,000
Net Earnings	1,103,000	916,000
Cash Flow from Operations Per Share	52.8¢	41.2¢
Net Earnings Per Share	15.0¢	12.6¢
Average Number of Shares Outstanding	7,359,411	7,267,122

James A. Soden,



President.

summary of property interests*

(Company's percentage interest is 100% unless otherwise noted)

office buildings

	Total (rentable sq. ft.)**		Total (rentable sq. ft.)**
(Halifax)		(Edmonton)	
Halifax Insurance Building	82,845	CN Tower	362,242
Centennial Building	72,900	100th Avenue Building	41,341
(Quebec City)		Centennial Building (60%)	287,884
Place Quebec, phase 1	250,000	IBM Building	80,429
Place Quebec, phase 2	433,332	(Calgary)	
(Montreal)		Calgary Place	788,270
Place Ville Marie	2,927,896	12th Avenue Building	31,291
2020 University (85%)	533,141	17 Avenue Building	27,313
360 St. James	309,013	Texaco Building (75%)	107,500
BCN Building	510,433	Glidden Building	17,702
555 Dorchester Blvd. West	204,486	Pacific 66 Plaza	244,341
505 Dorchester Blvd. West	80,378	Royal Bank Building	359,153
Domtar House	198,770	Montreal Trust Building	45,781
Orpheum Building	157,026	Westburne Building	50,472
5165 Queen Mary Road	58,490	8th Avenue Building	10,450
Sherbrooke-Crescent Building	106,568	Centennial Building (20%)	23,345
Drummond Medical Building	192,000	Al-San Building	18,824
Peel Centre Building	163,257	(Vancouver)	
Elmwood Building (40%)	46,213	Royal Centre Commercial	824,048
(Toronto)		(California)	
180 Wellington Street West	249,251	†Ventura Gloria, Encino	365,625
(Detroit)		†Century La Cienega, Inglewood	426,170
First National Building	842,680	†Sunset Argyle, Hollywood	478,046
Fisher Building	702,014	†Wilshire-New Hampshire, Los Angeles	339,525
New Center Building	233,822	†Airport Marina I, Los Angeles (40%)	159,879***
		†Airport Marina II, Los Angeles (40%)	181,324***

*As of March 1974 including California properties under agreement for purchase

**Includes parking where applicable

***Excludes an additional 220,297 sq. ft. parking structure shared by the two buildings

†Through Tristar Western Ltd., a two-thirds owned subsidiary

Trizec Corporation Ltd. and Subsidiary Companies

shopping centres

	Total (rentable sq. ft.)		Total (rentable sq. ft.)
(Halifax)		(Saskatoon)	
Halifax Shopping Centre	383,866	Confederation Park Plaza	237,598
(Dartmouth)		(Prince Albert)	
Dartmouth Shopping Centre	97,776	South Hill Shoppers' Mall	268,001
(Montreal)		(Regina)	
Jean Talon Shopping Centre	65,300	Regina Centre (50%)	57,815
Normandie Shopping Centre	214,740	(Moose Jaw)	
(Ottawa)		Town 'N Country Mall	203,095
Carlingwood Shopping Centre (50%)	289,074	(Lethbridge)	
(Toronto)		College Shopping Mall (40%)	222,000
Yorkdale Shopping Centre	893,467*	(Calgary)	
Scarborough Town Centre (65%)	883,635*	MacLeod Mall Shopping Centre	235,963
(Brandon)		Marlborough Shoppers' Mall	236,048
Brandon Shoppers' Mall	233,370	(Vancouver)	
		Brentwood Shopping Centre	430,571
		Lougheed Mall Shopping Centre	548,575

hotels

	No. of Rooms		No. of Rooms
Quebec Hilton Hotel, Quebec City (50%)	600	Regina Inn, Regina (50%)	240
Hyatt Regency, Toronto (50%)	540	Hyatt Regency, Vancouver (75%)	700
Caravan Motor Hotel, Calgary (50%)	89	Vancouver Airport Hyatt House, Richmond	432

