1 9 9 0

C

WELDWOOD OF CANADA LIMITED 1990 ANNUAL REPORT

Weldwood

Weldwood

Weldwood of Canada Limited is a major Canadian manufacturer of forest products with logging and manufacturing operations in British Columbia, Alberta and Ontario.

In British Columbia the company owns five sawmills and two plywood plants, is part owner and operates the Babine Forest Products Company and Houston Forest Products Company sawmills, and is part owner of the Cariboo Pulp & Paper Company pulp mill. In Alberta, Weldwood owns and operates a pulp mill and a studmill in Hinton and an OSB plant at Slave Lake (scheduled for permanent closure in April, 1991). In Ontario the company manufactures hardwood plywood and waferboard in Longlac. In addition, Weldwood owns 50% of Canfor-Weldwood Distribution Ltd., a Canada-wide building materials distribution business.

The twenty-seventh Annual General Meeting
of the Company will be held in the
Balmoral Room
Hyatt Regency Hotel
655 Burrard Street
Vancouver, B.C.
on Thursday, April 25, 1991 at 11:00 a.m.

Executive Offices
1055 West Hastings Street
Vancouver, B.C.

Postal Address
P.O. Box 2179, Vancouver, B.C.
V6B 3V8

Stock Exchange Listing
The Company's common shares are listed for trading on the Toronto Stock Exchange under the symbol WLW.

Transfer Agent and Registrar
The Royal Trust Company; Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal.

Table of Contents

Financial Highlights

(dollars in thousands, except per share)

	1990	1989
Sales and Income		
Net sales	$683,628	$767,631
Income before income taxes and minority interest	10,458	110,947
Income taxes	5,001	45,099
Net income	5,396	65,390
Per Share		
Net earnings	.15	1.79
Dividends	.40	.40
Shareholders' equity	11.69	11.94
Financial position		
Working capital	$150,443	$122,504
Total assets	960,130	912,380
Long-term debt	275,901	208,821
Shareholders' equity	426,625	435,762
Analytical information		
Ratio of current assets to current liabilities	2.4:1	2.0:1
Net debt as percentage of total capitalization (1)	33.3%	28.7%
Return on average capital employed (2)	2.6%	16.5%
Return on shareholders' equity (3)	1.2%	17.0%
Capital expenditures	$ 56,456	$202,543

NOTES: (1) Net debt is defined as all interest-bearing debt less cash and temporary investments. Total capitalization is defined as the sum of net debt, deferred income taxes and shareholders' equity.

(2) Return on average capital employed is defined as net income before interest expense, divided by average total capitalization, adjusted for major incomplete capital projects.

(3) Return on shareholders' equity is defined as net income less dividends paid on Preference Shares, divided by Common shareholders' equity at the beginning of the year.

Directors' Report to Shareholders

The format for the 1990 Annual Report is a change from previous reports. As part of the contents, we are including the Company's Annual Information Form which covers the history and reviews the operations in detail. In order not to be repetitive, the comments to shareholders will, therefore, be directed only to a few important issues which, I believe, need to be emphasized. This does not mean that there is any less information in this report; in fact, there is more material, in a different format.

1990 was a very difficult year for the industry and unsatisfactory for Weldwood, with business deteriorating as the year progressed. The Company's net income for the year was a disappointing $5.4 million and net sales were $683.6 million.

Our's has always been a cyclical industry and we have learned to anticipate the downturns. However, in 1990 other influences further aggravated the situation.

The Canadian dollar, which averaged close to 86 cents U.S. during 1990 once again had a major effect on earnings. If the Canadian dollar had been at the average 1986 rate ($0.72 U.S.) during 1990, pre-tax earnings would have been $86 million higher than reported. At the same time, the cost of our timber supply in British Columbia has increased by approximately $35 million as a result of the Memorandum of Understanding on softwood lumber between Canada and the United States.

Environmental issues were very much a priority in 1990. Throughout the Company, we continued our major commitment to responsible stewardship of forest resources and to the environment in which we live and work. Internal environmental audit programs have taken place at all Company operations, and our pulp mills are currently upgrading equipment in order to ensure compliance with forthcoming environmental regulations. In addition, there has been a strong emphasis placed on communicating with and training our employees to help them understand environmental concerns and to assist them in explaining the facts in the various communities where we operate.

Labour negotiations with both the IWA-Canada and the Canadian Paperworkers Union will take place this spring. We are hopeful that settlements will be reached which reflect the present economic situation.

Recently we announced our intention to permanently close the Alberta WeldStran operation in April 1991. Despite an upgrading program at this operation in 1986, Weldwood has continued to suffer significant losses which are not forecast to improve in the foreseeable future. This situation was caused by ongoing poor markets for oriented strand board.

Weldwood has faced difficult times before but we have always managed to remain in a strong financial position. Now, as in the past the key factor is our employees. We recognize that it is their combined efforts which will guide us through this tough period, and allow the Company to come out of the current downturn stronger than ever.

We continue to be optimistic about the long-term prospects for our industry and when the recovery comes, we believe Weldwood will be in an excellent position to benefit.

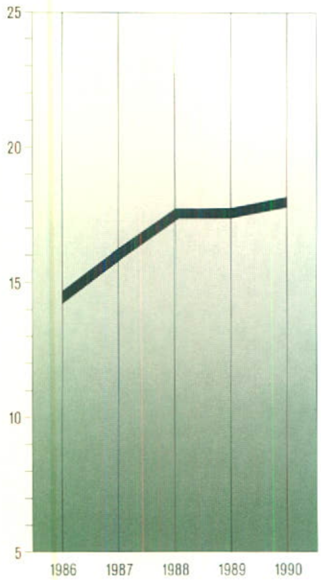
On behalf of the Directors

Buell

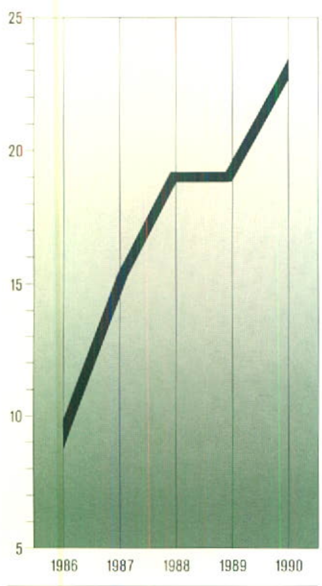
THOMAS A. BUELL
*Chairman of the Board,
President and Chief Executive Officer*

Management's Discussion and Analysis

Areas Logged
in thousands of hectares



Trees Planted
in millions



Logging and Forestry

Weldwood and its affiliated companies harvested wood from an area of 18,000 hectares this past year. Our reforestation plan, however, included planting 23.1 million seedlings on 20,055 hectares. In addition, the Company prepared 6,525 hectares of logged areas to ensure successful future reforestation. In B.C. and Alberta 1,380 hectares of plantation were weeded to enhance growth of the young trees. At the Company's greenhouse in Hinton, Alberta, over three million seedlings were grown in 1990.

This past year forest fires burned 385 hectares and 77,000 cubic metres of Weldwood's timber in B.C. and Alberta. The majority of these fires resulted from lightning-started wildfires in our Squamish, B.C. operation. Coastal logging operations were seriously inhibited by poor weather in the spring and fall, and further curtailed by hot weather during the fire season. Logging operations in all other areas were close to normal throughout the year.

Pulp

Pulp market conditions deteriorated during 1990. The market was in an oversupply condition with North American and Scandinavian ("NORSCAN") operating rates averaging 87% for the year. This is a consequence of both new capacity coming into the market and a slowing in pulp consumption. Total inventories of NORSCAN producers have risen from 800,000 tonnes in 1989 to 1.4 million tonnes at the end of 1990. The market in the first quarter of 1991 is very confused with substantial price pressure in all areas.

Both Hinton and Cariboo Pulp mills have competitive cost structures and produce quality Northern Bleached Softwood Kraft ("NBSK") pulp, placing the company in a strong position to weather the downturn in the market.

Hinton Division

The major expansion at the Hinton Division in Alberta reached substantial completion in March. The mill proceeded along its start-up curve and after ten months had reached a production level of more than 90% of effective capacity. The efforts during 1991 will be to fine tune the operation to consistently achieve production at capacity and to bring costs to their most effective level.

The operation is meeting or exceeding all environmental permit requirements, including those which are now more stringent than the mill design parameters. As a consequence of the installation of available process technology to protect the environment, Hinton is capable of producing a substantial quantity of "environmentally friendly" pulp – a pulp which does not use chlorine gas in the bleaching process. This capability has considerably assisted in the marketing of Hinton's expanded production. The Hinton mill, with its supporting Forest Management Agreement, promises to be a world-competitive facility.

The start of construction of the sawmill planned for Hinton has been deferred until the fall of 1991. This is a consequence of general economic conditions which led the Company to curtail capital expenditures as a prudent management step. It is now expected that the sawmill start-up will begin in the summer of 1993. At completion, this operation will enhance the Company's ability to extract maximum value from the Hinton forest resource base.

Cariboo Pulp and Paper

Cariboo Pulp was impacted in early 1990 by three operating incidents which caused significant production losses. In addition, the expansion which commenced in 1989 required some modifications in operating procedures and equipment to achieve capacity production. By mid-year the plant was operating satisfactorily and continued to maintain good production levels for the balance of the year.

A fine was levied for two infractions of government environmental regulations this past year. The operation has implemented procedures and committed to capital projects to prevent future failures to meet environmental requirements.

Three major environmental projects were initiated during 1990: an oxygen delignification system which will reduce the environmental effect of the bleaching process; a doubling of the capacity of the mill's effluent treatment system to upgrade effluent quality; and the installation of a flue gas scrubber on the power boiler which will allow the burning of larger quantities of bark and other wood waste at low levels of particulate emission. When completed, these projects will involve expenditures for Weldwood of approximately $30 million.

Lumber

For the first three quarters of 1990, the North American lumber markets were reasonably stable and returns were very close to the average experienced in 1989. However, during the fourth quarter, the collapse of the market reduced prices by 15% to 20%. Generally, customers continued to reduce their inventories during this price move and this affected volume and put further pressure on the market.

Overall demand in North America was lower in 1990. Housing starts were down by 16% in Canada and by 13% in the U.S. Our focus was to increase the retail and industrial account base and to expand our market share in specialty and industrial product sales.

