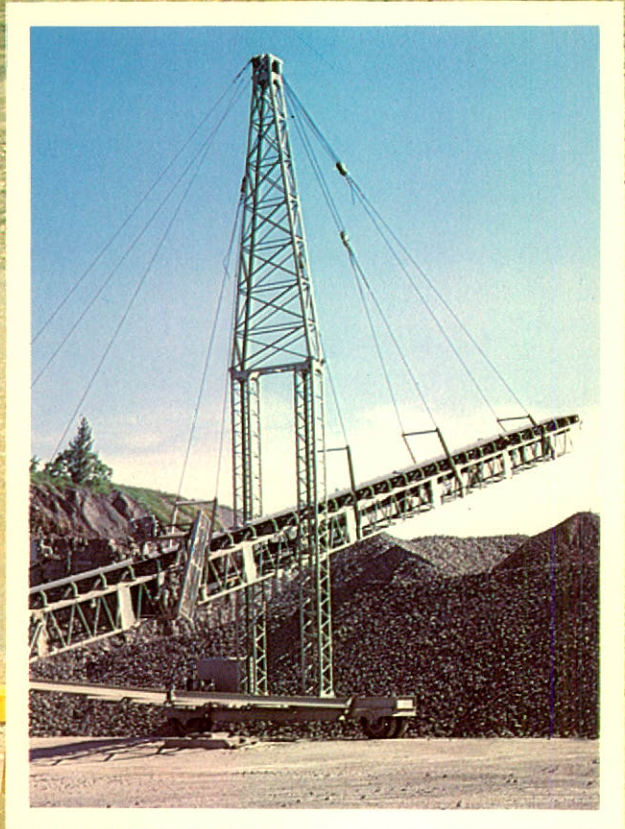




**BLACKWOOD HODGE (CANADA) LIMITED**  
**ANNUAL REPORT 1980**







*(Small photo) Suntract 150 ft. cable suspended portable conveyor. Stockpiling material over reclaim tunnel.*

*(Large photo) El-Jay 1213 portable crushing and screening plant with Aggregate Machinery portable surge bin in operation at Mackenzie, British Columbia.*





## GROWTH IN THE 80's

---

We are optimistic that future growth opportunities will increase the demand for our equipment and services, even though the year 1980 proved to be a disappointing start to this new decade.

We are fortunate in being able to serve a wide range of industries in Canada, e.g. mining, logging, pulp and paper, public works, quarrying, sand and gravel, heavy engineering, general contracting and heavy manufacturing. The broad scope of our customers' interests enables us to take advantage of every upswing in the various markets.

There is no doubt that the energy and mining sectors will experience solid growth in the years ahead creating a high demand for the equipment and services that we provide. Because our oil, gas, coal and mineral resources are generally located in Western Canada, we expect to see these provinces grow at a faster rate than the provinces in the East. But this in no way underestimates the potential of Eastern Canada to expand the development of its own mineral and forest resources and increase its manufacturing base throughout the 80's.

With this confidence in the future, we are continuing to examine the opportunities for growth in all regions of the country. Our views on each province are as follows:

### Atlantic

Over the past few years we have seen a depressed market in the Maritimes, however, with the recent discoveries of large oil and gas reserves off the coast of Newfoundland and Nova Scotia, and the need to expand the development of coal resources, we expect the economy of the Atlantic provinces to show renewed activity and positive growth in the near future. The area also has requirements for highways and new towns, which, with a renewed interest in mining, should make an active market for our construction and mining equipment.

### Quebec

The Province has great potential in the mining, logging, pulp and paper industries. With the development of the massive hydro-electric resource in James Bay, Quebec will be in a position to offer low cost power to energy-intensive industries that will generate a demand for the construction of facilities and the expansion of towns and cities. Although Quebec may be slow in getting started in the 80's, we expect to see a high demand for our equipment and services.

### Ontario

The rate of growth has shown signs of weakening over the past few years. However, Ontario is rich in natural resources and has possibly the best manufacturing base of any province in Canada. With the expansion of mining, and the continued growth of the pulp and paper industry, as well as the manufacturing industry which is able to supply all parts of Canada with many products, Ontario should be able to maintain steady growth in all sectors of the construction industry. We have every confidence in the Ontario economy and we will continue to expand our facilities as the demand for our products and services increases.

### Manitoba

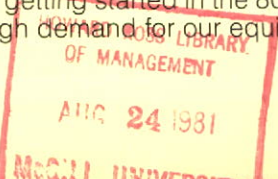
Manitoba has good mining and forest industry related growth opportunities. The development of hydro-electric power in the north and the rich farm land in the south assures us that the economy will continue to grow and that our products will remain in high demand.

### Saskatchewan

Saskatchewan will have one of the best growth periods of any province in Canada. New mines are about to open in the north and the forest industry is expanding. With the many energy related minerals such as coal, oil and uranium in abundance, development in Saskatchewan will remain good for many years. The Province is also a rich agricultural area creating expansion for roads, reservoirs, and services of related industries. Cities and towns will continue to grow, maintaining construction at a high level.

### Alberta and British Columbia

In this area we have just realized one of our long term objectives. With the purchase of Aggregate Machinery Ltd., which distribute Cedarapids-El-Jay crushing and asphalt equipment in both provinces, it now gives Blackwood Hodge distribution in all provinces in Canada for these products. Although we are not as familiar with developments in these two provinces as we are with the rest of the country, we expect that the demand for oil, gas and coal will result in continued growth throughout the 80's. Both Alberta and British Columbia have rich forest and mining industries and there is continued demand for housing and industrial development. We look forward to the challenge provided by the addition of these market areas and welcome the opportunity of working with the Aggregate Machinery personnel.