retirement lodges

	Guest Capacity		Guest Capacity
(Ontario)		(Manitoba)	
Jane Street, Toronto	141	Winnipeg No. 1	277
Thorncliffe No. 1, Toronto	187	Winnipeg No. 2	217
Thorncliffe No. 2, Toronto	154	Brandon	89
Queen's Drive, Toronto	212	(Alberta)	
Ottawa	146	Grande Prairie	88
London	120	Jasper Place	100
Kitchener	210	Edmonton	134
Hamilton	90	Calgary	122
Windsor	192	(British Columbia)	
Thunder Bay	108	Vancouver, (under lease)	112
		Windermere Lodge, Vancouver	254

*Excludes Simpsons

apartments

	No. of Suites		No. of Suites
(Halifax)		(Ottawa)	
Spring Garden Terrace Apartments	201	Saville Terrace Apartments	309
Park Victoria Apartments	400	Le Voyageur Apartments	201
Embassy Tower	162	(Calgary)	
Le Marchant Towers	63	Parkland Village Apartments	330

mobile home communities

Location	Name	No. of Sites	Location	Name	No. of Sites
(Canada)			San Diego, California	Lamplighter Village	269
Winnipeg	Southglen (50%)	132	West Palm Beach, Florida	Holiday Downs	346
(United States)			West Palm Beach, Florida	Holiday Croft	218
Mesa, Arizona	Mesa Village	199	West Palm Beach, Florida	Holiday Park	349
Mesa, Arizona	Hacienda de Valencia	364	Clearwater, Florida	Bay Aristocrat	361
Phoenix, Arizona	Papago Peaks Village	278	Tampa, Florida	Regency Cove	416
Phoenix, Arizona	Capri Village	279	Largo, Florida	Eldorado Village	230
Phoenix, Arizona	Catalina Village	379	Sarasota, Florida	Windmill Village	468
Phoenix, Arizona	Palm Lakes Village	279	Ft. Myers, Florida	Windmill Village	479
Tucson, Arizona	Carefree Village	220	Daytona Beach, Florida	Carriage Cove	418
Denver, Colorado	Holiday Hills Village	758	Lubbock, Texas	Camelot Village	271
Denver, Colorado	Chaparral Village	107	Tulsa, Oklahoma	Three Fountains Village	112
Denver, Colorado	Hillcrest East Village	110	Tulsa, Oklahoma	Rockwood Village	289
Denver, Colorado	Hillcrest West Village	223	Las Vegas, Nevada	Bonanza Village	182
Denver, Colorado	Hillside Village	270	Las Vegas, Nevada	Rancho Bonanza	182
Denver, Colorado	Continental Estates	327	Baton Rouge, Louisiana	Cedarcrest Village	395
Colorado Springs, Colorado	Holiday Village	237	Minneapolis, Minnesota	Camelot Acres	319
Golden, Colorado	Golden Terrace Village	264	Minneapolis, Minnesota	Village Green North	175
Pueblo, Colorado	Pueblo Grande Village	251	Lawrence, Kansas	Gaslight Village	421
Billings, Montana	Casa Village	482	Lincoln, Nebraska	Gaslight Village	434
San Diego, California	Rancho Valley Village	140			

other properties

Other properties include land held for future development, an industrial park and other miscellaneous buildings.

Trizec Corporation Ltd. and Subsidiary Companies

summary of properties under development

Scotia Centre, Calgary : 556,000 sq. ft. 36-storey office tower and three-storey retail and banking structure joint ventured with the Bank of Nova Scotia — scheduled for completion in 1976 — company's interest is 50%.

Brunswick Square, Saint John : Two-phased development jointly ventured with MRA Holdings, New Brunswick Telephone Co. and Bank of Nova Scotia — consists of 500,000 sq. ft. of office space in a 33-storey tower, a 125,000 sq. ft. department store, 150,000 sq. ft. of additional retail space, a regional head office for the Bank of Nova Scotia, a 250-room hotel and parking for approximately 760 cars — phase I is scheduled for completion in 1976 — company's interest is 25%.