Prices on cedar products were slightly better in 1990 than in 1989, but this was offset by increasing raw material costs. The overall cedar business is still suffering with continuing curtailments.

Total offshore sales of lumber were slightly higher in 1990 as compared to 1989. Japan was our most active offshore market, showing an increase in volume in spruce-pine-fir framing lumber. Australia and the U.K. were in second and third position respectively.

The outlook for 1991 is not encouraging. We expect production levels to decline and that prices will be below break-even for most of the year. Even with reductions in interest rates, it will take some time before demand for building products responds.

Panelboards

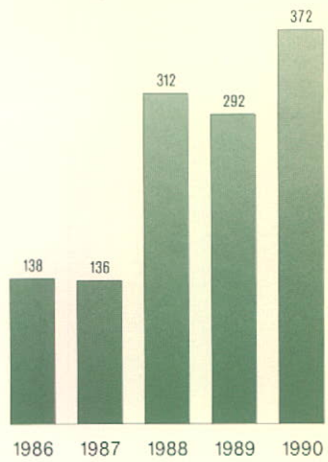
Demand for panelboards was not strong in 1990, notably in the third and fourth quarters. This reflected the lack of activity in the housing sector brought about by high interest rates and unfavourable economic conditions that prevailed initially in eastern markets and developed later in the year across Canada.

The Company's softwood plywood operations operated close to capacity in the first half of the year. However, as prices and demand weakened in the third quarter, curtailments were implemented. Compared to 1989, average returns for sheathing plywood were lower by 8%. Commencing in June 1990, Weldwood, as sales agent for West Coast Plywood Company Ltd. (formerly Weldwood's Kent Avenue division), marketed the production of higher grade and specialty plywood.

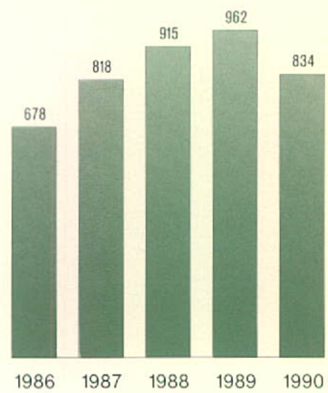
Hardwood plywood markets have been steady for the year despite the slowdown in the Canadian and the U.S. economies.

Overall, 1990 activity in offshore plywood markets was not strong and the volume of shipments was reduced by 12% and average returns by 10% from the previous year. In the U.K., which is our largest market, demand

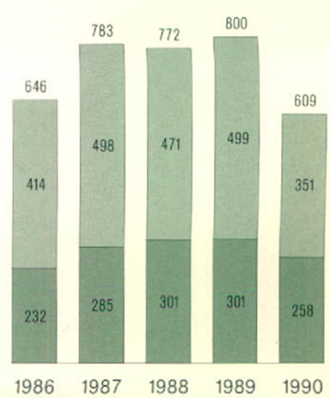
Production Summary



Pulp
in thousands of air dry tonnes



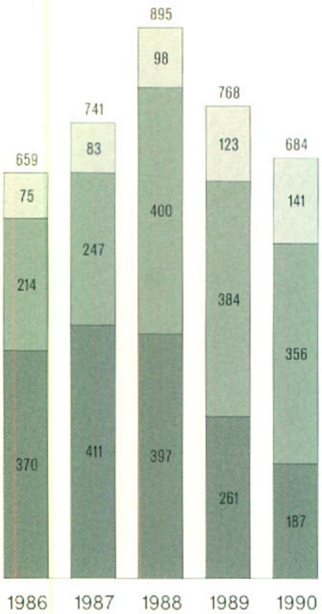
Softwood lumber
in millions of board feet
includes Weldwood's share of affiliates



Softwood plywood

Waferweld and WeldStran OSB
in millions of square feet 3/8"

Net Sales by Market
in millions of dollars



was severely reduced due to a slowing economy and intense competition from U.S. sources.

Demand for waferboard and oriented strand board fell dramatically in 1990. As a consequence, total sales volume was reduced by 15% and average returns by 17% as compared to 1989. Despite a significant degree of curtailment by the industry, prices continued to fall. By the end of the year, a number of mills had implemented longer term shutdowns.

As previously stated the Company's Slave Lake, Alberta, OSB operation is to be permanently closed in April 1991.

The 1991 outlook for the panelboard business is not optimistic. While interest rates in Canada are on a downward trend they will not have a positive effect on housing activity until later in the year. It is expected that the industry will operate on a curtailed basis and that some permanent closures may take place. Hopefully the supply and demand balance will permit the necessary upward trend in prices later in the year.

Building Materials Distribution

The Canadian market for building materials experienced a rapidly spreading recession during 1990 which had a major impact on the results for Canfor-Weldwood Distribution Ltd. ("CanWel"). Housing starts declined 16% from 1989 on a year-over-year basis but, more importantly, declined 40% from the early months of 1990 to the end of the year.

During this weakening market customers reduced inventories, further limiting sales opportunities. The pending implementation of G.S.T. created uncertainty and a concern by customers about possible inventory devaluation, which compounded the problem and reduced customer purchases from CanWel to a trickle by year end.

Market conditions are expected to improve slowly during 1991, primarily in the second half of the year.

Financial Review

Comparison of 1990 and 1989 Earnings and Revenue

Net income for 1990 was $5.4 million, down $60 million from 1989. Earnings from all product categories deteriorated during 1990. The main reasons for the reductions were lower sales prices for pulp, along with higher production costs during the Hinton mill's post-expansion start-up and reduced sales returns and volumes in the panelboard and lumber businesses. The start-up of the Hinton expansion project in March ended the interest capitalization period. Interest costs of $22.6 million were charged to income over the balance of the year.

Net sales dropped by $84 million, or 11%, to $683.6 million. The significant changes in revenue are attributable to volume and price changes as follows:

Change in Net Sales – 1990 vs. 1989
(in millions)

	Total	Change due to Volume	Change due to Price*
Pulp	$ 28.4	$49.8	$(21.4)
Lumber	(36.8)	(39.0)	2.2
Panelboard	(61.5)	(52.1)	(9.4)
	(69.9)	(41.3)	(28.6)
Other	(14.1)		
	$ (84.0)		

*Including changes in exchange rates.

Pulp sales volume was up due mainly to the completion of the Hinton mill expansion, as total tonnes of pulp shipped increased by 22% to 354,800 from 289,600 shipped in 1989.

In total, lumber price changes were marginally favourable because of a shift in product mix towards higher value items in our coastal fir, hemlock and cedar lumber, partially offset by lower prices for our spruce-pine-fir production from the B.C. Interior and Alberta.

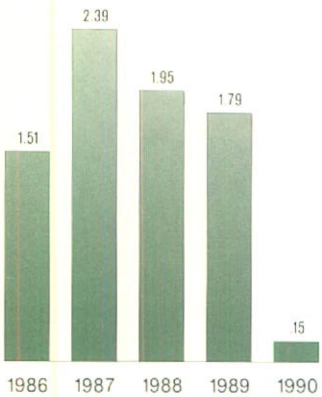
Reduction in panelboard sales volume was due in large part to the sale of the Kent Avenue plywood mill to our employees. The transaction was completed in June, but because it was pending for a considerable period prior to actual closing, the sales of plywood from this facility were not included in 1990 consolidated revenue.

Details of net sales by product and market are provided in the following tables:

Net Sales by Product *(in millions)*	1990	1989	1988	1987	1986
Products produced by Weldwood:					
Pulp	$271.5	$243.1	$235.8	$ 84.0	$ 72.3
Softwood lumber	218.9	255.7	247.0	221.7	178.8
Softwood plywood	74.9	124.4	129.4	144.4	137.9
Hardwood plywood	29.7	29.7	37.5	44.4	33.9
Waferboard and OSB	31.2	43.2	44.1	46.1	42.1
Logs	40.2	45.7	45.3	37.0	30.1
Other products	1.6	1.1	1.0	1.5	1.2
	668.0	742.9	740.1	579.1	496.3
Products purchased and resold	15.6	24.7	154.5	161.9	162.6
	$683.6	$767.6	$894.6	$741.0	$658.9

Net Sales by Market *(in millions)*	1990			
	Total	Canada	U.S.	Overseas
Pulp	$271.5	$ 3.2	$172.0	$ 96.3
Softwood lumber	228.5	49.3	149.8	29.4
Softwood plywood	75.1	61.3	—	13.8
Hardwood plywood	29.7	10.3	19.4	—
Waferboard and OSB	31.2	15.0	14.3	1.9
Logs	46.0	46.0	—	—
Other products	1.6	1.6	—	—
	$683.6	$186.7	$355.5	$141.4
%1990	100.0	27.3	52.0	20.7
%1989	100.0	34.0	50.1	15.9

Earnings Per Share*
in dollars



*Before extraordinary item

While net sales dropped by 11%, costs and expenses decreased by only 1.5% or $9.4 million compared to 1989. Cost reductions resulting from reduced lumber and panelboard production were offset by costs for increased pulp production and higher depreciation and amortization of over $19 million. In addition, costs for 1989 included those related to production at the Kent Avenue mill and one month of operation of our wholesale distribution business.

The effective income tax rate on net earnings increased from 40.6% in 1989 to 47.8% in 1990. The increase was not due to changes in the basic federal or provincial rates, but reflects the fact that losses on equity investments (which do not reduce the Company's taxable income) represent a much greater proportion of pre-tax income in 1990 than in 1989. Similarly, the Large Corporation Tax introduced in mid-1989 was essentially a flat tax based on capital invested, and in 1990 also represented a much greater proportion of pre-tax income than in 1989.

Comparison of 1989 and 1988 Earnings and Revenue

The 1989 income before extraordinary item of $65.4 million was slightly below the comparable 1988 income of $68.4 million. In 1988 there was an extraordinary charge of $6.4 million for the write-down of panelboard assets to net realizable value.

In 1989, total sales of products manufactured by the Company were virtually the same as in 1988, but the value of purchased products resold was $130 million less due to the merger of the Weldwood and Canfor Corporation distribution businesses early in 1989.

CanWel incurred significant start-up costs during 1989 relating to the consolidation of branches and staff reduction; Weldwood's share of these losses has been reported in other income.

Earnings in 1989 were favourably impacted by strong markets for OSB and waferboard and negatively by the reduction in pulp production due to mill expansion projects at both pulp mills.

In 1989, net interest costs of approximately $13 million were deferred because they were attributable to the pulp mill expansion project at Hinton.