## GROWTH IN THE 80's (Continued)

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### Suntract Manufacturing Co. Limited

Last year we were pleased to report a licensing agreement between our Suntract Manufacturing Co. Limited and the Iowa Manufacturing Company which enabled us to build crushing plants and asphalt equipment in Canada. The agreement has enabled us to increase the Canadian content of this equipment considerably, with obvious economic benefits to our customers and Canada. It is our intent to continue to expand Suntract Manufacturing and we have recently purchased suitable land in Metropolitan Toronto and expect to start construction on a new facility at this location in 1981. From this new location we will be able to offer our customers a still greater amount of Canadian content in the products we market.

### Suntract Rentals

Suntract Rentals offers the construction industry a variety of products that are required for their specialized and seasonal needs. We are proud of the record that Suntract Rentals has created over the past few years. With the economy continuing to demand high capital investment, we see great opportunities for growth in this area. Suntract Rentals will continue to expand the range of equipment it can offer to the many industries it serves.

Across Canada, Blackwood Hodge represents many manufacturers who have established excellent reputations for supplying innovative products to many types of industries.

Our marketing plan continues to be based upon supplying the needs of our customers through strategically located service centres, supported by trained sales, parts and service personnel. Our on-line computer parts control system is constantly improving our ability to stock the right parts and speed up the service to our customers.

The 1980's will provide us with a great opportunity to support the manufacturers we represent by gaining a stronger market position with new and improved products.

Of particular interest to us and our customers is the fact that Terex Corporation, one of our major suppliers, is now part of IBH Holding AG, a major international group of companies specializing exclusively in the manufacture of equipment for the construction industry. Already plans have been made for an expanded product line by Terex Corporation for distribution in Canada.

The prime objective of Blackwood Hodge is the development of an organization that is responsive to the ever changing needs of our customers. In essence, this means providing quality equipment when and where it is needed, supported by knowledgeable people with the tools and facilities to meet the requirements of industry.

We are confident our concept of serving our customers through well equipped branches across Canada is the correct approach in today's markets. The asset we value most, however, is our people. Blackwood Hodge is proud of the achievements and outstanding effort that so many of our employees, past and present, have contributed to help build the Company into what it is today.

We know the success we have in the 80's will largely be achieved due to the continued effort and loyalty of our people. It is our intent to continue extensive training programs in order that the employees of Blackwood Hodge will have the opportunity to grow with the Company.

Blackwood Hodge, from coast to coast.

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## REPORT TO SHAREHOLDERS

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The Directors submit herewith the consolidated financial statements of the Company and its subsidiary companies for the year ended 31st. December 1980.

In our interim report dated 25th. April 1980, following the achievement of record net earnings in 1979 we said "The recession which appears to be developing and the measures (such as high interest rates) being applied to reduce inflationary trends are likely to depress the construction and mining industries, which are our major customers." Unfortunately our predictions proved to be right. In many areas customer demand for our products and services was at a low level and strong competition resulted in reduced profit margins.

In spite of these problems sales and rentals by the group in fact showed an increase of \$4,911,000 or 3.8% to reach a total of \$134,779,000. Although our gross profit margins were slightly lower, our earnings from operations increased by about \$100,000 over 1979. We believe that this was a good result in the existing circumstances.

Notwithstanding a relatively high national level of inflation in 1980, we were able to hold our operating and overhead expenses at about 1979 figures. Before charging interest expense, our earnings at \$13,879,000 in the year, to 31st. December 1980 showed an improvement of \$164,000, compared with the preceding year which was a record in our history. Our executive directors, managers and staff at all levels are to be congratulated on this great achievement which provides further evidence of the high quality of the Blackwood Hodge Canada Team.

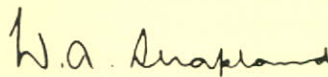
Our forecast a year ago about borrowing costs unfortunately proved to be all too true and there was nothing we could do to avoid the trend. Our average borrowing levels were not materially higher than in 1979, but substantially greater average interest rates pushed our borrowing costs up in 1980 by \$2,813,000, to a figure of \$11,483,000, which was 8.5% of our sales. Although we do all we can to keep our investment in inventories and accounts receivable as low as possible, in current conditions we cannot secure any substantial reductions if we are to maintain our competitive position in the market place. The amount of our present investment in these assets necessitates a high level of borrowing and current high money costs, resulting in an unduly heavy charge against our earnings.

After providing for income taxes, the net earnings for 1980 were \$1,876,000 compared with \$3,245,000 in the preceding year. Having regard to this decline in earnings and to the need to conserve our resources, your directors decided not to pay a dividend.

The financial position of the Blackwood Hodge Canada Group at 31st. December 1980 is set out in the attached consolidated balance sheet. The total shareholders' equity amounted to \$31,805,000, an increase of \$1,142,000, being the excess of net earnings in 1980 over dividends paid in that year. Working capital at the year end was \$36,228,000, providing a sound base for the group's future trading.

Our trading forecasts for 1981 indicate that in spite of a number of very difficult trading areas in our business and notwithstanding the worldwide recession and its effects on the Canadian economy, we may again increase our group sales and improve the figure of earnings from operations. In February 1981 we completed the purchase of Aggregate Machinery Ltd., thus extending the area of our operations into the provinces of Alberta and British Columbia. From an operational point of view, we are forecasting not a good but a satisfactory year. The profits are likely to have to bear a heavy charge for interest costs and the trend of interest rates will have an important effect on our results for 1981.