Place Quebec, Phase 3, Quebec City : 35-storey office tower comprising 600,000 sq. ft. — scheduled for completion in 1976 — company's interest 100%.

Winnipeg Square, Winnipeg : Multi-phase development proposal for the corner of Portage and Main streets to consist of two 34-storey office buildings of

575,000 sq. ft. each, a 125,000 sq. ft. department store, an additional 100,000 sq. ft. of retail space, an innovative banking hall and a 220-room luxury hotel and a city-owned parking facility for 1,000 cars.

Encino Valley Gateway, Encino, California : 19-storey, 301,000 sq. ft. office building with parking for

850 cars — scheduled for completion in 1975 — company's interest is 66⅔%.

Unicity Mall, Winnipeg : Regional shopping centre consisting of 540,000 sq. ft. — scheduled for completion in 1975 — company's interest is 40%.



Brunswick Square, Saint John, New Brunswick

Trans Canada Mall, Calgary :
154,000 sq. ft. shopping centre —
scheduled for completion in 1974
— company's interest is 66⅔%.

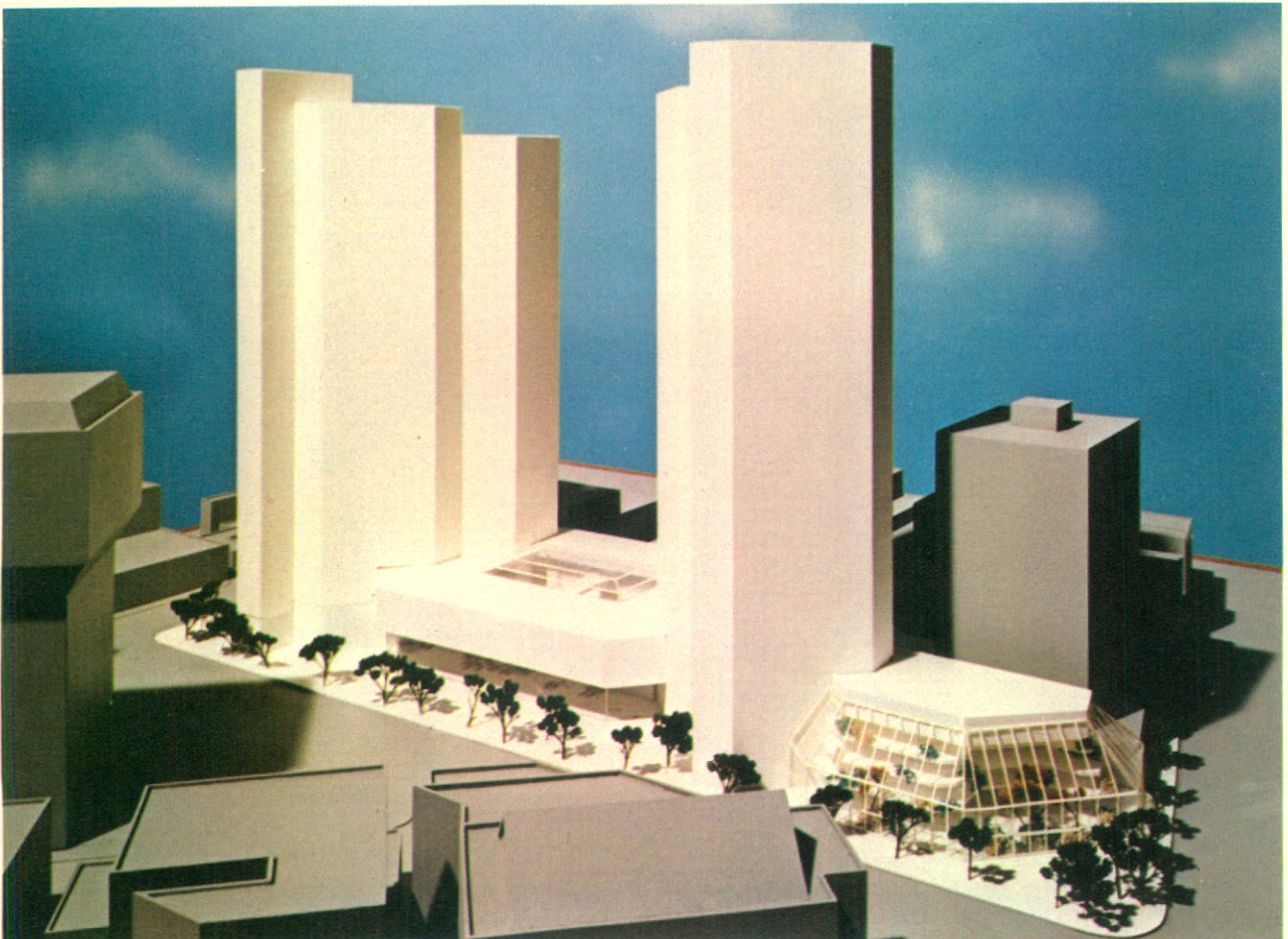
Markham Marketplace, Metropolitan Toronto :
480,000 sq. ft. shopping centre —
scheduled for completion in 1975 —
company's interest is 50%.