Effect of Foreign Exchange

The value of the Canadian dollar in U.S. currency has a major effect on revenue since approximately 65% of sales are denominated in U.S. dollars. As the Canadian dollar strengthens against its U.S. counterpart, the Company's revenues decrease. The following table shows the rates of exchange over the last five years and their effect on reported Canadian sales and income.

Foreign Exchange	One Canadian Dollar[1]				Effect on Company Sales[2] Base Year 1986 *(in millions)*
	High	Low	Average	Year-end	
1990	US $.8859	US $.8275	US $.8570	US $.8621	$ 86
1989	.8652	.8254	.8445	.8632	$ 79
1988	.8444	.7688	.8124	.8386	$ 60
1987	.7721	.7248	.7541	.7696	$ 14
1986	.7332	.6913	.7197	.7244	—

Notes: [1] As reported by Bank of Canada.
[2] Approximate effect on net sales calculated as if U.S. dollar denominated sales for each year were converted at the 1986 Bank of Canada average exchange rate, rather than actual exchange rate during that year.

Financial Position

The reduction in year end trade accounts receivable from $60.4 million to $45.3 million between 1989 and 1990 was caused by the sharp drop in net sales in the last two months of 1990.

Higher sales to Champion International Corporation in 1990 resulted in the increased parent company receivable at year end.

The change in investments and other assets reflects a $5.6 million net increase in the CanWel investment and a $4.7 million mortgage taken on the sale of the Kent Avenue plywood mill.

Preproduction and start-up costs included in deferred charges increased as costs of $25.1 million related to the Hinton expansion project were capitalized until start-up and subsequently $8.7 million were amortized.

The 1989 balance of unrealized foreign exchange gain of $5.1 million on long-term debt, included as a reduction of deferred charges, was reduced during early 1990 when the Canadian dollar weakened and the remaining $2.5 million was recorded as income upon the conversion of US $140 million long-term debt into Canadian funds.

The balance of other deferred charges declined during 1990 primarily because the accumulated costs of disposition related to the Kent Avenue mill were charged against the sale proceeds.

The decrease in accounts payable and accruals reflects primarily the reduced activity on capital expenditures at year end. The increased long-term debt is the result of funding required for the Hinton project and other capital expenditures during 1990. All borrowings by the Company are not secured by any charge on its assets and interest is payable at short-term market rates.

Liquidity and Capital Structure

Capital expenditures of approximately $60 million are planned for 1991, to be directed principally to environmental protection projects at the Cariboo Pulp & Paper and Hinton pulp mills, and also to measures necessary to maintain operations. If internally generated funds in 1991 are not sufficient to fund these expenditures, the Company has available unused short-term lines of credit of approximately $58 million and a committed 7-year-term bank line of credit of $80 million. No significant working capital funding requirements are expected during 1991.

The Company continues to maintain healthy working capital and debt to capital ratios as follows:

Capital Structure
At December 31
(in millions)

	1990	1989	1988
Net current borrowings	$ 13	$ 24	$ (1)
Long-term debt	276	209	84
Deferred income taxes	149	139	90
Shareholders' equity	427	436	385
	$ 865	$ 808	$ 558
Debt/Total Capitalization	33%	29%	15%
Debt/Shareholders' Equity	68%	53%	22%
Current Ratio	2.4:1	2.0:1	1.8:1

Earnings Sensitivity

It is estimated that approximately 50% of the market demand for most of the Company's lumber and panelboards is strongly influenced by the level of housing starts in the U.S. and Canada with the remainder dependent upon general construction and renovation activity. Demand for market pulp in the Company's principal markets (U.S. and Western Europe) is closely tied to demand for paper products which in turn follows the level of GNP in those countries.

Based on the Company's current production rates a $10 per unit change in the average net selling price of its main product categories and a one cent change in the value of the U.S. dollar relative to the Canadian dollar will approximately affect the Company's pre-tax earnings as follows:

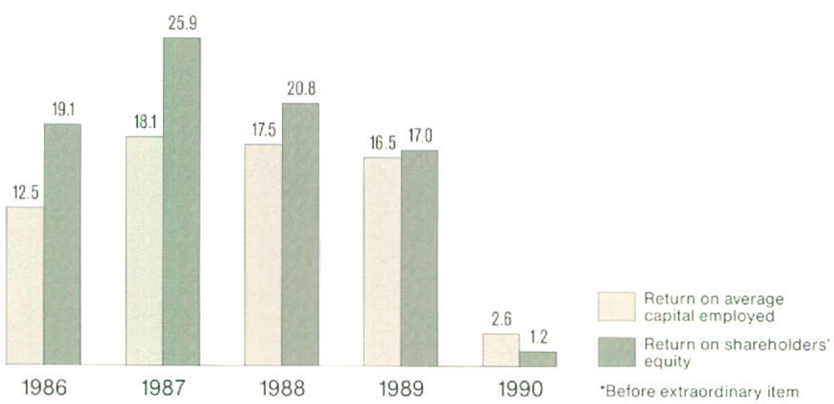
Earnings Sensitivity

(in millions)

		Approximate Effect on Annual Pre-Tax Earnings
NBSK Pulp –	$10 change per tonne	$ 5
Lumber –	$10 change per Mfbm	$ 8
Panelboards –	$10 change per M3/8"	$ 5
Canadian dollar – change in value $0.01 US		$ 6

Returns on Capital and Equity*

per cent



*Before extraordinary item

Consolidated Income and Retained Earnings

For the Years Ended
December 31
(in thousands,
except per share)

	1990	1989
Net sales	$683,628	$767,631
Costs and expenses		
Cost of sales	628,885	636,289
Selling, shipping and warehouse	7,885	10,255
General and administrative	20,175	19,804
Operating income	26,683	101,283
Interest expense (Note 15)	(22,578)	—
Other income (Note 16)	6,353	9,664
Income before income taxes and minority interest	10,458	110,947
Income taxes (Note 17)	5,001	45,099
Minority interest	61	458
Net income	5,396	65,390
Retained earnings—beginning of year	269,843	219,057
Dividends (Note 13)	(14,606)	(14,604)
Retained earnings—end of year	$260,633	$269,843
Earnings per share	$ 0.15	$ 1.79

Consolidated Balance Sheet

at December 31
(in thousands)

ASSETS	1990	1989
Current		
Cash and temporary investments	$ 6,975	$ 1,290
Accounts receivable (Note 2)		
Trade	45,270	60,350
Parent company	33,125	12,729
Other	11,803	20,708
Inventories (Note 3)	139,839	132,271
Income taxes recoverable	6,295	8,419
Prepaid expenses	13,726	13,394
	257,033	249,161
Investments and other assets (Note 4)	17,139	6,845
Timber and roads (Note 5)	12,266	11,421
Property and equipment (Note 6)	589,722	579,825
Deferred charges (Note 7)	83,970	65,128
	$960,130	$912,380

LIABILITIES	1990	1989
Current		
Bank indebtedness and outstanding cheques ...	$ 19,614	$ 24,968
Accounts payable and accruals	86,874	101,597
Current portion of long-term debt (Note 8)......	102	92
	106,590	126,657
Long-term debt (Note 8).............................	275,901	208,821
Deferred income taxes..............................	149,440	139,135
Minority interest....................................	1,574	2,005
Shareholders' equity		
Share capital (Note 11)............................	156,819	156,746
Contributed surplus..............................	9,173	9,173
Retained earnings	260,633	269,843
	426,625	435,762
	$960,130	$912,380

Approved by the Directors

THOMAS A. BUELL   COLIN B. WARNER

Consolidated Changes in Cash Position

For the Years Ended December 31 (in thousands)

	1990	1989
CASH GENERATED BY (REQUIRED FOR)		
Operating Activities		
Net income	$ 5,396	$ 65,390
Items not affecting cash:		
Depreciation and amortization (Note 14)	51,804	32,331
Deferred income taxes	10,687	47,919
Other	502	(1,059)
Increase in operating working capital	(18,664)	(68,169)
	49,725	76,412
Investing Activities		
Capital Expenditures:		
Property and equipment	(53,701)	(199,738)
Timber and roads	(2,755)	(2,805)
Proceeds from sale of property and equipment	9,944	5,904
Increase in deferred charges	(31,924)	(44,923)
Sale of wholesale building materials business	—	40,831
Increase in investments and other assets	(12,315)	(10,010)
	(90,751)	(210,741)
Financing Activities		
Issue of Common Shares for cash	73	137
Dividends to:		
Shareholders	(14,606)	(14,604)
Minority shareholder of a subsidiary	(492)	(738)
Long-term debt—increase	67,090	124,942
	52,065	109,737
NET CASH (LOAN) POSITION*		
Increase (decrease) during the year	11,039	(24,592)
Balance at beginning of year	(23,678)	914
Balance at end of year	$ (12,639)	$ (23,678)

**Net cash position is comprised of cash and temporary investments less bank indebtedness.*

Notes to Consolidated Financial Statements

Note 1

1. Summary of Significant Accounting Policies

A. CONSOLIDATION

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada and include the accounts of all subsidiary companies (Note 19).

B. JOINT VENTURES

Investments in joint ventures (Note 19) are accounted for on a proportionate consolidation basis. Under this method, the Company's share of assets and liabilities of joint ventures is included in each major balance sheet classification.

The revenue from the sale of the Company's share of joint venture production is included in net sales and its share of costs is included in costs and expenses.

C. EQUITY INVESTMENT

The investment in Canfor-Weldwood Distribution Ltd. (CanWel) is accounted for using the equity method. The Company's share of net income or loss is included in other income.

D. INVENTORIES

Inventories are stated at the lower of average cost and net realizable value.

E. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost net of accumulated depreciation and unamortized investment tax credits. Government assistance relating to property and equipment expenditures is recorded as a reduction of the cost of the related asset.

F. DEPRECIATION, DEPLETION AND ROAD AMORTIZATION

Depreciation is calculated using the straight-line method at the following rates applied to cost less estimated salvage value:

Buildings and land improvements	2.5 to 20.0%
Machinery and equipment, other than logging	4.2 to 33.3%
Logging equipment, other than major units	10.0 to 33.3%
Automotive equipment and aircraft	10.0 to 33.3%

Major units of logging equipment are depreciated on a usage basis. Timber holdings are depleted on a production basis over the volume of timber to be harvested. Capitalized logging roads are amortized on a production basis, at rates based on the volume of timber developed.