By Order of the Board



W.A. Shapland, Chairman



F.J. King, President

Toronto, 16th., March 1981







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December 31	(\$000)	
	<u>1980</u>	<u>1979</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Bank indebtedness (Note 4) .....	\$ 24,017	\$ 24,186
Notes payable (Note 5) .....	28,371	23,272
Accounts payable and accrued charges .....	9,347	10,911
Income and other taxes payable .....	1,159	1,078
Due to affiliated companies .....	999	991
Current portion of long-term debt (Note 6) .....	765	784
Deferred income taxes .....	<u>6,434</u>	<u>6,079</u>
Total current liabilities .....	71,092	67,301
Notes payable – due after one year (Note 5) .....	6,492	12,033
Long-term debt (Note 6) .....	22,041	22,478
Deferred income taxes .....	<u>1,637</u>	<u>1,648</u>
Total liabilities .....	<u>101,262</u>	<u>103,460</u>
Shareholders' equity:		
Share capital (Note 7) .....	5,672	5,672
Appraisal surplus (Note 3) .....	6,559	6,559
Retained earnings .....	<u>19,574</u>	<u>18,432</u>
Total shareholders' equity .....	<u>31,805</u>	<u>30,663</u>
<b>Total</b> .....	<u><b>\$133,067</b></u>	<u><b>\$134,123</b></u>

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## CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

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	(\$000)	
year ended December 31	<u>1980</u>	<u>1979</u>
Sales and rentals .....	\$134,779	\$129,868
Costs and expenses .....	<u>121,816</u>	<u>117,008</u>
Earnings from operations .....	12,963	12,860
Interest earned .....	<u>916</u>	<u>855</u>
Earnings before interest charges .....	<u>13,879</u>	<u>13,715</u>
Interest charges – current debt .....	6,900	6,017
– long-term debt .....	<u>4,583</u>	<u>2,653</u>
Total interest charges .....	<u>11,483</u>	<u>8,670</u>
Earnings before income taxes .....	2,396	5,045
Provision for income taxes (Note 9) .....	<u>520</u>	<u>1,800</u>
Earnings before extraordinary item .....	1,876	3,245
Extraordinary item – reduction of income taxes .....	<u>—</u>	<u>617</u>
Net earnings for the year .....	\$ 1,876	\$ 3,862
Retained earnings, beginning of year .....	<u>\$ 18,432</u>	<u>\$ 15,059</u>
	20,308	18,921
Dividends .....	<u>734</u>	<u>489</u>
Retained earnings, end of year .....	<u>\$ 19,574</u>	<u>\$ 18,432</u>
Earnings per share (Note 8):		
Before extraordinary item .....	<u>\$ .77</u>	<u>\$ 1.34</u>
After extraordinary item .....	<u>\$ .77</u>	<u>\$ 1.59</u>

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SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	(\$000)	
year ended December 31	<u>1980</u>	<u>1979</u>
<b>WORKING CAPITAL PROVIDED</b>		
From operations		
Net earnings before extraordinary item .....	\$ 1,876	\$ 3,245
Items not affecting working capital		
Depreciation and amortization .....	1,732	2,477
Deferred income taxes .....	(11)	(4)
Reduction of income taxes .....	<u>—</u>	<u>617</u>
Provided from operations .....	3,597	6,335
Sale of rental fleet .....	1,451	2,604
Decrease in instalment receivables .....	318	361
Increase in notes payable .....	—	5,638
Increase in long-term debt .....	—	6,550
Issue of shares .....	<u>—</u>	<u>128</u>
Total .....	<u>5,366</u>	<u>21,616</u>
<b>WORKING CAPITAL APPLIED</b>		
Property, plant and equipment .....	3,165	3,189
Decrease in notes payable .....	5,541	—
Dividends .....	734	489
Decrease in long-term debt .....	<u>437</u>	<u>—</u>
Total .....	<u>9,877</u>	<u>3,678</u>
(Decrease) increase in working capital .....	(4,511)	17,938
Working capital, beginning of year .....	<u>40,739</u>	<u>22,801</u>
Working capital, end of year .....	<u>\$ 36,228</u>	<u>\$ 40,739</u>

SEE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 1980**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of consolidation**

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. The following companies are subsidiaries:

Blackwood Hodge Equipment Limited  
 Les Équipements Blackwood Hodge  
 Québec Ltée.  
 Suntract Manufacturing Co. Limited

**Foreign currency translation**

Transactions in foreign currencies have been translated into Canadian dollars at rates prevailing at the time of the transactions, except that current assets and liabilities have been translated at the quoted rates of exchange at the end of the year.

**Instalment receivables**

The profit on sales which are financed by instalment sales contracts is recognized at the time of the sale and the interest earned is recognized over the term of the contract.

**Valuation of inventory**

Equipment for resale, parts and supplies are recorded at the lower of cost and net realizable value. Rental equipment is recorded at the lower of cost (including repairs and interest), reduced by a provision for decline in value over the terms of the respective rental agreements, and net realizable value.

Cost is on a specific item basis for equipment and on a first-in, first-out basis for parts and supplies.

**Property, plant and equipment**

Depreciation is provided on the straight-line basis at the following annual rates:

Buildings	2 1/2%
Equipment	10% - 20%
Rental Fleet	14% - 25%

The Company has land and buildings appraised periodically and records the resulting values at that time by eliminating accumulated depreciation and adjusting the asset accounts to appraisal value.

**Leased equipment**

Equipment taken on lease on terms which transfer substantially all of the benefits and risks of ownership to the Company are accounted for as "capital leases", as though an asset had been purchased and a liability incurred. This equipment is amortized on the straight-line basis at rates from 10% to 20%. All other items of equipment or property held on lease are accounted for as operating leases.

**Income taxes**

Capital cost allowance for income tax purposes is claimed on rental equipment included in inventories. The excess of capital cost allowance claimed over depreciation provided in the accounts on such equipment results in a deferral of income tax which is included in current liabilities.

The non-current portion of deferred income taxes arises principally from claiming capital cost allowance for tax purposes in excess of depreciation recorded for buildings, equipment and the rental fleet.

**Pensions**

Pension costs for current service are charged to earnings on a current basis. Past service costs relating to a change in benefits in 1978 are being charged to earnings over a period of thirteen years.