Central Park Lodge, Ottawa :
Retirement home accommodating
150 guests — scheduled for completion
in Spring 1975 — company's interest
is 100%.

**Central Park Lodge, Albion Road,
Toronto :** Nursing home accommodating
256 guests — scheduled for completion
in summer 1975 — company's interest
is 100%.

**Carleton Towers Apartments,
Halifax :** 132 unit apartment —
scheduled for completion in 1975
— company's interest is 100%.

**Park Regis Apartments, New
York City :** 210 unit co-operative
apartment — scheduled for completion
in 1974 — company's interest is 40%.



Winnipeg Square, Winnipeg, Manitoba



From left—the new Airport Hyatt House in Vancouver—William Hay, Executive Vice President of Trizec—Leo Goldfarb (r.) Senior Vice President, retail, Trizec—retail concourse, 2020 University development, Montreal.



review of operations

Fiscal 1973 was a year in which a number of developments were completed and new ones set in motion. It was also a year in which Trizec actively strengthened its presence in the United States market.

The company's total assets were increased by \$89,323,000 to \$678,683,000 while income was increased by \$8,893,000 to \$113,261,000.

Net earnings before extraordinary gains were \$4,681,000 or 64 cents a share compared to \$4,176,000 or 58.1 cents a share. Net earnings after extraordinary gains were \$5,813,000 or 79.5 cents a share.

Cash flow — the more revealing measure of the company's growth and profitability — increased by \$2,526,000 to \$14,254,000 or from \$1.63 a share to \$1.95 a share.

Trizec's active participation in every form of land use — from city centre complexes to retirement lodges, from shopping centres to hotels, from office towers to mobile homes — imparts to its portfolio of prime properties a unique and strengthening diversity of function and location.

During the year, Trizec completed \$118.9 million of new development. Developments at or nearing start-up through 1974 now exceed \$250 million. Trizec also possesses the resources with which to finance major acquisitions as the opportunities arise. These considerations, allied to sound administration of Trizec's portfolio, indicate the continuance of a strong upward trend in the company's results.

Corporate Expansion: A new subsidiary, Tristar Western Ltd., with head office in Calgary, was established during the year. Trizec has a two-thirds interest in the subsidiary. Samuel Hashman, the president, and his associates hold the remaining third.

The establishment by Tristar Western of an office in Los Angeles adds to the number of regional offices in the United States through which Trizec is able to more directly cultivate new prospects for growth. These offices are to be found in New York, Detroit, Denver, and in Chicago, headquarters



From left—the newly acquired Fisher Building in Detroit—James A. Soden (l. centre), President, Trizec, with models of Winnipeg Square—Hyatt Regency Hotel, Toronto—Kenner C. Ames, Vice President, Ontario, and Shirley Mesbur, Promotion Coordinator, Scarborough Town Centre.