G. DEFERRED CHARGES

Preproduction costs and start-up losses incurred on major capital projects are deferred until conclusion of the start-up period and then amortized over a period not to exceed five years. Interest attributable to major capital projects is deferred and amortized over the estimated life of the related assets.

H. INCOME TAXES

Income taxes are accounted for by the deferred tax allocation method. Under this method, the provision for taxes is made in the year transactions affect net income as opposed to when such items are recognized for tax purposes. Differences between the provision for taxes and taxes currently payable are reflected as deferred income taxes.

I. EARNINGS PER SHARE

Earnings per share are calculated using the weighted average number of Common Shares outstanding during the year. For the purpose of this computation, net income is reduced by dividends paid on the 5¼% Cumulative Redeemable Preference Shares, Series A.

J. FOREIGN EXCHANGE

Purchases and sales in foreign currencies are translated into Canadian dollars at rates of exchange prevailing at transaction dates. Asset and liability accounts in foreign currencies are translated at the rates of exchange in effect at balance sheet dates. The effect of fluctuations in exchange rates between balance sheet dates and the dates of transactions and of settlements is reflected in other income.

Note 2

2. Transactions with Related Companies

A. Sales of bleached kraft pulp to the parent company, Champion International Corporation (Champion) (Note 11) totalled $186,575,000 in 1990 ($136,113,000 in 1989). Sales to Champion are made on terms similar to the Company's other customers.

During the year, the Company paid Champion $3,046,000 ($2,361,000 in 1989) in commission and fees on pulp sales and $1,996,000 ($2,251,000 in 1989) for engineering and technical services.

B. Sales of panelboard and lumber to Canfor-Weldwood Distribution Ltd. (CanWel) totalled $78,701,000 ($104,893,000 in 1989). Sales to CanWel are made on terms similar to the Company's other customers.

Trade accounts receivable include $5,901,000 ($7,561,000 in 1989) receivable from CanWel. Other accounts receivable include short-term advance of $1,000,000 ($10,000,000 in 1989) and other receivable of $275,000 ($910,000 in 1989). In addition, the Company charged CanWel rent, computer services and interest totalling $3,203,000 ($4,091,000 in 1989).

Note 3

3. Inventories

(in thousands)

	1990	1989
Logs	$ 77,042	$ 71,278
Lumber	18,168	20,610
Pulp	17,230	8,650
Panelboard	5,276	6,767
Supplies and other	22,123	24,966
	$139,839	$132,271

4. Investments and Other Assets

(in thousands)

Note 4

	1990	1989
Canfor-Weldwood Distribution Ltd.:		
Equity investment	$ 7,500	$ 2,500
Long-term receivable	9,000	5,000
Share of operating losses	(6,753)	(3,363)
	9,747	4,137
10% mortgage receivable (due in three equal annual installments commencing 1993)	4,700	–
Other	2,692	2,708
	$ 17,139	$ 6,845

5. Timber and Roads

(in thousands)

Note 5

	1990	1989
Timber holdings		
Cost	$ 10,015	$ 10,216
Accumulated depletion	9,323	9,201
	692	1,015
Logging roads		
Cost	59,240	55,044
Accumulated amortization	47,666	44,638
	11,574	10,406
	$ 12,266	$ 11,421

6. Property and Equipment

(in thousands)

Note 6

	1990			1989
	Cost	Accumulated Depreciation	Net	Net
Land	$ 4,114	$ –	$ 4,114	$ 5,059
Buildings	117,168	54,595	62,573	41,343
Machinery and equipment	726,807	224,621	502,186	178,269
Logging equipment	33,559	23,367	10,192	10,768
Construction in progress	22,780	–	22,780	357,853
Investment tax credits	(16,452)	(4,329)	(12,123)	(13,467)
	$887,976	$298,254	$589,722	$579,825

7. Deferred Charges

(in thousands)

Note 7

	1990			1989
	Cost	Accumulated Amortization	Net	Net
Interest	$ 27,814	$ 5,351	$ 22,463	$ 18,451
Unrealized foreign exchange gain on long-term debt	–	–	–	(5,067)
Preproduction and start-up costs	66,629	9,735	56,894	40,909
Other	4,565	(48)	4,613	10,835
	$ 99,008	$ 15,038	$ 83,970	$ 65,128

Note 8

8. Debt

(in thousands)	1990	1989
Bank Loan	$175,493	$173,712
Bank Credit Agreement	100,000	34,742
Other	510	459
	276,003	208,913
Less: Amounts due within one year	(102)	(92)
	$275,901	$208,821

The bank loan (US $150 million) is repayable in installments from 1992 to 1995. The Company has entered into currency swap agreements which effectively change US $110 million of principal and related interest obligations into Canadian dollars.

Under the bank credit agreement the Company has borrowed $100 million (US $30 million in 1989) by way of bank-guaranteed promissory notes, repayable from 1992 to 1996.

The Company's debts under these obligations are unsecured and are guaranteed as to principal and interest by the Province of Alberta. Interest is at prevailing market rates and averaged 11.2% in 1990 and 9.5% in 1989.

Principal payments required on long-term debt in each of the next five years are:

1991—$ 102,000
1992—$27,706,000
1993—$41,508,000
1994—$108,087,000
1995—$ 68,602,000

The Company has available an additional unused term bank line of credit of $80 million repayable over 7 years and had unused short-term lines of credit of approximately $58 million.

Note 9

9. Retirement Plans

Retirement plans cover salaried and certain hourly employees. Costs are derived from actuarial valuations based on management's best estimates of expected investment returns, salary escalation and ages when employees will retire. These include the Company's share of joint ventures' plans.

Retirement plan benefit obligations and assets:

(in thousands)	1990	1989
Present value of accrued benefit obligations (1990 estimated)	$ 75,346	$ 70,724
Assets at market value	$ 74,581	$ 82,958
Retirement costs expensed	$ 1,448	$ 894

Certain plans have obligations which are unfunded and are secured by letters of credit in the amount of $10,634,000 ($8,600,000 in 1989).

Note 10

10. Long-Term Lease Commitments

The Company is committed to pay an aggregate amount of $13,578,000 under long-term, non-cancellable operating leases having a term exceeding one year. The maximum lease term is 30 years and the latest expiry date is 2011.

Lease payments required in each of the next five years are:

1991—$2,818,000
1992—$2,236,000
1993—$1,672,000
1994—$1,626,000
1995—$1,640,000

11. Share Capital

Note 11

A. AUTHORIZED AND OUTSTANDING

(dollars in thousands)	Authorized	Outstanding December 31, 1990		Outstanding December 31, 1989	
	No. of Shares	No. of Shares	Amount	No. of Shares	Amount
5¼% Cumulative Redeemable Preference Shares, Series A with a par value of $20 each (Note 13)	275,000	25,000	$ 500	25,000	$ 500
Series B Preference Shares with a par value of $20 each	225,000	—	—	—	—
Common Shares without nominal or par value	50,000,000	36,450,482	156,319	36,445,382	156,246
Ordinary Shares without nominal or par value	8,000,000	—	—	—	—
Outstanding at end of year			$156,819		$156,746

At December 31, 1990, Champion International Corporation held 30,808,836 (84.5%) of the outstanding Common Shares.

B. SPECIAL PROVISIONS FOR 5¼% CUMULATIVE REDEEMABLE PREFERENCE SHARES, SERIES A

The redemption price is $20 per share and unpaid dividends accumulated to the date of redemption plus a premium of 1.25%.

C. OPTIONS TO PURCHASE COMMON SHARES

The Company has set aside 217,835 Common Shares for which options may be granted to officers and employees in the future. At December 31, 1990, options on 198,980 Common Shares were eligible to be exercised.

12. Joint Ventures

Note 12

The Company's share of the assets, liabilities, costs and expenses of joint ventures is as follows:

(in thousands)	1990	1989
Assets	$105,664	$ 99,250
Liabilities	$ 25,310	$ 20,503
Costs and expenses	$123,359	$114,270

13. Dividends

Note 13

	1990		1989	
	Amount Per Share	Amount (in thousands)	Amount Per Share	Amount (in thousands)
Preference Shares	$ 1.05	$ 26	$ 1.05	$ 26
Common Shares	.40	14,580	.40	14,578
		$ 14,606		$ 14,604

Note 14

14. Depreciation, Depletion and Amortization

The following amounts are included in costs and expenses.

(in thousands)	1990	1989
Depreciation	$ 39,001	$ 28,802
Depletion	122	172
Amortization of logging roads	3,028	2,500
Amortization of deferred interest costs	920	381
Amortization of preproduction, start-up costs and other deferred charges	10,057	1,587
Amortization of investment tax credits	(1,324)	(1,111)
	$ 51,804	$ 32,331

Note 15

15. Interest

(in thousands)	1990	1989
Interest expense — long-term debt	$ 29,942	$ 15,496
— current borrowings	861	774
Interest income	(3,161)	(2,957)
Interest costs deferred — attributable to major capital projects	(5,064)	(13,313)
	$ 22,578	$ —

Note 16

16. Other Income

(in thousands)	1990	1989
Share of equity investment losses	$ (3,390)	$ (3,363)
Gain on disposal of property and equipment	2,949	5,946
Foreign exchange gain	2,008	270
Other	4,786	6,811
	$ 6,353	$ 9,664

Note 17

17. Income Taxes

	1990	1989
Combined basic Canadian federal and provincial income tax rate	43.4%	43.2%
Increase (decrease) in the income tax rate resulting from:		
Manufacturing and processing profits deduction	(3.7)	(3.5)
Capital gains	(14.0)	(1.2)
Loss carryback	(7.9)	—
Share of equity investment losses	12.9	1.2
Large corporations capital tax	14.3	0.7
Other	2.8	0.2
Effective Income Tax rate	47.8%	40.6%

18. Segmented Information

Note 18

A. INDUSTRY SEGMENTATION

The Company is vertically integrated in the forest products industry. The Company's revenue is generated from the sale of lumber, plywood, pulp, logs and other wood products manufactured by the Company.

B. GEOGRAPHIC SEGMENTATION

All of the Company's operations, employees, and substantially all of its assets are located in Canada.