**2. INVENTORIES**

	1980	1979
Equipment	\$57,439,000	\$58,525,000
Parts and supplies	18,520,000	19,104,000
Total	<u>\$75,959,000</u>	<u>\$77,629,000</u>

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## NOTES (Continued)

### 3. PROPERTY, PLANT & EQUIPMENT

	1980	1979
Land .....	\$ 4,936,000	\$ 4,469,000
Buildings .....	12,226,000	11,761,000
Equipment .....	6,690,000	6,177,000
Rental fleet .....	7,743,000	8,961,000
Equipment under capital leases ..	1,112,000	1,016,000
	<u>32,707,000</u>	<u>32,384,000</u>
Less accumulated depreciation and amortization ....	<u>10,777,000</u>	<u>10,436,000</u>
	<u>\$21,930,000</u>	<u>\$21,948,000</u>

The amount of amortization of equipment under capital leases charged to expenses is \$204,000, (1979 – \$177,000).

Land and buildings are recorded at their going-concern value, based upon appraisals made by Bosley Farr Associates Ltd. as of December 31, 1977, with subsequent additions at cost. The excess of appraisal value over depreciated value is included in shareholders' equity. The equipment, rental fleet and equipment under capital leases are recorded at cost.

### 4. BANK INDEBTEDNESS

	1980	1979
Current operating loans .....	\$ 4,892,000	\$ 5,764,000
Outstanding cheques .....	1,125,000	2,422,000
Bankers' acceptances ...	<u>18,000,000</u>	<u>16,000,000</u>
	<u>\$24,017,000</u>	<u>\$24,186,000</u>

Current operating loans and bankers' acceptances are secured by assignments of accounts receivable. Interest on bank loans (18 3/4% at December 31, 1980) is at 1/2% over the bank's prime rate. Bankers' acceptances bear interest at a rate of 17% and are issued for a period of 60 days.

### 5. NOTES PAYABLE

Notes payable are secured by liens on specific items in the equipment inventory and rental fleet, bear interest at rates from 9 3/4% to 19 3/4% at December 31, 1980 and are payable within 5 to 60 months.

### 6. LONG-TERM DEBT

	1980	1979
Term bank loans ..	\$18,000,000	\$18,500,000
Loans – affiliated companies .....	3,922,000	3,781,000
Obligation under capital leases ..	489,000	495,000
Mortgages .....	<u>395,000</u>	<u>486,000</u>
	<u>22,806,000</u>	<u>23,262,000</u>
Less portion included in current liabilities .....	<u>765,000</u>	<u>784,000</u>
	<u>\$22,041,000</u>	<u>\$22,478,000</u>

The term bank loans bear interest to a maximum of 1 1/4% over the bank's prime rate and to the extent of \$9,000,000 are secured by a collateral mortgage on certain of the land and buildings. They are repayable as follows:

June 30, 1981 .....	\$ 500,000
May 10, 1982 .....	7,000,000
June 30, 1982 and 1983 ..	750,000 per ann.
Dec. 31, 1983 to 1986 ..	2,250,000 per ann.

Current operating loans, bankers' acceptances and term bank loans are guaranteed to the extent of \$19,000,000 by an affiliated company, Blackwood Hodge Limited.

Loans payable to affiliated companies have no fixed terms of repayment and bear interest generally at rates from 8% to 9%. Interest on these loans amounted to \$514,000 (1979 – \$493,000).

Obligation under capital leases bear interest at rates from 7% to 14% and expire at varying dates to December 31, 1985. Interest on long-term debt includes \$90,000 (1979 – \$56,000) with respect to this obligation.



## NOTES (Continued)

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Mortgages payable are secured by various properties, are repayable within 1 to 7 years, and bear interest at rates from 7% to 10 1/2%.

The portions of long-term debt maturing within 5 years are:

1981 .....	\$ 765,000
1982 .....	7,975,000
1983 .....	3,155,000
1984 .....	2,341,000
1985 .....	2,319,000

### 7. SHARE CAPITAL

Authorized:

An unlimited number of common shares.

Issued and fully paid:

2,445,450 common shares (1979 – 2,445,450)

During the year, the Company continued under the Canada Business Corporations Act and changed its authorized share capital from 3,500,000 shares each of convertible Class A and B shares, to an unlimited number of common shares.

54,550 shares are reserved for issuance under the Company's employee stock option plan. Options to purchase 53,500 shares at \$4.28 per share were granted in April 1980. These options may be exercised on a cumulative basis at 20% per year and expire on April 30, 1985. During 1980 no options were exercised.

### 8. EARNINGS PER SHARE

Earnings per share have been calculated on the weighted-average number of shares outstanding 2,445,450 (1979 – 2,429,900).

### 9. INCOME TAXES

The tax provision for the current year has been reduced by approximately \$635,000 (1979 – \$495,000) as a result of the inventory allowance available as a deduction in arriving at taxable income.

### 10. PENSION PLANS

Based on actuarial estimates, past service costs not yet charged to earnings at December 31, 1980 amounted to \$273,000. These costs are being amortized and funded at a rate of \$31,000 per year.

### 11. COMMITMENTS

Various subsidiaries have entered into operating leases for business premises for periods up to 5 years. Annual rental costs approximate \$370,000.

### 12. CONTINGENT LIABILITIES

The Companies are contingently liable on instalment sales contracts and customers' notes discounted amounting to \$3,402,000 (1979 – \$4,162,000).

### 13. SUBSEQUENT EVENT

Subsequent to the year end the Company finalized an agreement to purchase all the outstanding shares of Aggregate Machinery Ltd. and Aggregate Machinery Manufacturing Limited for a consideration of approximately \$1,900,000.

### 14. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for the purpose of comparison, have been reclassified to conform to the current year's presentation.