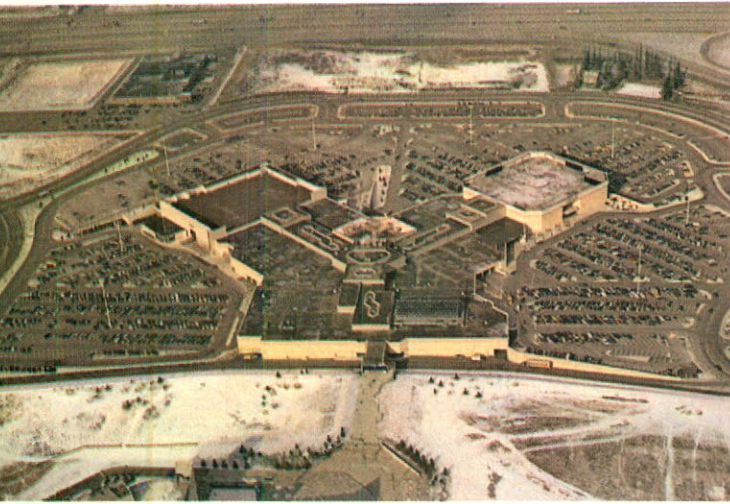
for Link Programs Inc., an affiliated company. Trizec through Link has in the preliminary planning stage a major urban redevelopment program in Kansas City and an urban renewal scheme in Iowa City, and has begun development of residential facilities in Austin, Texas, and industrial facilities in Reno.

More regional offices will be established in the United States in keeping with Trizec's intention to broaden the range of its investment and development in the American market.

Development Program : Excavation has begun for Scotia Centre in Calgary in which Trizec is joint venturing with the Bank of Nova Scotia. The 36-storey office tower, housing the regional offices of the bank, will rise from a three-storey retail and banking area. With its 471,000 sq. ft. of office space and 85,000 sq. ft. of retail space, it will be the largest office building in the city. Scotia Centre is scheduled for completion in 1976.

Demolition to prepare the site for Brunswick Square in Saint John is now underway with construction to begin late in the spring. A 500,000 sq. ft. high-rise office tower, to be built in two phases, is central to this exciting project for revitalizing the city core and which Trizec is developing in conjunction with New Brunswick Telephone, MRA Holdings and the Bank of Nova Scotia. In addition to the office tower, Brunswick Square will have a 150,000 sq. ft. department store and an additional 125,000 sq. ft. of retail space including provision for theatres, restaurants and boutiques, a 250-room hotel and parking for approximately 760 cars.

An \$80 million centre-city development, Winnipeg Square, has been proposed for the historic corner of Portage and Main in Winnipeg. Two multi-faceted office towers soar over the main structure which will include an innovative banking hall, 220-room luxury hotel and extensive retail space — the whole pervaded by a park-like atmosphere. A municipally-owned parking facility will also be part of this distinctive addition to the Crossroads of Canada.



From left—Scarborough Town Centre, Metropolitan Toronto—Maritimes management group: (from l.) Michael M. Novac, Vice President, Maritimes, Gene Mattatal, Robert Burns and Wayne Myers—Jack Wiseman (second from r.) Senior Vice President, project planning, Trizec, on construction site.



In Quebec City, Trizec is now proceeding with the next phase— construction of a 35-storey office building with 600,000 sq. ft. of space — of its Place Quebec development. Other elements in this development are a seven-storey, 250,000 sq. ft. office building now fully leased, the 600-room Quebec Hilton which was opened this month and which is jointly owned with Hilton and the municipally-owned convention hall with accommodation for 4,000 persons. Also included in the project is parking for 1,000 cars and 130,000 sq. ft. of retail space to be opened shortly.

Two regional shopping centres — Unicity Mall in the St. James area of Winnipeg which is being developed by Tristar Western and Markham Marketplace on the northern outskirts of Toronto — are in the advanced planning stage.

Office Buildings: During the fiscal year, Trizec added 1,357,189 sq. ft. of office and related retail and parking space to its existing portfolio.

Royal Centre, a multi-use facility in downtown Vancouver with a total of 1,424,048 sq. ft. of income producing space, was formally opened in October. Trizec has a 100 per cent interest in the 37-storey office tower, separate banking hall, retail space and parking totalling 824,048 sq. ft. and a 75 per cent interest in the 36-storey, 700-room Hyatt Regency Hotel which is an integral part of the project.

