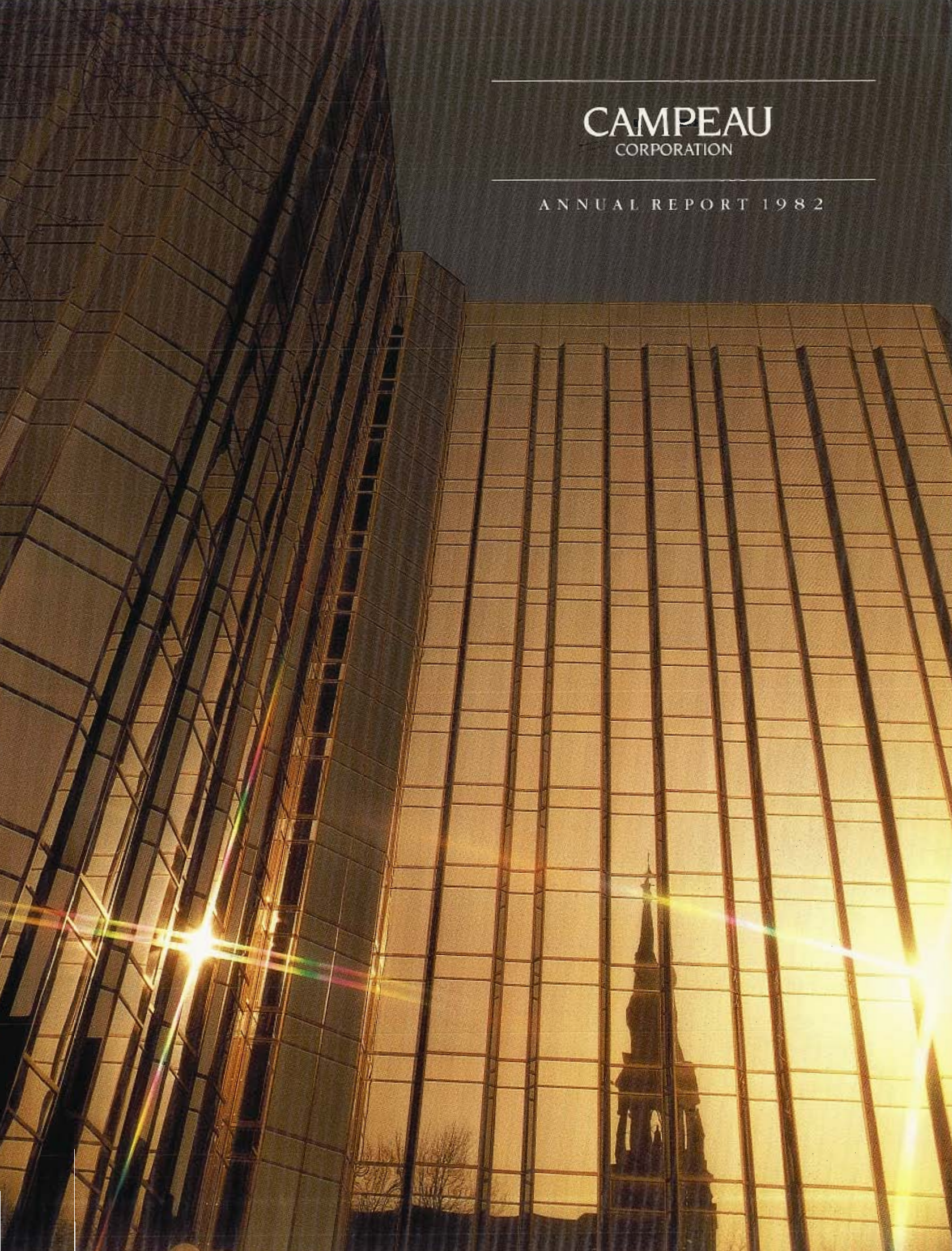


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CAMPEAU  
CORPORATION

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ANNUAL REPORT 1982





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### **Annual Meeting**

The Annual Meeting of Shareholders will be held at 11 o'clock in the forenoon on Thursday, the 28th of April, 1983 in Salon B, Hotel Plaza de la Chaudière, 2, rue Montcalm in the City of Hull, Québec.