### 15. BRITISH COLUMBIA COMPANIES ACT

The consolidated financial statements of the Company comply with the Canada Business Corporations Act, but do not necessarily comply with every regulation under Section 198 of the British Columbia Companies Act.

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## AUDITORS' REPORT

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To the Shareholders of  
Blackwood Hodge (Canada) Limited:

We have examined the consolidated balance sheet of Blackwood Hodge (Canada) Limited as at December 31, 1980 and the consolidated statements of earnings and retained earnings and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells  
Chartered Accountants

Toronto, Ontario  
February 20, 1981

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## FIVE YEAR FINANCIAL REVIEW

(\$000)	1980	1979	1978	1977	1976
Sales and rentals	\$134,779	\$129,868	\$111,275	\$108,202	\$ 91,084
Operating earnings	\$ 12,963	\$ 12,860	\$ 10,127	\$ 5,851	\$ 4,217
Interest earned	916	855	717	913	1,193
Interest expense	11,483	8,670	6,591	6,295	6,997
Income taxes (recovery of)	520	1,800	1,469	132	(726)
Net earnings (loss) from operations	1,876	3,245	2,784	337	(861)
Extraordinary item	—	617	—	—	—
Net earnings (loss)	\$ 1,876	\$ 3,862	\$ 2,784	\$ 337	\$ (861)
Cash flow	\$ 3,597	\$ 6,335	\$ 4,851	\$ 1,110	\$ 2,694
Earnings (loss) per share	.77	1.59	1.16	.14	(.36)
Dividends	.30	.20	—	—	—
Equity per share	13.01	12.54	11.27	10.11	8.66
Shareholders' equity	31,805	30,663	27,162	24,361	20,854
Working capital	36,228	40,739	22,801	7,028	8,540
Total assets	\$133,067	\$134,123	\$114,253	\$102,261	\$107,354

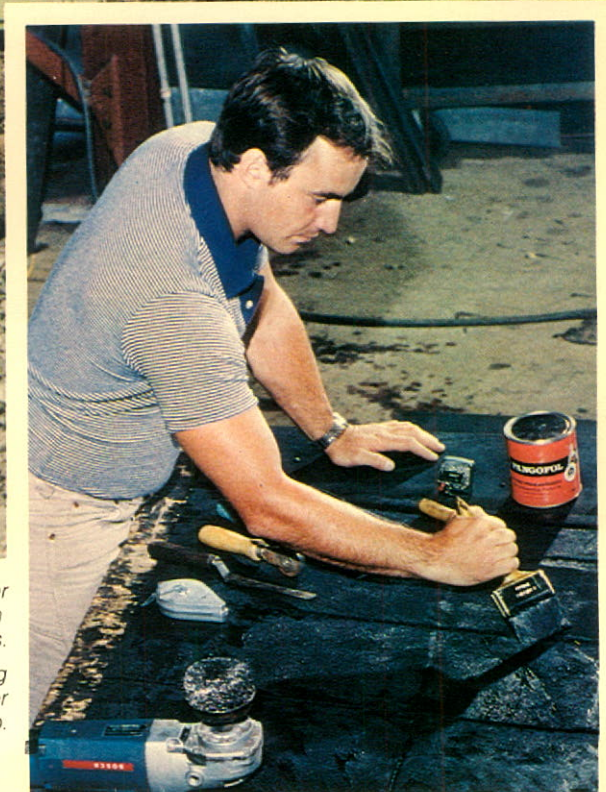
*Suntract Rentals, a division of Blackwood Hodge Equipment Limited, specializes in the rental, sales and maintenance of a wide range of small to medium sized equipment; to mention a few, vibratory rollers and compactors, pumps, compressors, portable heaters and generators. This division continues to provide a valuable contribution to the overall Company performance with fourteen branches throughout Ontario to serve the rental market.*





## PRODUCTS

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*(Large photo) Terex-IBH model 82-30B, 275 h.p. crawler tractor. Used widely in construction and forestry applications.*

*(Small photo) A total belt service is provided for, including splicing, both in our shop and in the field. Industrial Rubber Division, Sudbury, Ontario.*

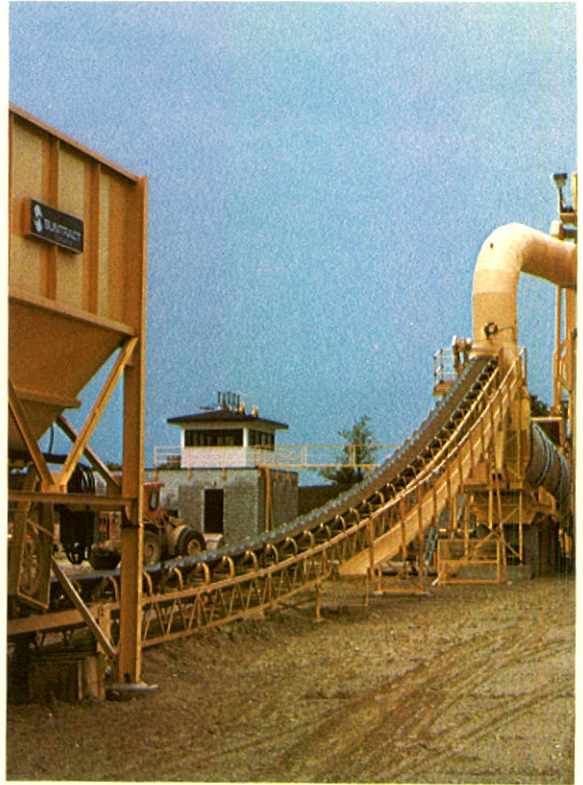


## PRODUCTS (Continued)

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*(Small photo) This plant, fed by Suntract built cold feed system.*