Also opened during the year was 2020 University in downtown Montreal, a 27-storey office building with a large retail area and banking hall offering a total of 533,141 sq. ft. of rentable space which has now been substantially let. The retail area is directly linked to the underground Metro system and actively benefits from this source of traffic.

Since the fiscal year-end, Trizec has acquired the Fisher Building in Detroit, one of the largest office buildings in the city and a particularly distinguished architectural landmark since its completion in 1928. Two 11-storey wings housing medical and professional offices flank the central 28-storey



From left—Quebec Hilton Hotel—Richard Bordewick (at desk), Comptroller, Trizec—officers of Tristar Western Ltd. are (from l.) Harold P. Milavsky, Executive Vice President, Samuel Hashman, President, Edward C. Elford, Vice President and Treasurer and Edmund Sardachuk, Vice President.



tower with its magnificent lobby and 2,000-seat Fisher Theater. Included in the purchase is the 11-storey, 233,822 sq. ft. New Center Building and ten acres of land now used for parking but offering the potential for future development. The New Center Building, connected to the Fisher Building by an underground concourse, has for its principal tenant the Detroit outlet for the Saks Fifth Avenue department store chain.

These acquisitions give Trizec an important position in the fifth largest city in the United States, a city poised on the brink of a wide ranging renaissance in which Trizec hopes to actively participate.

Trizec has also entered into an agreement to acquire, through Tristar Western, \$60 million of office buildings and building sites in the Los Angeles area which will provide both current revenue and opportunities for future development. Included in the transaction is a 100 per cent interest in five office buildings, four of which are completed and leasing, the fifth to be completed early in 1975; a 40 per cent interest in two other office buildings, one of which is

fully leased and the other, just completed, in the process of leasing — a total of 2,471,866 sq. ft. including parking; and a 100 per cent interest in two potential building sites — one at the corner of Sunset and Vine in Hollywood and the other in Inglewood.

Most of Trizec's office buildings are located in the downtown areas of major urban centres. Their acquisition or development has been undertaken within the context of Trizec's requirements of design and structural quality, location, operating efficiency and potential for improvement in yield.

Trizec's office buildings are increasingly an integral part of larger developments whose mix of uses and contribution to the revitalization of city cores enhances their long-term values. The secondary development they encourage is a further assurance of the permanency of their attraction to quality tenants.



From left—Windermere Lodge retirement home, Vancouver—Brian P. Riley (centre), Senior Vice President, office buildings, Jack Rabinovitch (r.), Vice President, Quebec, and Nicholas Wylie, assistant to Mr. Riley—J. Peter Griffin, Treasurer, Trizec—several of the management group for Western Canada : (from left) Tom Crites, Robert Sadler, David W. Jordan, Vice President, Western, and W. Ford MacDonald.



Shopping Centres: The opening of three shopping centres during the year, and additions to existing centres, increased the number of centres in Trizec's portfolio to 17 and their total rentable space to 5,500,894 sq. ft. In addition, Trizec has a total of 1,868,723 sq. ft. of retail space in office buildings and centre-city complexes.

Scarborough Town Centre, first of the three to be opened, is located in the fastest growing suburb in Metropolitan Toronto and with 883,635 sq. ft. of rentable space is one of the largest regional shopping centres in the country. Trizec has a 65 per cent interest, Eaton's 25 per cent and Simpsons 10 per cent. This centre, with its potential for expansion, actively broadens Trizec's presence in the Metropolitan Toronto area.

The Town 'N Country Mall in Moose Jaw and Confederation Park Plaza in Saskatoon, with 203,095 sq. ft. and 237,598 sq. ft. of rentable space respectively, were the other centres to open.

An addition to the Lougheed Mall in Burnaby increased its rentable space by 55,700 sq. ft. Additions are planned for the Halifax and Dartmouth Shopping Centres in the Halifax area, Normandie Shopping Centre in Montreal and Brentwood Shopping Centre in Burnaby.