Shareholders of record at the close of business on April 26th, 1983 will be entitled to vote at the meeting.

### **Cover Photo**

Centennial Towers, Ottawa, Ontario

### **Version française du rapport annuel**

On peut se procurer la version française du présent rapport en écrivant au Secrétaire.



Campeau Corporation is a major North American developer and owner of income producing commercial property. It concentrates its efforts on three main types of property development – office buildings and mixed-use complexes, shopping centres, and quality business parks. The Corporation combines the proven expertise of an entrepreneurial development team with a high standard of successful property management to produce an income property portfolio that is held for long-term investment and which produces a reliable and growing revenue stream for the benefit of the Corporation's shareholders.





## Financial Highlights

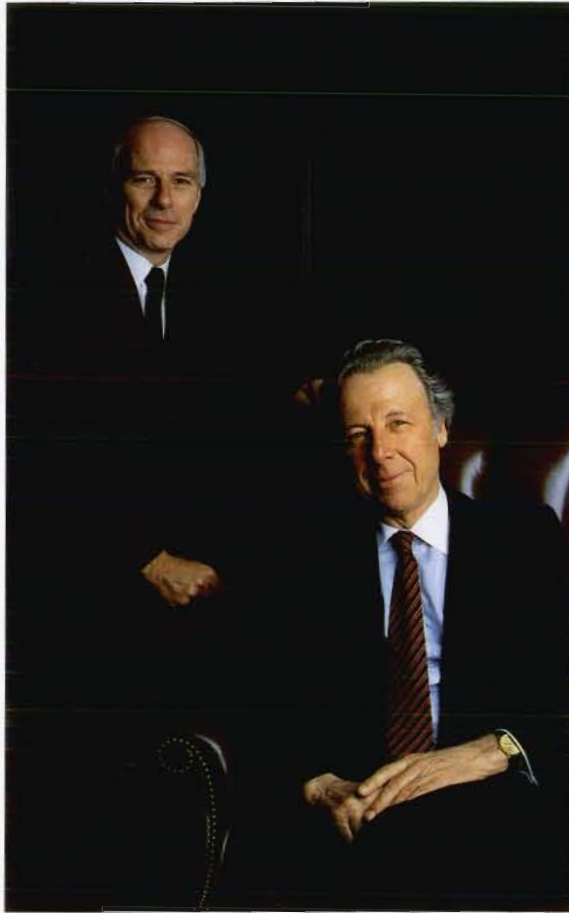
	1982	1981 <sup>1</sup>
	(in thousands)	
<b>Cash Flow from Continuing Operations</b>	<b>\$ 33,343</b>	<b>17,415</b>
<b>Per Share</b>	<b>\$ 2.03</b>	<b>1.05</b>
Total Cash Flow	\$ 32,894	60,299
Per Share	\$ 2.00	3.73
<b>Net Earnings from Continuing Operations</b>	<b>\$ 11,010</b>	<b>4,237</b>
<b>Per Share</b>	<b>\$ 0.65</b>	<b>0.23</b>
Net Earnings	\$ 12,180	32,244
Per Share	\$ 0.72	1.98
<b>Total Revenues</b>		
<b>Continuing Operations</b>	<b>\$ 148,192</b>	<b>124,270</b>
Discontinued Operations <sup>2</sup>	\$ 156,718	187,221
	<b>\$ 304,910</b>	<b>311,491</b>
<b>Total Assets</b>		
<b>Continuing Operations</b>	<b>\$ 843,075</b>	<b>687,447</b>
Discontinued Business Assets <sup>2</sup>	\$ 854,881	723,408
	<b>\$1,697,956</b>	<b>1,410,855</b>
Shareholders' Equity	\$ 94,273	84,328

## Notes:

1. The comparative figures for 1981 have been restated to conform with the 1982 presentation in order to reflect discontinued operations.
2. Refer to Note 13, page 27.