*(Large photo) Cedarapids, model H-60, 8,500 lbs. batch asphalt plant. Supplied to TCG Materials Limited, London, Ontario and capable of producing over 300 tons of asphalt per hour.*





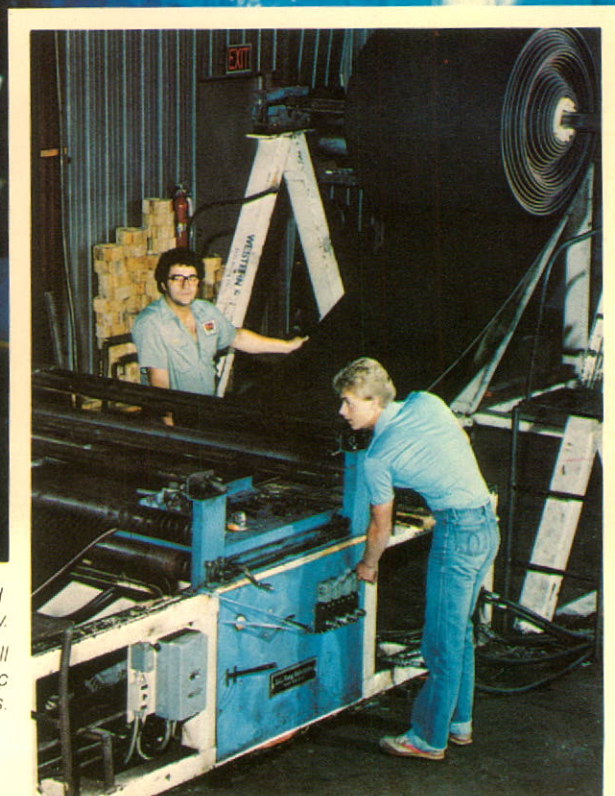
PRODUCTS (Continued)

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*(Large photo) Sampling of full line of our Goodyear air and water mine hose inventory.*

*(Small photo) Our trained belt technicians available to slit full width, Goodyear belt inventories to our customers specific requirements.*





## PRODUCTS (Continued)

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*(Large photo) RayGo Ranger 2-66 compactor. Rolling asphalt on a provincial highway near Daulphin, Manitoba.*

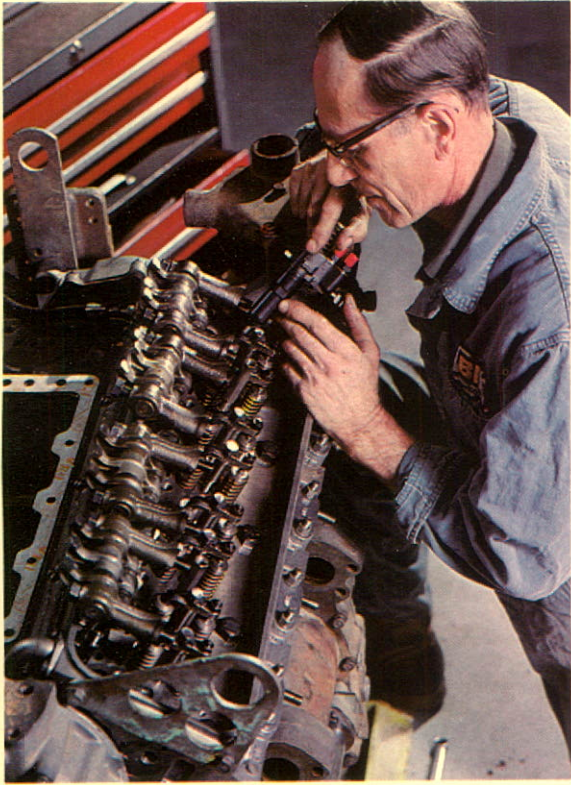
*(Small photo) RayGo Rascal 420-C Sheepfoot compactor. Leveling and compacting clay till on a highway widening project in southwestern Saskatchewan.*





## PRODUCTS (Continued)

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*(Small photo) Skilled, factory trained personnel provide total product support services in our network of operations across Canada.*