The possibilities for expansion of existing shopping centres are under continuous review. Trizec's policy is to increase retail space as rapidly as growth of markets permits as well as to undertake complementary developments which will enhance the revenues from existing tenants while creating new sources of revenue.

Because of their size and location, Trizec's shopping centres present unique opportunities for expanded and diversified development leading to a more intensive use of their sites.

Place Bonaventure, Canada's biggest merchandise mart, continues to show improvement under the company's management.



From left—typical mobile home in Florida—Donald M. Reid, Vice President, finance, Trizec—park-like setting of Regency Cove mobile home community, Florida—Joseph H. Porteous, Q.C., Secretary, Trizec.

Mobile Home Parks : In its continuing review of emerging trends in real estate development, Trizec had early recognized the growing popularity of mobile home parks and actively sought an opportunity for entry into this promising category of land use. Last autumn, Trizec tendered for the shares of Mobile Home Communities, Inc., one of the largest owners and operators of mobile home parks in the U.S. Since then, Trizec has acquired in excess of 95 per cent of the shares. This subsidiary is headquartered in Denver and now owns and operates 38 parks strategically located in twelve states and offering a total of 11,501 spaces for rent to mobile home owners.

Trizec has also begun to acquire sites for mobile home parks in Canada and opportunities to acquire or develop other parks are being vigorously pursued. With the rapid increase in the popularity of mobile homes, originating in their relatively low cost to the owners as well as in demographic trends

and changing life-styles, Trizec can look for rising revenues from the ownership and operation of mobile home parks. At the same time, the locations of the parks, near large urban centres, offer exciting prospects for related new developments as the market for them matures.

Retirement Lodges : With the acquisition of Windermere retirement lodge in Vancouver, with a capacity for 254 guests, and the completion of Queen's Park Drive retirement lodge in Toronto, with a capacity for 212 guests, Trizec owned and operated at the year-end 19 retirement lodges and nursing homes with a total capacity for 2,953 guests.

Emphasis continues to be placed on the operations of retirement lodges. Three nursing homes in Saskatchewan were sold during the year. However, the construction of a nursing home in the Toronto area has been undertaken and Trizec will continue to provide nursing home facilities where they are an appropriate complement to the operation of retirement lodges.

Other retirement lodges are in the planning stage and construction will start on them in phase with the evolution of the market for their services.



From left—Embassy Tower Apartments, Halifax—(standing) Helen Cameron, Eastern Regional Director and Allan Duncan, Executive Vice President, Central Park Lodges of Canada Ltd. with guests of a Toronto Lodge—Charles De Groot, (l.), and James Hankins, President of Mobile Home Communities, Inc., Denver.



Hotels : With the formal opening this month of the Quebec Hilton at Place Quebec and the openings last year of Hyatt Regency in Vancouver and Vancouver Airport Hyatt House close by the Vancouver International Airport, Trizec now has a direct interest in six operating hotels with a total of 2,601 rooms. The inclusion of hotels in such centre-city developments as Place Quebec, Brunswick Square and Winnipeg Square reflects Trizec's recognition of the increasingly important contribution they make to the success of these developments.

Residential : Trizec has in its portfolio seven apartment units in Halifax, Ottawa and Calgary with a total of 1,666 suites.

Plans are being drawn for the construction of a new apartment unit in Halifax with a minimum of 132 suites.

The 210-unit co-operative apartment at 50 East 89th St., New York City, is effectively completed and the initial response to the sale of its suites has met expectations.