C. EXPORT SALES

A significant portion of the Company's net sales are to customers in foreign countries:

Sales by Country *(in thousands)*	1990		1989	
United States of America	$355,483	52.0%	$384,293	50.1%
Other foreign countries	141,427	20.7%	122,509	15.9%
Total export sales	496,910	72.7%	506,802	66.0%
Canada	186,718	27.3%	260,829	34.0%
Net sales	$683,628	100.0%	$767,631	100.0%

19. Subsidiary and Affiliated Companies

Note 19

A. (i) SUBSIDIARY COMPANIES—ACTIVE

Babine Forest Products Limited (84.6%)
Weldwood Transportation Limited

(ii) SUBSIDIARY COMPANIES—INACTIVE

Canadian Collieries Timber Air Services Ltd.
Houston Forest Products (1990) Ltd.
Kirk Coal (Victoria) Co. Ltd.
Ladysmith Development Limited
M & W Logging Co. Ltd.
Parkhome Developments Limited
W & W Holdings Limited
Weldwood Lumber Sales Limited
Western Fuel Corporation of Canada Limited

B. PARTLY-OWNED COMPANIES

Babine Forest Products (Trustee) Limited (68.4% by Babine Forest Products Limited)
Canfor-Weldwood Distribution Ltd. (50%)
Cariboo Pulp & Paper Company Limited (50%)—inactive

C. JOINT VENTURES

Babine Forest Products Company (68.4% by Babine Forest Products Limited)
Cariboo Pulp & Paper Company (50%)
Houston Forest Products Company (50%)

20. Comparative Figures

Note 20

Certain comparative figures have been reclassified to conform with 1990 presentation.

Auditors' Report

To the shareholders of Weldwood of Canada Limited:

We have audited the consolidated balance sheets of Weldwood of Canada Limited (a British Columbia company) as at December 31, 1990 and 1989 and the consolidated statements of income, retained earnings and changes in cash position for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1990 and 1989 and the results of its operations and the changes in its cash position for the years then ended in accordance with generally accepted accounting principles. As required by the British Columbia Company Act, we report that in our opinion, these principles have been applied on a consistent basis.

Vancouver, British Columbia
January 14, 1991

Arthur Andersen & Co.
Chartered Accountants

Glossary of Terms

PRODUCTS

Pulp

Northern Bleached Softwood Kraft Pulp ("NBSK")
Pulp brightened through bleaching, and produced by a sulphate cooking process of coniferous wood chips from species characteristic of the forests in Canada, the northern States of the United States and Scandinavian countries, and noted for imparting strength to the product in which it is used due to the length of its fibre.

Building Materials

Panelboards
Plywood, waferboard and oriented strand board, used for paneling and sheathing.

Plywood
Veneers of solid wood laminated under heat and pressure.

Oriented strand board ("OSB")
Panelboard produced by chemically bonding strands of wood under heat and pressure which have been oriented in a predetermined configuration to impart superior strength.

Waferboard
Panelboard of similar construction to OSB without orientation.

Lumber

Dimension lumber
Lumber cut to standard sizes and lengths nominally 2 x 4 inches through 2 x 12 inches in cross section by 8 to 24 feet in length.

Stud
Lumber cut and planed to a standard size and length nominally 2 x 4 or 2 x 6 inches in cross section by 8 feet in length.

MEASUREMENTS

Board foot
One square foot of lumber one inch thick.

Hectare
10,000 square metres or 2.471 acres.

Cubic metre
35.315 cubic feet

Tonne
Metric ton – 1,000 kilograms or 2,204 pounds.

Effective year-end capacity
The number of units which can be produced in a year based on operations over a long-term period and the normal number of shifts and maintenance interruptions.

Annual Information Form

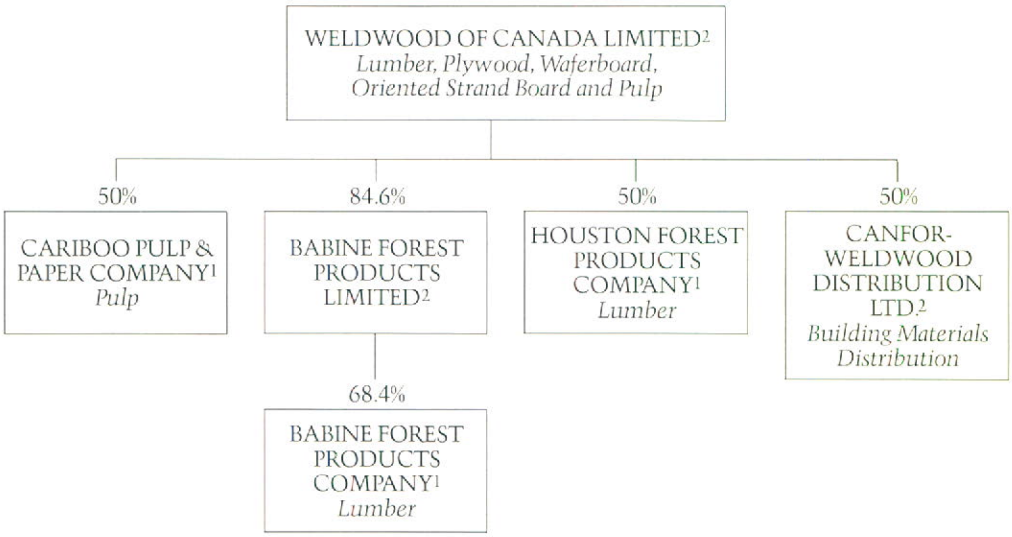
As of March 15, 1991
(unless otherwise indicated)

THE COMPANY

Weldwood of Canada Limited ("Weldwood") was incorporated by certificate of incorporation with memorandum and articles under the laws of the Province of British Columbia on March 17, 1964. Champion International Corporation ("Champion International"), a New York corporation with its head office located in Stamford, Connecticut, U.S.A., currently owns approximately 84.5% of Weldwood's outstanding common shares. The balance of the common shares outstanding are held by the public, with the majority having registered Canadian ownership.

The head and principal office of the Company is located at 1055 West Hastings Street, Vancouver, British Columbia. In this form, all references to the "Company", unless otherwise indicated by the context, refer to Weldwood of Canada Limited and its subsidiaries.

The following chart shows the Company's significant interests in other companies and in joint ventures, their primary products or activities and the percentage of voting securities or interest owned by the Company.



1. Joint Venture.
2. Jurisdiction of Incorporation – British Columbia, Canada.

Weldwood has a minority interest in, and an important relationship with, Seaboard Lumber Sales Company Limited ("Seaboard Lumber") and Seaboard Shipping Company Limited ("Seaboard Shipping"), which are owned by a group of British Columbia forest products companies including Weldwood. Seaboard Lumber and Seaboard Shipping sell and ship Weldwood's panelboard and lumber products to overseas customers.

HISTORY OF THE BUSINESS

The Company is a major Canadian manufacturer of forest products, with integrated manufacturing and logging operations in British Columbia, Alberta and Ontario.

Weldwood's manufacturing operations in British Columbia began in 1945 when a predecessor company, Western Plywood Company Limited ("Western Plywood"), commenced operation of its Vancouver plywood plant, producing principally fir and poplar plywood.

Douglas fir "peeler" logs were initially supplied to the plywood plant from logging operations in the vicinity of Quesnel, British Columbia. The success of veneer manufactured from Interior logs led Western Plywood to construct a plywood plant at Quesnel, which commenced production of fir and spruce plywood in 1951.

The decades of the nineteen fifties and sixties saw significant expansion and consolidation in terms of the Company's timber holdings, plant facilities and sales distribution outlets, in both western and eastern Canada.

In 1961, United States Plywood Corporation ("U.S. Plywood"), a predecessor of Champion International, purchased Western Plywood, which thereby became affiliated with two other U.S. Plywood companies in Canada; i.e., Hay & Company Limited ("Hay & Co.") and Weldwood Plywood Limited ("Weldwood Plywood"). U.S. Plywood had been operating in Canada since 1945 when it purchased Hay & Co., a company with a hardwood plywood mill in Woodstock, Ontario, whose history could be traced back to the mid-19th century. Hay & Co. installed Canada's first veneer slicer in 1856 and its light weight, high strength birch plywood was used to construct the Mosquito bomber during World War II. Weldwood Plywood operated a number of sales branches in eastern Canada, which were combined with Western Plywood's growing nation-wide distribution system.

In March, 1964, Weldwood was formed to purchase the assets of Western Plywood and a number of subsidiaries of U.S. Plywood, including Hay & Co. and Weldwood Plywood. In addition to the majority shareholding acquired by U.S. Plywood at this time, common shares were issued to the public pursuant to a share offering. In May of the same year, a major expansion of the Company's holdings occurred with the acquisition of Canadian Collieries Resources Limited, whose facilities included mills in Squamish, Port Moody and Surrey, British Columbia, and large timber holdings, as well as logging operations, on the coast of British Columbia. With this acquisition, the Company gained a sustainable timber supply for its coastal manufacturing plants.

In 1969, a significant diversification of the Company's product lines was embarked upon when it entered into a fifty-fifty joint venture arrangement with Japanese interests to form Cariboo Pulp & Paper Company ("Cariboo Pulp") to construct a NBSK pulp mill at Quesnel. The pulp mill, with a designed capacity of 680 tonnes per day, commenced production in the latter part of 1971.

The Company's operations expanded into the northwestern interior of British Columbia with its participation in the 1970's in two joint venture dimension sawmilling operations, the first at Burns Lake, which commenced operations in 1975, (now known as Babine Forest Products Company) and the second at Houston, which commenced operations in 1978, (now known as Houston Forest Products Company).

Significant developments in the last five years are:

- In February, 1988, following approval by holders of common shares (other than Champion International) the Company acquired Champion International's pulp mill and studmill at Hinton, Alberta. As consideration for this acquisition, the Company issued to Champion International 16,500,000 common shares in the capital of the Company. In 1990, the pulp mill commenced operation at an enlarged capacity following completion of a three-year expansion project designed to virtually double the mill's annual capacity to 385,000 tonnes.
- In February, 1989, Weldwood and Canfor Corporation ("Canfor") merged their respective wholesale building materials distribution divisions to form a new company, Canfor-Weldwood Distribution Ltd. ("CanWel"), owned equally by Canfor and Weldwood. The net assets, including all the equipment, inventory and working capital relating to Canfor's and Weldwood's building materials businesses, were transferred to CanWel in exchange for common shares and debt, with the land and buildings owned respectively by the two parent companies being retained by them. Subsequently, certain of the distribution centres were sold and then leased by CanWel, and properties surplus to the needs of CanWel were put up for sale.
- In June, 1989, an expansion project at Cariboo Pulp was completed, raising the mill's annual production capacity to 310,000 tonnes.