Robert Campeau,  
Chairman of the  
Board (seated)  
David King,  
President



Campeau Corporation commenced operations as a housebuilder in Ottawa 32 years ago, and today has become a diversified real estate corporation with almost \$1.7 billion of assets located in major centres across North America. A key part of our success has been an ability to recognize changing economic and social trends and make appropriate changes in course from time to time. On January 14, 1983, your Board of Directors approved such a change in course by adopting a new strategic plan to guide the Corporation's future business activity.

#### Strategic Plan

This new plan involves concentrating future activity on commercial operations and withdrawing from other activities which are mainly in the residential area. This decision might surprise an observer familiar with this Corporation's long-time residential involvement. However, a steady shift in emphasis toward the commercial area has been taking place for the past several years and, in 1982, more than 80% of the Corporation's segmented operating profit resulted from the operations of the Commercial Group. More significantly, in a most difficult economic environment, the operating profit generated by commercial operations increased by 33% to \$78,833,000 from \$59,384,000.

While profits from the Commercial Group have improved steadily over the years, this strong financial performance has been obscured by fluctuating profits and losses from the highly cyclical residential and other operations. Pursuant to the new strategic plan, certain assets which have a book value of approximately \$850 million, and which do not meet our current investment criteria, will be disposed of in an orderly manner over a three to four year period. It is difficult to predict precisely the amount of the ultimate gain on the disposition of these assets, but we are confident that, after allowing for all carrying charges, development costs and other costs of disposition, a net gain will be realized.

This new plan capitalizes on the Corporation's existing financial and human resource strengths and will enable us to focus future development efforts more effectively in selected major North American markets. The disposition of the assets now slated for sale will strengthen the Corporation's financial position by reducing exposure to highly cyclical businesses and by generating cash to reduce short-term indebtedness. Thus, the Corporation will benefit from an improved debt-to-equity relationship, with the majority of its indebtedness being long term and bearing a fixed rate of interest.

### Development

The Corporation was very active during 1982. Two new shopping centres were opened and the remaining 50% interest not held in four other shopping centres was purchased. Two major office building projects scheduled for completion in 1983 were significantly advanced during the year: the 720,000 square foot Place Guy Favreau complex in Montréal and the complete rehabilitation of the 425,000 square foot Centennial Towers office building in Ottawa. Additionally, six new buildings were completed in three highly successful business parks which the company is developing in Ottawa, Ontario and in the Santa Clara-San Jose area of Northern California.

Development efforts will be focused on three major projects in 1983: the 1.4 million square foot Scotia Plaza at King and Bay Streets in Toronto; a 750,000 square foot office building at 333 Bush Street in the heart of San Francisco's financial district; and the development of the first office building in the four million square foot Texas Centre development in downtown Dallas.

### Financial

As indicated in more detail in the Financial Review section, the Corporation's 1982 net earnings and cash flow, from continuing operations, were \$11,010,000 and \$33,343,000 respectively. These figures represent healthy gains from corresponding 1981 levels and we are confident that these steady gains will continue in 1983.

Consistent with the new strategic plan, we have modified our calculation of the Adjusted Shareholders' Equity per share to reflect only an adjustment of the continuing assets to their fair market value. It does not reflect any appraisal surplus adjustment of the discontinued assets. As indicated on page 17, the Adjusted Shareholders' Equity per Share increased to \$27.11 at December 31, 1982 from \$21.40 at December 31, 1981.