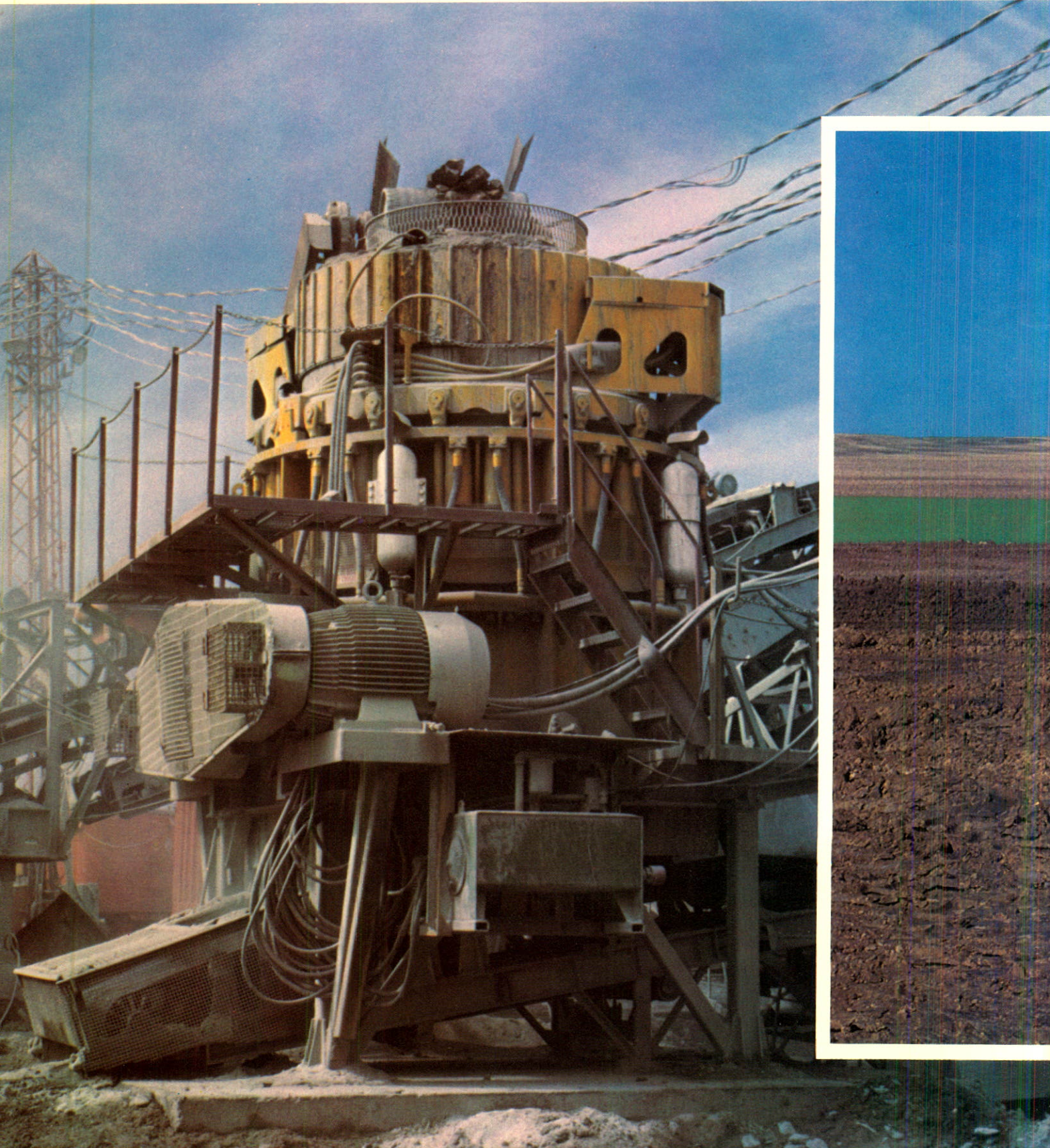
*(Large photo) Champion series 700 motor grader. Built in Goderich, Ontario.*





PRODUCTS (Continued)

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## PRODUCTS (Continued)

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*(Left photo) El-Jay 72" cone crusher plant designed for high capacity production. Located in Quebec.*

*(Right photo) Terex S-24B Loadrunner scraper, loading in a borrow pit on a highway project in southwestern Saskatchewan.*





## PRODUCTS (Continued)

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*(Right photo) Suntract custom built material handling, storage and processing system consisting of conveyors, bucket elevators, feeders and twenty storage silos. Located in Toronto, Ontario.*

*(Left photo) 1980 resulted in a record sales in northern Ontario for trackless underground mining machinery manufactured by Wagner Mining Equipment Co.*





PRODUCTS (Continued)

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## PRODUCTS

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Equipment manufacturers whose products are sold, leased or rented by Blackwood Hodge in Canada are listed below. The industries we serve are mining, road building and maintenance, aggregate producing, forestry and in the construction of energy, civil engineering and building projects.

### TEREX CORPORATION

IBH HOLDING AG.  
Earthmoving equipment.  
Crawler tractors, six models - 90 - 370 h.p.  
Rubber tired dozer, 311 h.p.  
Crawler loaders, two models - 1.5 - 2.5 - cu. yd.  
Rubber tired loaders, twelve models - .65 - 9 cu. yd.  
Log loaders, three models, 21,900 - 99,600 lbs.  
Scrapers, eleven models, 14 - 46 cu. yd.  
Rear dumps, seven models, 22 - 180 ton.

Terex products are distributed in Saskatchewan, Manitoba, Ontario, Quebec, Labrador and the Atlantic provinces.

### CEDARAPIDS - EL-JAY

IOWA MANUFACTURING CO.  
SUBSIDIARY OF RAYTHON COMPANY  
Aggregate producing equipment.  
Asphalt mixing, pavers and rollers.

Cedarapids, El-Jay products are distributed in Saskatchewan, Manitoba, Ontario, Quebec and the Atlantic provinces and in Alberta and British Columbia by Aggregate Machinery Limited.

### SUNTRACT

SUNTRACT MANUFACTURING CO. LIMITED  
Stationary and portable crushing and screening equipment for the aggregate industry, conveyors and storage silos, bulk material handling equipment and custom steel fabrications.

Suntract products are distributed by Blackwood Hodge in Saskatchewan, Manitoba, Ontario, Quebec and the Atlantic provinces.

### WAGNER

WAGNER MINING EQUIPMENT COMPANY  
A DIVISION OF PACCAR CO.  
Underground mining and tunneling vehicles.  
Scooptrams, Teletrams, trucks and utility vehicles.

Wagner products are distributed in Manitoba, Ontario, Quebec and the Atlantic provinces.

### RAYGO

RAYGO INCORPORATED  
Self-propelled vibratory compactors.  
Earth and landfill compactors, asphalt rollers and pavement milling machines by Barco.

RayGo products are distributed in Saskatchewan, Manitoba, Ontario, Quebec and the Atlantic provinces.

### CHAMPION

CHAMPION ROAD MACHINERY LIMITED  
Motor graders, 20,000 lbs. (95 h.p.), to 38,000 lbs. (240 h.p.).

Champion products are distributed in Northwestern Ontario and Nova Scotia.

### DROTT-POCLAIN

J.I. CASE COMPANY - DROTT DIVISION  
Hydraulic excavators (crawler and rubber-tire mounted), carry-deck cranes, and front shovels.

Drott-Poclain products are distributed in Quebec.

### EAGLE

EAGLE IRON WORKS  
Specialized washing equipment, sand, stone, clay and ore processing.

Distributed in Manitoba, Ontario, Quebec and the Atlantic provinces.