- In June, 1990, Weldwood sold its Vancouver (Kent Avenue) plywood plant to West Coast Plywood Company Ltd. ("West Coast Plywood"), an employee-owned company, for cash and debt. Weldwood is the exclusive selling agent for plywood manufactured by West Coast Plywood, which produces higher grades of softwood plywood and a wide assortment of plywood specialty products. Weldwood has also agreed to supply West Coast Plywood, until June, 1995, with a portion of its log and veneer requirements.

WOOD PRODUCTS

Timber Resources

Weldwood obtains raw materials for its wood products manufacturing operations from Company fee-owned timberlands (which at December 31, 1990 totalled approximately 17,018 hectares); from sustained-yield, long-term licences which grant cutting rights on government-owned timberlands; from short-term licences; and from long-term agreements with other companies based on their harvesting licences. Weldwood's fee-owned timberlands contain approximately 470,000 cubic metres of merchantable sawtimber. Weldwood has rights to harvest annually approximately 2,823,000 cubic metres of merchantable sawtimber from long-term licences; approximately 20,000 cubic metres of merchantable sawtimber from short-term licences annually; and has the right to harvest an aggregate of approximately 36,627,600 cubic metres of merchantable sawtimber during the balance of the current terms of all such licences. Weldwood also has rights to obtain approximately 336,000 cubic metres of merchantable sawtimber on an annual basis from supply agreements with other companies.

In addition, Weldwood has the right to harvest approximately 1,700,000 cubic metres of pulpwood annually under a Forest Management Agreement with the Government of the Province of Alberta, which agreement grants cutting rights through June 15, 2008, with respect to approximately 996,000 hectares of timberlands. The agreement provides for conditional rights of renewal for successive 20-year periods as long as the Hinton, Alberta, pulp mill remains in operation. Weldwood, as well, has the right to harvest approximately 300,000 cubic metres of deciduous roundwood annually, under a Forest Management Agreement with the Government of the Province of Alberta, which agreement grants cutting rights through December 31, 2005, with respect to approximately 710,000 hectares of timberlands. The agreement provides for conditional rights of renewal.

Weldwood believes that these sources will provide a substantial portion of the raw material required by its wood products manufacturing operations for the foreseeable future, with the balance being met by outside purchases.

Cariboo Pulp holds conditional rights to harvest up to 1,509,296 cubic metres of pulpwood annually from approximately 1,578,000 hectares of government-owned timberlands in British Columbia pursuant to a long-term licence. To date, it has not been found necessary to utilize this raw material source for the pulp mill since an adequate supply of by-product wood chips has been available.

Babine Forest Products Company ("Babine Company") is beneficially entitled to harvest approximately 432,000 cubic metres of merchantable sawtimber annually pursuant to long-term licences and Houston Forest Products Company ("Houston Company") is beneficially entitled to cut approximately 650,000 cubic metres of merchantable sawtimber annually pursuant to a long-term licence. Timber harvested from these tenures satisfied approximately 65% of the fibre requirements in 1990 for these two mills, with the balance being met by outside purchases.

In 1990, 5.1 million cubic metres of wood were harvested by the Company. Of this total, the Company's operations in British Columbia accounted for 3.5 million cubic metres with the balance mostly in Alberta.

In return for granting cutting rights to the Company, provincial governments assess stumpage charges on Crown timber harvested under the various licences. In 1990 stumpage charges on such timber were approximately $28 million and reforestation costs were approximately $12 million.

In 1990, the Company's reforestation plan included planting 23.1 million seedlings on 20,055 hectares. During the year over three million seedlings were grown in Weldwood's Hinton Division greenhouse. In 1989, Weldwood, together with three other joint venture partners, commenced operation of the Vernon Seed Orchard Company for the purpose of establishing and developing a seed orchard to produce genetically superior seed. The seedlings produced from this seed will have superior wood quality and growth characteristics. It is anticipated that the orchard will commence producing seed in approximately five years and that it will eventually satisfy the Company's total seed requirements for the Interior of British Columbia.

Wood Products Operations

Weldwood owns and operates or partly owns and manages the operation of the following converting facilities for the manufacture of wood products:

	Location	1990 Production	Effective Year-end Capacity
		Million Board Feet	
Lumber and Lumber Specialties	Squamish, B.C. (Squamish Lumber)	84	170
	Port Moody, B.C. (Flavelle Cedar)	70	85
	100 Mile House, B.C.	151	155
	Quesnel, B.C.	93	95
	Williams Lake, B.C.	99	100
	Hinton, Alberta	82	75
	Burns Lake, B.C.[1] (Babine Forest Products)	214	225
	Houston, B.C.[1]	218	240
		Million Square Feet (3/8" Basis)	
Softwood Plywood	Quesnel, B.C.	173	185
	Williams Lake, B.C.	178	185
Specialty Plywood	Longlac, Ontario	69	70
Waferboard	Longlac, Ontario	110	130
Oriented Strand Board	Slave Lake, Alberta[2]	148	170

1. Partly owned
2. Permanent closure announced

The B.C. coastal lumber operations produce a broad range of products destined for North American and offshore markets. The Squamish Lumber sawmill produces hemlock, balsam and fir dimension and specialty lumber and timbers. The Flavelle Cedar sawmill produces exclusively cedar lumber, siding and specialties. Wood chips produced from the portion of each log, not converted into lumber, are sold to coastal pulp mills as their raw material.

The B.C. interior lumber operations which are owned exclusively by the Company, comprise three sawmills located respectively at 100 Mile House, Quesnel and Williams Lake, British Columbia. These mills produce spruce, pine, and fir dimension lumber and the wood chips which are produced from these operations are sold to Cariboo Pulp. The mills at Williams Lake and 100 Mile House are located on leased land.

Weldwood's studmill adjacent to its pulp mill in Hinton, Alberta, produces approximately 75 million board feet annually. Weldwood proposes to replace this facility with a new sawmill designed to produce 215 million board feet annually. Work on this project is presently scheduled to commence in the fall of 1991.

The Company, in addition, has an interest in two joint venture sawmills in the northern interior of British Columbia – Babine Company at Burns Lake and Houston Company at Houston – both of which produce spruce and fir dimension lumber. Weldwood's interest in Babine Company is held indirectly through its 84.6% interest in Babine Forest Products Limited ("Babine Limited"). Babine Limited owns a 68.4% interest in Babine Company. Weldwood owns directly a 50% interest in Houston Company. Both sawmills are located on leased land. By long-term agreements, Weldwood manages the operations of both Babine

Company and Houston Company and functions, on behalf of all the joint venturers, as the exclusive selling agent (except for local or internal sales) in all world markets.

At both Quesnel and Williams Lake, Weldwood's operations also include a softwood plywood plant which produces fir and spruce sheathing. The Williams Lake plant is located on leased land.

In Longlac, Ontario, the Company owns and operates a plywood plant which produces mainly hardwood specialties and a waferboard plant which produces a structural panelboard used in residential and general construction, particularly as sheathing and as a roofing and flooring underlay, as well as in mobile home construction.

Weldwood's mill in Slave Lake, Alberta, produces aspen oriented strand board ("OSB"), a structural panelboard with market applications similar to that of waferboard. Weldwood has announced its intention to permanently close this OSB plant in April 1991 due to continuing poor market conditions and resultant losses which are not expected to improve in the foreseeable future.

Wood Products Marketing

Revenues by Market

		Canada %	USA %	Overseas %	Total $ in millions
Lumber	1990	22	65	13	228.5
	1989	23	67	10	267.4
Softwood Plywood	1990	82	—	18	75.1
	1989	83	—	17	124.7
Hardwood Plywood	1990	35	65	—	29.7
	1989	37	63	—	30.8
Waferboard & OSB	1990	48	46	6	31.2
	1989	59	38	3	43.2
Logs & Other	1990	100	—	—	47.6
	1989	97	1	2	58.4

For the years ended December 31, 1990 and 1989 wood products accounted for 60.3% and 68.3%, respectively, of the Company's consolidated net sales.

Canada is the primary market for Weldwood's softwood plywood production since tariffs and product standards in the United States effectively make Canadian-produced softwood plywood uncompetitive in the United States market.

In Canada, panelboard products are marketed through CanWel and other independent distributors. CanWel, which operates wholesale building material distribution centres in twenty-three cities throughout Canada, accounts for approximately 70% of Weldwood's Canadian panelboard sales. The majority of CanWel's sales are to building supply outlets and industrial users. CanWel sells a wide range of building materials in addition to wood products produced by Weldwood and Canfor. In 1990, sales of the Company's wood products to CanWel amounted to $78,701,000, compared to $104,893,000 in 1989. Sales of panelboard (other than softwood plywood) to the United States market are made directly to selected distributors. Weldwood sells and ships panelboard to overseas markets through Seaboard Lumber and Seaboard Shipping.

Weldwood's lumber production is marketed worldwide. In North America, Weldwood sells its lumber to independent wholesale distributors and industrial and retail accounts on a delivered basis. Inventory is carried at six locations (reload centres) in North America to better serve Weldwood's customers. Sales and shipments to overseas customers are made through Seaboard Lumber and Seaboard Shipping.

The markets in which Weldwood sells its panelboard and lumber products are highly competitive and the Company faces strong competition from other Canadian and United States producers. Competition in respect of Weldwood's plywood business comes not only from other producers of plywood products but from OSB and waferboard producers as well. The lumber market in North America is particularly dynamic, with buyers determining their purchase decisions daily on the basis of product quality, price and service.

1990 was characterized by a significant decline in demand and in prices for most wood products. This situation reflected the recessionary economies present in North America and their progressively adverse effect on consumer confidence in the residential construction, remodeling and industrial markets. Any turnaround from these current conditions will necessitate a recovery in consumer confidence, to which a continuing decline in interest rates is expected to be a major contributing factor. In response to the house construction industry's economic cycles, the Company is placing increasing emphasis on the development of other end uses and new products which may require different grades, sizes and thicknesses.

Sales of certain of the Company's wood product lines, particularly where intended for use in the North American house construction market, are seasonal and can be affected by severe weather conditions.

Weldwood's marketing posture in terms of duration of supply contracts for wood products varies by product and market area. Generally, for structural panelboard sales in North America, Weldwood prefers sales not contracted beyond four weeks, whereas overseas sales can extend to ten weeks. North American lumber sales are usually not contracted beyond three weeks (except in the case of futures contracts), whereas overseas sales normally fall within a three-month period, but can extend up to twelve months.