### Outlook

In recent months interest rates have declined significantly, inflation rates have fallen and signs indicate that a gradual economic recovery is taking place. However, a number of conflicting forces that can affect the economy are still at work. There is an urgent need for all of us in business, labour and government to recognize the importance of continued restraint and increased productivity to sustain this much-needed economic recovery.

### Appreciation

Mr. Ronald B. McCartney, who has played a significant role in the growth and success of the Corporation, recently resigned as President. He will continue to assist the Corporation in the disposition of some of our discontinued assets, while pursuing other interests. We wish to express our appreciation for his long and valued service to the Corporation and wish him every success in the future.

Mr. David King has been appointed President and Chief Operating Officer of the Corporation. During the past nine years Mr. King, as Executive Vice-President, has had specific responsibility for the Commercial Group.

The past year has been a challenging one for our employees and the new strategic plan places additional demands on them. Their energy and skills have brought us successfully through 1982 and, on behalf of the Board of Directors, I would like to express our appreciation to these employees for their continued support.

R. Campeau  
Chairman and Chief Executive Officer  
April 6, 1983







Place de Ville,  
Ottawa, Ontario

## Review of Operations

Campeau Corporation's inherent strength is based on its diversified portfolio of income properties which provide a predictable and growing cash flow stream. As a result, great attention is given to managing these assets properly and ensuring that returns are adequate given the nature of the particular investment.

Through intensive training of management personnel the Corporation has produced a group of capable property administrators and leasing representatives who have continually achieved high standards of performance. The Corporation has developed a sophisticated and effective accounting and management information system for calculating, invoicing and collecting charges on completed properties.

The portfolio of existing income properties provides the base to support the development of new commercial assets. Properties are developed with the intention of holding them for long-term investment rather than selling for short-term gains.

The Corporation concentrates its development efforts in three main sectors:

- Large office buildings and mixed-use complexes in major urban centres across North America.
- Major shopping centre facilities in carefully selected locations across Canada.
- Commercial and industrial business parks in high growth areas of Canada and the United States.

A seasoned team of project managers competes hard for the best development opportunities, drawing on the skills and experience of a highly qualified group of staff specialists. Innovative marketing techniques, such as the Taste Buds food court concept introduced in the Corporation's shopping centres, and novel design, as evidenced by the renovation of Centennial Towers in Ottawa, enhance the success of new projects and contribute to the prosperity of the Corporation and its employees, as well as the markets they serve.

A summary of commercial development projects completed in 1982, together with details of the Corporation's activities in the upcoming year, is presented on the following pages.

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Journal Towers,  
Ottawa, Ontario





## Office and Mixed-Use Properties

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### Place de Ville

The Place de Ville complex in downtown Ottawa comprises three office towers containing a total of 1,262,000 square feet of net rentable space, together with 64,000 square feet of retail space and 959 rooms in two hotels. An extensive remodelling programme was completed in 1982 at Tower C, providing the major tenant with first-class accommodation and coinciding with lease renewals which brought rates to today's market levels. During 1983, the concourse and plaza level will be remodelled and the retail area re-merchandised.

### Journal Towers

This twin tower, 666,000 square foot office complex in downtown Ottawa also underwent a thorough upgrading programme in 1982, furnishing the major tenant with modern office space. At the same time, new long-term leases have been arranged at Journal Towers bringing rentals to current market rates.

### Guy Favreau Complex

Construction is well advanced on Place Guy Favreau located in downtown Montréal, Québec. Substantial completion is slated for November, 1983 – five months ahead of schedule. This complex, comprising approximately 720,000 square feet, has been 100% pre-leased.

### Centennial Towers

The renovation and modernization of Centennial Towers in Ottawa will be completed in June, 1983. The transformation of this pre-1970, 425,000 square foot building into a contemporary office tower involved initially reducing it down to its concrete frame, then rebuilding it completely with modern materials, finishes and state-of-the-art electrical and mechanical systems. Leasing negotiations are at an advanced stage with a major tenant for this complex. We anticipate the building will be substantially occupied by the end of 1983.