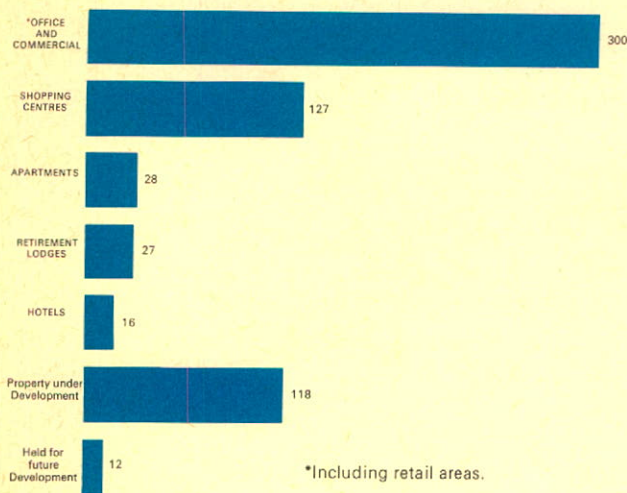
Construction : The operations of the company's Construction Division are now being undertaken through Tristar Western. This division continues to provide for much of Trizec's construction requirements, particularly in Western Canada, thereby ensuring maximum savings on development cost. Work for third parties is being increasingly directed towards a fixed fee or cost-plus basis.

Financing : Among the financing done during the year was the private placement of \$7 million of senior debentures maturing November 15, 1978, and \$13 million of senior debentures maturing November 15, 1993, both maturities bearing 9½ per cent, at par.

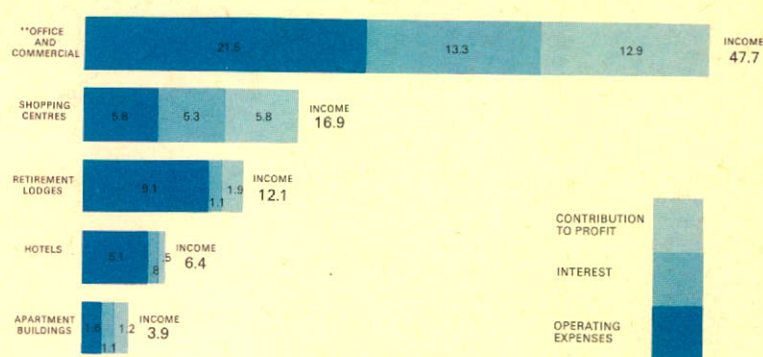
Average rate of interest on long-term debt, most of which is secured by mortgages on income producing properties, was 8.2 per cent at the fiscal year-end.

As a result of the earnings levels achieved by the company, its shares are now fully authorized for purchase by Canadian life insurance firms.

Analysis of property interests (\$628 million)



Profit contribution from property operations*
(IN MILLIONS OF DOLLARS)



*Before management and development fees, miscellaneous income, salaries, general and administrative expenses and interest on general corporate borrowings — Does not include contribution to profit of \$.6 million arising from construction for third parties in the total amount of \$24.4 million.

**Including retail areas.

ten year financial review

	Year ended October 31,*		Year ended December 31,							
	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964
	(in thousands of dollars)									
Gross property assets	627,527	545,531***	480,043	236,543	226,075	218,421	173,294	169,330	164,326	142,329
Gross income	113,261	104,368***	84,799	41,672	37,774	27,982	24,957	21,062	17,744	15,043
Cash flow from operations	14,254	11,728	9,085	3,913	3,618	2,415	1,452	237	(553)	(1,659)
Net earnings (loss) before extraordinary gains**	4,681	4,176	3,381	2,155	2,026	1,122	257	(841)	(1,561)	(2,519)
Net earnings**	5,813	4,221	3,381	2,615	2,732	1,122	257	(841)	(1,561)	(2,519)
Average number of shares	7,312	7,189	6,368	2,899	2,872	2,148	1,922	1,922	1,922	1,772
Cash flow from operations	\$1.95	\$1.63	\$1.43	\$1.35	\$1.26	\$1.12	\$.76	\$.12	(\$.29)	(\$.94)
	(Per Share)									
Net earnings (loss) before extraordinary gains**	\$.64	\$.58	\$.53	\$.74	\$.71	\$.52	\$.13	(\$.44)	(\$.81)	(\$1.42)
Net earnings	\$.80	\$.59	\$.53	\$.90	\$.95	\$.52	\$.13	(\$.44)	(\$.81)	(\$1.42)

*During 1971 the Company's year end was changed from December 31 to October 31.

**After deferred income taxes which were first required to be provided in 1971.

***Restated as per note 2(b) to the financial statements.