No single customer's purchases of wood products, other than CanWel, exceed 10% of consolidated net sales, nor is a material part of the business dependent upon a small group of customers.

PULP

The following table sets forth the 1990 production and 1991 effective capacity of Weldwood's NBSK pulp operations. In January, 1991, the expanded Hinton pulp mill had progressed along its start-up curve to a production rate of more than 90% of effective capacity and the Quesnel mill was operating at full effective capacity. It is expected that the Hinton mill will reach full effective capacity in 1991.

Location *(in tonnes)*	1990 Production	Effective 1991 Capacity
Hinton, Alberta	232,200	385,000
Quesnel, B.C.	278,700[1]	310,000[1]

1. aggregate mill production (Weldwood's share, 50%).

Weldwood's pulp mill in Hinton commenced operation under a previous owner in 1957. Major expenditures have occurred since that time, including extensive effluent treatment facilities and pulp quality improvements. In 1990, at a cost of approximately $415 million, a state of the art modernization and expansion program which virtually doubled the capacity of the pulp mill commenced operation. This project included a new pulp dryer, digester, wood room, modern recausticising equipment, improved pulp washing and bleaching systems, a new chemical recovery boiler and environmental protection features built in as part of the design (notably, an oxygen delignification system), with the result that effluent from the mill meets high environmental standards. Approximately 61% of the wood fibre required for the expanded operations is obtained under Weldwood's Forest Management Agreement, with the remaining 39% being purchased in the form of roundwood and chips from external sources.

Fibre for Cariboo Pulp's mill, in the form of spruce, pine and fir wood chips, is purchased from Weldwood and from other wood products producers in the region as by-products from their sawmilling operations. In 1991, approximately 54% of the anticipated chip requirements for the pulp mill are expected to be supplied from Weldwood-owned operations.

Pulp Marketing

Weldwood's pulp production is sold worldwide, with distribution during the preceding two years as follows:

Net Sales by Market

	Canada %	USA %	Europe %	Other %	Total $ in millions
1990	1.2	63.3	29.1	6.4	271.5
1989	0.5	70.0	28.9	0.6	243.1

For the years ended December 31, 1990 and 1989, pulp accounted for 39.7% and 31.7%, respectively, of Weldwood's consolidated net sales.

Champion International is Weldwood's exclusive distributor of pulp produced at the Hinton mill, used as furnish in its own converting facilities for the production of fine paper and for sale to other customers in the United States.

Pulp customers for Weldwood's share of Cariboo Pulp's production ("Weldwood's Cariboo production") are served by the Company's head office staff and through agents. Sales to United States purchasers are made through Champion International, who also is a customer. The European Common Market ("EEC") and the United States are the primary markets for Weldwood's Cariboo production.

Champion International's purchases of pulp from Weldwood in 1990 amounted to 27.3% of consolidated net sales and no other single customer's purchases of pulp exceeded 10% of consolidated net sales.

Distribution of Weldwood's pulp is via rail or truck (or a combination thereof) to North American destinations. Export markets are served by rail or truck to Squamish or Vancouver and then via deep-sea vessels to markets in Europe, Asia and Australia.

Weldwood produces prime quality NBSK pulp, which enjoys a good reputation in all its markets. As a consequence of the technology incorporated into the expanded Hinton mill, Weldwood has been able to respond to a new market demand for pulp bleached without the use of chlorine gas. Weldwood believes its production costs are competitive with other producers in major markets.

The markets for NBSK pulp exhibited steady growth and increasing prices from 1986 through 1989, but increased supply and inventory corrections reversed this trend in 1990. The market is experiencing further price weakness in 1991 due to yet greater supply and the slower worldwide economy. As is the case with other Canadian producers, Weldwood's competitive position in the EEC and other European markets, relative to European producers, is influenced by the relationship of the U.S. dollar to European currencies.

Pulp markets are not subject to significant seasonal variation.

CAPITAL EXPENDITURES

The following table sets forth the Company's capital expenditures during the past five years, which amounted, in the aggregate, to $542.7 million.

(in thousands)	1990	1989	1988	1987	1986
Pulp	$ 43,095	$189,051	$191,708	$ 3,098	$ 1,768
Wood Products	12,898	12,068	18,723	42,601	20,891
Other	463	1,424	727	2,755	1,444
	$ 56,456	$202,543	$211,158	$ 48,454	$ 24,103

HUMAN RESOURCES

At December 31, 1990, the Company, including its interest in joint ventures, had approximately 4,000 employees in Canada.

The IWA-Canada is the certified bargaining agent for approximately 2,700 hourly employees engaged in the Company's logging, lumber and panelboard operations in British Columbia, Alberta and Ontario. The Canadian Paperworkers Union ("CPU") represents in total approximately 825 hourly employees at Weldwood's pulp operations in Hinton, Alberta and at Cariboo Pulp's operations in Quesnel, British Columbia.

In 1989 and 1990, new three-year agreements were negotiated with IWA-Canada covering the hourly employees at Weldwood's OSB operations in Slave Lake and its panelboard operations in Longlac, respectively. In mid-1991, the balance of the collective agreements with IWA-Canada and those with CPU, which were all for three-year terms, will expire.

The Company has experienced no major work stoppages as a result of the collective bargaining process since 1986.

ENVIRONMENT

In its 1989 Annual Report, Weldwood published its Environmental Policy. The underlying principle of this policy is Weldwood's continuing commitment to responsible stewardship of its forest resources and to the environment in which it operates. In pursuit of this policy, the Company has had reviewed, at each of the Company's manufacturing operations, the existing management and control procedures and facilities intended to reduce environmental hazards and, where appropriate, has undertaken further measures.

In addition, the Company has implemented, or is undertaking, a number of environmental control projects which are designed to meet, or exceed, the evolving regulatory standards. In the expansion of the Hinton pulp mill, approximately $39.6 million was expended for environmental protection features, which formed part of the project design, with the result that effluent from the mill is virtually free of measurable dioxins and furans and much lower in oxygen-demanding material.

In 1990, the Company spent approximately $8.2 million on environmental protection facilities (in addition to the 1990 expenditures with respect to the Hinton pulp mill expansion) and presently anticipates an expenditure in 1991 of $28.4 million. These new facilities, upon completion in 1991, will include, at Cariboo Pulp, an oxygen delignification system designed to significantly reduce chlorine usage in the pulp bleaching process, enlargement of the effluent treatment system and improvements in the control of particulate emissions; and, at Hinton, a new solid waste landfill site and improvements in the recovery boiler.

DIVIDENDS

During the two years ended December 31, 1990, Weldwood declared and paid the following dividends:

(in thousands)	1990	1989
Common Shares	$ 14,580	$ 14,578
5¼% Cumulative Redeemable Preference Shares, Series A	26	26
	$ 14,606	$ 14,604

Common share dividends are normally paid quarterly. Four quarterly common share dividends of $0.10 per common share were paid in 1989 and in 1990. The Board of Directors, in view of the Company's operating results in 1990 and the continuing soft market conditions facing the forest industry, reduced the dividend to $0.05 per common share for the first quarter of 1991. Preference share dividends of $0.2625 per share are paid quarterly. No dividend can be declared or paid on the common shares until all dividends on the cumulative preference shares have been declared and paid or set apart for payment.

DIRECTORS

The name and municipality of residence of each of the directors and officers of Weldwood, the office held by each and his principal occupation during the past five years are as follows:

Name and Municipality of Residence	Period during which a Director has served as a Director	Principal Occupation
Gerald J. Beiser *Westport, Connecticut, U.S.A.*	3 years	*Senior Vice-President, Finance, Champion International Corporation.*
John J. Bruk [1,2] *Vancouver, British Columbia*	7 years	*President and Chief Executive Officer, Trilon Pacific Corporation.*
Thomas A. Buell [2] *Vancouver, British Columbia*	17 years	*Chairman of the Board, President and Chief Executive Officer. Weldwood of Canada Limited.*
Paul Gourdeau [1] *Quebec City, Quebec*	17 years	*Consultant.*
John O. McCutcheon [1,2] *Vancouver, British Columbia*	23 years	*Consultant.*
Kenwood C. Nichols *Stamford, Connecticut, U.S.A.*	5 years	*Vice-Chairman of the Board; previously, Senior Vice-President, Champion International Corporation.*
Richard E. Olson *Newtown, Connecticut, U.S.A.*	3 years	*Executive Vice-President; previously, Vice-President, Champion International Corporation.*
John L. Schlosser *Edmonton, Alberta*	5 years	*President, Tri-Jay Investments Ltd.*
Colin B. Warner [2] *Vancouver, British Columbia*	15 years	*Senior Vice-President, Finance and Distribution; previously, Vice-President, Finance. Weldwood of Canada Limited.*
H. Richard Whittall [1,2] *Vancouver, British Columbia*	25 years	*Corporate Director; previously, Vice-Chairman of the Board, Placer Dome Inc.; and Vice-Chairman and Director, Richardson Greenshields of Canada Limited.*

1. Audit Committee Member
2. Committee of the Board Member. These directors reside in British Columbia, with powers of the Board in the management and direction of the operations of the Company, subject to certain restrictions.