### Scotia Plaza

The Corporation has entered into an agreement with The Bank of Nova Scotia for the development of Scotia Plaza, a 66 storey, 1.4 million square foot office tower to be connected to the Bank's present headquarters building at the intersection of King and Bay Streets in the heart of Toronto's financial district. Applications for certain zoning and official plan amendments were submitted in the fourth quarter of 1982 and it is anticipated that the project will receive the required municipal approvals late this year.

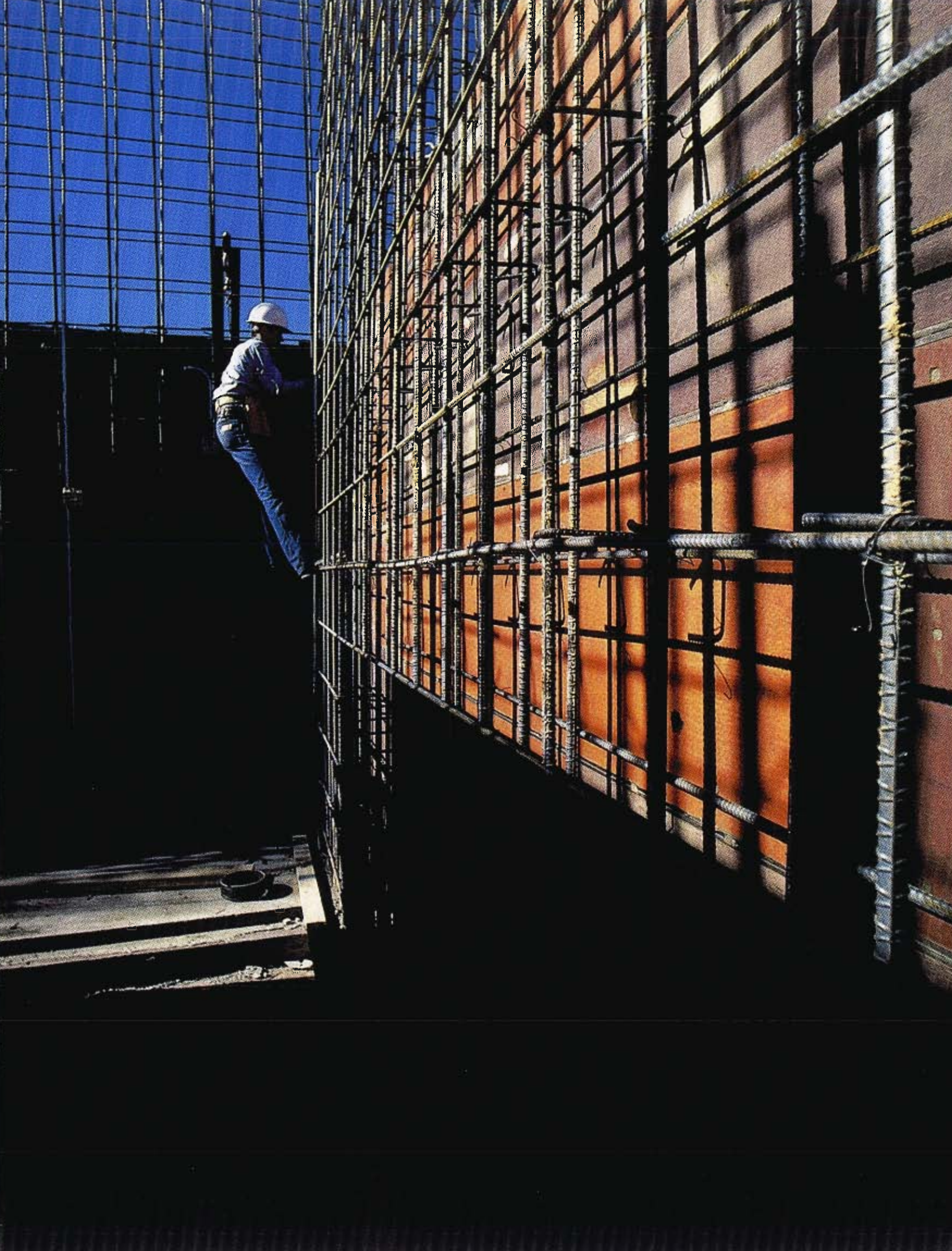
Left:  
Centennial  
Towers, Ottawa,  
Ontario