### ESCO

ESCO LIMITED  
Manganese wear parts, buckets, teeth and adapters.

Esco products are distributed in Quebec, Labrador and Manitoba.

### GOODYEAR

GOODYEAR CANADA INC.  
Pylon and steel cable conveyor belting, total belt service and air and liquid mine hose.

Distributed in Northern Ontario.

### MARION-DRESSER

MARION POWER SHOVEL COMPANY  
DIVISION DRESSER INDUSTRIES, INC.  
Mining shovels and drills.

Distributed in Ontario, Quebec and Labrador.

### MWM-MURPHY DIESEL

MURPHY DIESEL COMPANY  
Air and liquid cooled diesel engines, marine engines and generator sets.

Distributed in Ontario and Quebec.

### NORTHWEST

NORTHWEST ENGINEERING COMPANY  
Draglines, cranes and shovels.

Distributed in Ontario and Quebec.

### RAYGO-WAGNER

SUBSIDIARY OF RAYGO INCORPORATED  
Industrial and forestry material handling equipment, log stackers, chipdozers, container handlers and steel product handling equipment.

Distributed in Ontario and Quebec.



## CORPORATE INFORMATION

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### BLACKWOOD HODGE (CANADA) LIMITED

#### *DIRECTORS*

W.A. Shapland  
F.J. King  
F.G. Mundy  
C.H. Holcomb  
R. Thacker  
C.L. Ferguson  
J.G. Torrance

#### *OFFICERS*

Chairman  
President  
Vice President Finance & Administration  
Secretary

W.A. Shapland  
F.J. King  
F.G. Mundy  
N.E. Warry

### BLACKWOOD HODGE EQUIPMENT LIMITED

Vice President – Co-ordinator – Parts and Service  
Co-ordinator – Marketing

G.F. Lambert  
S. Hagen

#### *ONTARIO DIVISION*

Vice President – Manager Southern Operations  
Vice President – Manager Northern Operations

V.T. Ward  
F.J. Castron

#### *ATLANTIC DIVISION*

Vice President – General Manager

D.G. Roberts

#### *WESTERN DIVISION*

Vice President – General Manager

J.R. Letwin

#### *TOBIN TRACTOR DIVISION*

Vice President – General Manager  
Vice President – Controller

G.K. Robson  
L.L. Goddard

#### *SUNTRACT RENTALS DIVISION*

Vice President – General Manager

T.H. Hamilton

### LES ÉQUIPEMENTS BLACKWOOD HODGE QUÉBEC LTÉE.

Vice President – General Manager  
Vice President – Parts & Service

C.H. Holcomb  
W. Hachey

### SUNTRACT MANUFACTURING CO. LIMITED

President

R.B. Deschamps

#### *BANKERS*

Canadian Imperial Bank of Commerce

#### *AUDITORS*

Deloitte Haskins + Sells  
Chartered Accountants

#### *SOLICITORS*

Smith, Lyons, Torrance, Stevenson & Mayer

#### *REGISTRAR AND TRANSFER AGENT*

National Trust Company Limited

#### *STOCK EXCHANGES*

Toronto Stock Exchange  
Montreal Stock Exchange





## BLACKWOOD HODGE (CANADA) LIMITED

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HEAD OFFICE: 10 Suntract Road,  
Weston, Ontario M9N 3N5.  
Tel.: (416) 244-2531

MAILING ADDRESS: P.O. Box 1004, Station A,  
Weston, Ontario, Canada M9N 3N5.

CABLE ADDRESS: Suntract Toronto, Telex No. 069-65801.

### BLACKWOOD HODGE EQUIPMENT LIMITED *ONTARIO DIVISION*

10 Suntract Road, P.O. Box 1004, Station A,  
Weston, Ontario M9N 3N5.  
Tel.: (416) 244-2531

Branches: London, Ottawa, Sudbury, Timmins,  
Sault Ste-Marie and Elliot Lake, Ontario.

### *ATLANTIC DIVISION*

10 Wright Avenue, P.O. Box 816,  
Burnside Industrial Park,  
Dartmouth, Nova Scotia B2Y 3Z3.  
Tel.: (902) 463-5010

Branches: Sydney, Nova Scotia, Moncton, New  
Brunswick and St. John's, Newfoundland.

### *WESTERN DIVISION*

380 Keewatin Street,  
Winnipeg, Manitoba R2X 2R9.  
Tel.: (204) 633-5800

Branch: Thunder Bay, Ontario.

### *TOBIN TRACTOR DIVISION*

Highway 6 North, P.O. Box 1427,  
Regina, Saskatchewan S4P 3C2.  
Tel.: (306) 543-6355

Branches: Saskatoon and Prince Albert, Saskatchewan.

### SUNTRACT RENTALS DIVISION

#### *ONTARIO OPERATION*

163 Carlingview Drive,  
Rexdale, Ontario M9W 5E7.  
Tel.: (416) 675-7090

Branches: Scarborough, Hamilton, Oakville, Ottawa,  
Kingston, Sudbury, Thunder Bay, London, Waterloo,  
Guelph, Brantford, Elliot Lake and Timmins, Ontario.

### LES ÉQUIPEMENTS BLACKWOOD HODGE QUÉBEC LTÉE.

1945 55th Avenue,  
Dorval, Québec H9P 1G9.  
Tel.: (514) 636-1220

Branches: Ste-Foy, Sept-Iles, Black Lake, Val d'Or,  
James Bay, Québec and Labrador City, Newfoundland.

### SUNTRACT MANUFACTURING CO. LIMITED

3820 Midland Avenue, P.O. Box 292,  
Agincourt, Ontario M1S 3B9.  
Tel.: (416) 291-3778









BLACKWOOD HODGE (CANADA) LIMITED  
10 Suntract Road, Weston, Ontario M9N 3N5