OFFICERS

Name and Municipality of Residence	Principal Occupation
Thomas A. Buell *Vancouver, British Columbia*	*Chairman of the Board, President and Chief Executive Officer.*
Graham I. Bender *West Vancouver, British Columbia*	*Senior Vice-President, Pulp and President Cariboo Pulp & Paper Company; previously, General Manager, Powell River Division and General Manager, Harmac Pulp Division, MacMillan Bloedel Limited.*
George R. Richards *West Vancouver, British Columbia*	*Senior Vice-President, Wood Products Operations B.C.; previously, Vice-President and General Manager, Interior Operations.*
Colin B. Warner *Vancouver, British Columbia*	*Senior Vice-President, Finance and Distribution; previously, Vice-President, Finance.*
John W. Darker *North Vancouver, British Columbia*	*Vice-President Transportation and Purchasing; previously, Purchasing, Transportation and Material Control Manager, St. Regis Paper Company (Canada) Limited (now, Hinton Division).*
Richard Franko *North Vancouver, British Columbia*	*Vice-President, Lumber Sales; previously, General Manager, Lumber Sales.*
David W. Milligan *Delta, British Columbia*	*Vice-President, Human Resources.*
Leon R. Pond *Vancouver, British Columbia*	*Vice-President, Wood Products Operations Alberta and Ontario; previously, General Manager, Hardwood Manufacturing.*
Carl C. Rathburn *Delta, British Columbia*	*Vice-President, B.C. Coastal Operations; previously, General Manager, Coast Logging and Forestry.*
C. Robert Solloway *West Vancouver, British Columbia*	*Vice-President, General Counsel and Secretary.*
Ronald W. Staple *Hinton, Alberta*	*Vice-President, Pulp Operations, Hinton Division; previously, Resident Manager and Mill Manager, Cariboo Pulp & Paper Company; and Group Manager, Procter & Gamble Inc., Belleville, Ontario.*
Kent T. Williamson *Vancouver British Columbia*	*Vice-President and Controller; previously, Comptroller.*
Thomas Sitar *Vancouver, British Columbia*	*Treasurer.*

The directors and senior officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over, less than 1% of the shares in the Company carrying the right to vote in all circumstances.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Weldwood's shares (i.e., shareholders exercising control or direction over more than 10% of voting rights in all circumstances), options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's Information Circular for its annual meeting of shareholders and the election of directors. A copy of the Information Circular may be obtained upon request from the Secretary of the Company. Additional financial information is provided in the Company's comparative financial statements forming part of this Annual Report.

STOCK EXCHANGE LISTING

The Company's common shares are listed for trading on the Toronto Stock Exchange under the symbol WLW.

TRANSFER AGENT AND REGISTRAR

The Royal Trust Company, Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal.

SUMMARY OF FINANCIAL INFORMATION

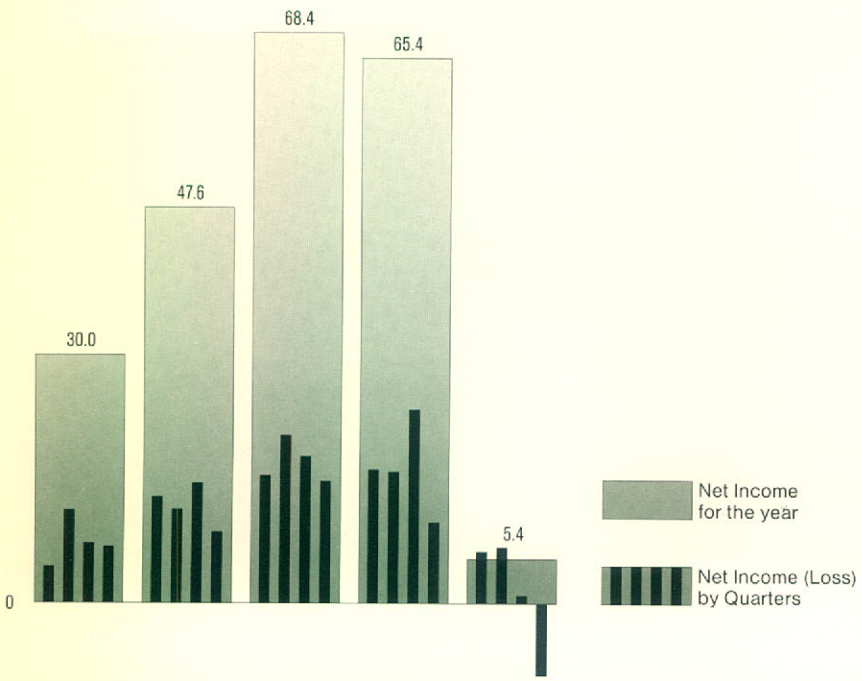
Annual Information *(dollars in millions except per share)*	1990	1989	1988	1987	1986
Net Sales	$683.6	$767.6	$894.6	$741.0	$658.9
Earnings before extraordinary items	5.4	65.4	68.4	47.6	30.0
Net Earnings	5.4	65.4	62.0	47.6	30.0
Total Assets	960.1	912.4	706.9	416.8	336.3
Long Term Debt	275.9	208.8	84.0	19.5	31.7
Per Share:					
Earnings before extraordinary items	0.15	1.79	1.95	2.39	1.51
Net Earnings	0.15	1.79	1.78	2.39	1.51
Dividends declared – common	0.40	0.40	0.40	0.35	0.188
– ordinary					0.063[1]

1. Ordinary shares exchanged for common shares in 1986.

Selected Quarterly Information

	1989				1990			
	Quarters				Quarters			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
(millions of dollars)								
Net Sales	$194.4	$186.9	$208.9	$177.4	$160.0	$190.4	$167.5	$165.7
Net earnings (loss)	16.2	16.0	23.4	9.8	6.3	6.8	1.0	(8.7)
(dollars per common share)								
Net earnings (loss)	0.44	0.44	0.64	0.27	0.17	0.19	0.03	(0.24)
Dividends declared...	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10

Net Income (Loss)* by Quarters
in millions of dollars



1986	1987	1988	1989	1990	
4.5	12.9	15.5	16.2	6.3	1st quarter
11.3	11.4	20.3	16.0	6.8	2nd quarter
7.3	14.6	17.8	23.4	1.0	3rd quarter
6.9	8.7	14.8	9.8	(8.7)	4th quarter

*Before Extraordinary Item

Further discussion on Weldwood of Canada Limited's financial results is contained within the Management's Discussion and Analysis section of this report on pages 4 to 10.

Ten Year Review

(Years Ended December 31)

		1990	1989
Earnings	($ Millions)		
	Net sales	683.6	767.6
	Cost of sales	628.9	636.2
	Selling, shipping and administrative expenses	28.0	30.1
	Interest	22.6	—
	Other	(6.3)	(9.2)
	Income taxes (recovery)	5.0	45.1
	Extraordinary item	—	—
	Net income (loss)	5.4	65.4
Per Common and Ordinary Share*	($/share)		
	Net earnings (loss)		
	—before extraordinary item	.15	1.79
	—after extraordinary item	.15	1.79
	Dividends—common	.40	.40
	—ordinary	—	—
	Shareholders' equity	11.69	11.94
	Common Share price range:		
	High	18½	21½
	Low	13¼	14½
Financial Position	($ Millions)		
	Current assets	257.0	249.2
	Current liabilities	106.6	126.7
	Working capital	150.4	122.5
	Investments and other assets	17.1	6.8
	Timber and roads	12.3	11.4
	Property and equipment, net	589.7	579.8
	Deferred charges	84.0	65.1
		853.5	785.6
	Long-term debt	275.9	208.8
	Deferred income taxes	149.4	139.1
	Minority interest	1.6	2.0
	Share capital and surplus	166.0	165.9
	Retained earnings	260.6	269.8
		853.5	785.6
Other Statistics	Ratio of current assets to current liabilities	2.4	2.0
	Net debt to total capital (%)	33.3	28.7
	Return on average capital (%)	2.6	16.5
	Return on shareholders' equity (%)	1.2	17.0
	Employees at year end	4,025	4,505
Production Statistics	Softwood plywood, Waferweld and WeldStran OSB		
	(Millions sq. ft. 3⁄8")	609	800
	Hardwood and specialty plywood		
	(Millions sq. ft. 3⁄8")	69	65
	Softwood lumber (Millions Fbm) Company	579	690
	Share of affiliates	255	272
	Pulp (Thousands metric air dry tons)	372	292

*Restated to reflect stock splits (2 for 1 May, 1984; 2 for 1 May, 1987) and stock dividends (December, 1985)

1988	1987	1986	1985	1984	1983	1982	1981
894.6	741.0	658.9	628.8	572.3	586.2	415.2	481.1
740.3	616.7	559.3	567.4	533.8	528.1	397.5	426.0
44.7	45.5	42.5	43.8	43.1	41.2	41.3	43.2
—	1.0	6.2	10.4	11.6	9.2	13.5	14.2
(6.2)	(7.5)	(5.0)	(4.4)	(3.7)	(5.6)	(3.7)	(4.1)
47.4	37.7	25.9	4.2	(8.7)	3.7	(17.5)	(3.0)
6.4	—	—	—	1.5	—	—	—
62.0	47.6	30.0	7.4	(5.3)	9.6	(15.9)	4.8
1.95	2.39	1.51	.37	(.19)	.48	(.81)	.24
1.78	2.39	1.51	.37	(.27)	.48	(.81)	.24
.40	.35	.188	.125	.245	.125	.063	.245
—	—	.063	.125	.245	.125	.063	.245
10.55	11.25	9.21	7.90	7.53	8.04	7.69	8.55
18¾	19⅞	13¼	11	9⅝	9⅛	6⅝	8⅛
14⅜	11⅞	9½	6¼	6⅛	6⅝	4¼	4¾
260.4	239.6	178.8	173.5	168.7	187.3	163.8	168.9
145.7	126.8	80.6	82.3	98.5	76.1	58.9	88.4
114.7	112.8	98.2	91.2	70.2	111.2	104.9	80.5
3.6	3.9	5.8	7.1	4.3	8.4	9.4	9.1
9.9	10.0	11.5	13.0	15.7	17.1	18.5	20.2
411.6	158.3	131.0	127.3	140.4	126.7	128.9	140.7
21.4	5.0	9.3	11.1	13.0	11.2	12.4	13.4
561.2	290.0	255.8	249.7	243.6	274.6	274.1	263.9
84.0	19.5	31.7	67.5	68.3	82.5	93.0	49.1
90.1	44.5	39.2	23.6	24.1	31.7	27.7	44.4
2.3	1.3	1.0	.9	.9	—	—	—
165.8	56.2	56.0	56.0	53.5	53.5	53.5	53.4
219.0	168.5	127.9	101.7	96.8	106.9	99.9	117.0
561.2	290.0	255.8	249.7	243.6	274.6	274.1	263.9
1.8	1.9	2.2	2.1	1.7	2.5	2.8	1.9
15.0	3.2	17.9	32.3	40.6	32.8	36.6	32.0
17.5	18.1	12.5	4.8	.9	5.3	(3.0)	3.9
20.8	25.9	19.1	4.9	(2.4)	6.2	(9.4)	2.8
4,675	4,250	3,950	4,000	4,400	4,700	4,200	4,900
772	783	646	691	665	728	510	603
62	96	66	72	62	59	51	55
659	602	480	500	445	496	374	355
256	216	198	210	193	172	147	127
312	136	138	131	99	128	121	107

PRINTED IN CANADA 12 M