Right:  
Place Guy Favreau,  
Montréal, Québec















### San Francisco Executive Park

Early in 1982, the Corporation completed its second office building in San Francisco Executive Park – a 71 acre office park development overlooking San Francisco Bay. This four storey office building of approximately 105,000 square feet is about 50% leased. However, leasing activity has increased recently and consideration is being given to commencing a third office building in late 1983. During 1982 the master plan was amended, increasing total development capacity to two million square feet of office, retail, hotel and housing accommodation, all of which will be integrated into a suburban park-like setting.

### Lakeside Office Building

Completed in the summer of 1982, this 37,500 square foot, low-rise building in Santa Clara is typical of the high quality office and research facilities Campeau is building in California's "Silicon Valley", the high technology capital of the world. Developed in conjunction with our joint venture partner, Kimball Small Properties, the Lakeside Office Building is fully leased.

### 333 Bush Street

All municipal and planning approvals have been secured to begin construction of a 750,000 square foot, mixed-use, high-rise building on Bush Street, in the heart of San Francisco's financial district. The 39 storey project will contain more than half a million square feet of first-class office space, together with 60 luxury residential condominiums on the top seven floors. It is expected that construction of this \$170,000,000 project will commence in the fourth quarter of 1983.

### Texas Centre

The Corporation has entered into an agreement for the formation of a joint venture with Criswell Development Company of Dallas. There has been positive response on the pre-leasing programme for the first phase office building of one million square feet in this four million square foot office, hotel and retail project. If current activity is maintained, construction on this project would commence in 1983.

### San Antonio Plaza

Plans for a 17 acre re-development in downtown San Jose have been delayed due to the slow economy. Development agreement negotiations are now scheduled to be completed by June, 1983.



Left:  
Lakeside Office  
Building,  
Santa Clara,  
California

Right:  
333 Bush Street,  
San Francisco,  
California



## Shopping Centres

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### Intercity Shopping Centre

Located in the heart of Thunder Bay, Ontario, Intercity opened in October, 1982 to an enthusiastic reception from the local community. A central atrium connects a series of extensively landscaped shopping avenues in a garden-like environment. The fully leased, 450,000 square foot regional shopping centre brings a wide selection of high quality merchandisers to Northern Ontario. Intercity is anchored by Zellers, Loblaws and a major Sears department store.

### Pinecrest Shopping Centre

The Pinecrest Shopping Centre on the Queensway in Ottawa was opened in September, 1982. Anchored by Zellers and Dominion, this centre includes more than 40 other retail facilities, offering shoppers an extensive range of high quality goods and services. The pedestrian pathways are focused on a central courtyard, where the use of abundant glass and greenery have created a unique ambience for the centre.

### Wellington Square Shopping Centre

In late 1982, the Corporation started construction on a \$4.5 million renovation and expansion of its Wellington Square Shopping Centre in London, Ontario. The lower level has been redesigned to accommodate a food court, including an Elephant and Castle restaurant, situated around an enclosed patio courtyard linked to Eaton's. A substantial portion of the main floor has been removed to create a two-storey atrium and generous natural lighting for the courtyard below. Bearing the new name of Eaton Square, the remodelled centre will be completed in mid-1983.

### Other Renovations

Renovations and expansions at Oshawa, Place de Ville and Kingston completed in 1982, and a re-merchandising of space at Sudbury planned for this year, are expected to generate significant new market penetration and improved operating results for the Corporation's retail operations in 1983.

Left:  
Pinecrest  
Shopping Centre,  
Ottawa, Ontario

Right:  
Wellington Square  
Shopping Centre,  
London, Ontario











60  
ATARI  
Main Lobby



**Ottawa/Kanata, Ontario**

The Corporation's Industrial Development Division achieved considerable success in 1982 in leasing space to the burgeoning high-technology industry. The growth potential of these research and development based companies in the fields of electronics and telecommunications augurs well for Campeau's existing 1.5 million square foot portfolio as well as its extensive land holdings in business parks in Ottawa and Kanata. During 1982 a 20,000 square foot building was completed for AMCA International, a 30,000 square foot building for Norpak, a 50,000 square foot building for Marconi, and a two storey, 50,000 square foot building was started for Bristol Myers.

**Santa Clara/San Jose, California**

Campeau Corporation, in partnership with Kimball Small Properties, has been developing in the Santa Clara area since 1978 and now owns a diversified portfolio in excess of one million square feet of high quality commercial properties.

Because of the slowdown in economic activity in 1982, efforts were concentrated on the leasing of existing inventory and sale of land rather than the development of new properties. During the year several acres of land were sold to a number of users.

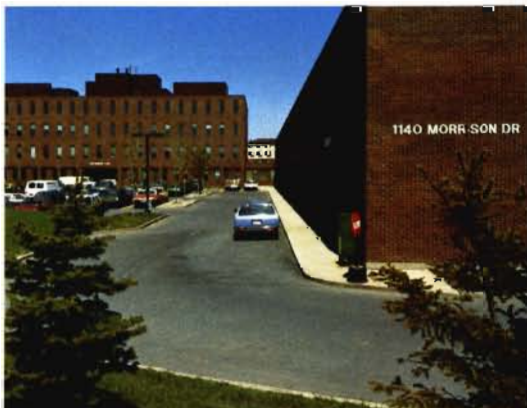
In early 1982, a 78,000 square foot building was leased to Atari Inc., but two other buildings totalling 146,000 square feet remained vacant at year end. The activity level has picked up noticeably in the first quarter of 1983, and it is now expected that the two vacant buildings will be leased by year end.

**Oakmead-San Jose**

Lying directly in the path of the south-eastward expansion of Silicon Valley is the Corporation's 270 acre parcel of land known as Oakmead-San Jose. Work on off-site improvements is proceeding on schedule in accordance with a master plan which has been adopted by the Corporation and the City of San Jose. All permits and approvals have been secured including municipality-backed financing for the public agencies' share of the off-site improvements. Plans for the immediate future call for a modest inventory building programme by Campeau/Small Properties in keeping with the Corporation's goal of significantly increasing its portfolio of income properties in the Silicon Valley area of California.

**Washington**

Work at the Evergreen Place business park, near Seattle, moved ahead in 1982. The land use plan was approved and the property will be annexed to the City of Redmond. The anticipated market upturn should now allow the Corporation to commence servicing and land sales during 1983.



Left:  
1140-1150  
Morrison Drive,  
Ottawa, Ontario  
Right:  
Bristol Myers  
Building, Ottawa,  
Ontario



## Financial Review

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On January 14, 1983, the Corporation announced its intention to discontinue its housing and residential land development operations as well as certain other operations which do not meet the Corporation's present investment criteria. The assets related to these discontinued operations, together with the related liabilities, revenues and expenses, have been segregated in the financial statements from those of the continuing operations. The comparative figures for 1981 have been restated to conform with the 1982 presentation.

Table 1 summarizes the net earnings and cash flow from both continuing and discontinued operations.

**Table 1**  
Summary of Net Earnings and Cash Flow  
from Operations

(in thousands)	1982	1981
<b>Net Earnings</b>		
Continuing Operations	\$11,010	4,237
Discontinued Operations	1,170	28,007
<b>Total</b>	<b>\$12,180</b>	<b>32,244</b>
<b>Cash Flow from Operations</b>		
Continuing Operations	\$33,343	17,415
Discontinued Operations	(449)	42,884
<b>Total</b>	<b>\$ 32,894</b>	<b>60,299</b>

### Continuing Operations

Table 2 summarizes the revenue and operating profit from continuing commercial operations. Rental revenues increased to \$131,037,000 from \$85,820,000 the previous year as a result of major office lease rollovers, the acquisition of the remaining fifty percent interests not held in four shopping centres and the transfer into operations of several new commercial and industrial properties and the Corporation's two newly completed shopping centres, Pinecrest in Ottawa and Intercity in Thunder Bay, Ontario.

Real estate sales, which include industrial and commercial land sales and sales of build-to-suit buildings, tend to fluctuate from year to year and declined in 1982 from the previous year.

**Table 2**  
Revenue and Operating Profit

(in thousands)	1982	1981
<b>Revenues</b>		
Rental	\$131,037	85,820
Real Estate Sales	17,155	38,450
	<b>\$148,192</b>	<b>124,270</b>
<b>Operating Profit</b>		
Rental	\$ 76,368	46,124
Real Estate Sales	2,465	13,260
	<b>\$ 78,833</b>	<b>59,384</b>

### Discontinued Operations

The discontinued business assets have been segregated into two pools, Real Estate and Other, as of December 31, 1982. The Real Estate pool consists of land, housing inventories and related assets while the Other pool includes lumber and forestry, building products, raceway operations and various investments. Note 13 to the Financial Statements on page 27 illustrates the results of operations of these assets in 1982 compared with 1981. While there are changes in the profit contribution from several of the businesses, the major reason that 1981 net earnings from discontinued operations were higher than 1982 was the inclusion, in 1981, of a net gain of approximately \$20 million from the sale of the Harbour Castle Hilton Hotel.



### Adjusted Shareholders' Equity

Considerable debate has taken place during the past few years on the most appropriate method of providing additional information to shareholders to indicate the impact of inflation on businesses. A joint Canadian Institute of Chartered Accountants/Canadian Institute of Public Real Estate Companies study group analyzed this issue and concluded that the assets of income producing property companies were affected quite differently than the assets of most manufacturing and commercial concerns. The study group recommended that the effect of changing price levels on income producing properties could best be indicated by providing supplementary information to shareholders either by estimating asset values based on net cash flows or by providing detailed asset schedules containing rental and lease expiry information. Campeau Corporation believes its Adjusted Shareholders' Equity computation responds to this recommendation.

The computation of Adjusted Shareholders' Equity has been made by adjusting the recorded shareholders' equity to reflect the current market value of the Corporation's continuing assets and liabilities, net of the income tax effects associated with such adjustments. The current market values for the vast majority of these assets were established by independent appraisers, and the current values of the remaining assets were estimated by management.

Consistent with the approach taken in the financial statements not to estimate the amount of the ultimate gain or loss on the disposal of the assets in the discontinued pools, the excess of current market values over recorded book values for these assets has not been included in the Adjusted Shareholders' Equity computation.

Table 3 compares the Adjusted Shareholders' Equity for 1982 and 1981, based on adjustments to continuing assets only, and indicates that the appraisal surplus, net of related income taxes, at December 31, 1982 was \$352,609,000 compared with \$269,183,000 at the end of 1981.

On a per share basis, the Adjusted Shareholders' Equity was \$27.11 at December 31, 1982 compared with \$21.40 at the end of 1981, an increase of 27%.

Table 3  
Adjusted Shareholders' Equity

(in thousands)	1982	1981
Recorded Shareholders' Equity	\$ 94,273	84,328
Less: par value of preference shares	(7,600)	(7,600)
	<u>86,673</u>	<u>76,728</u>
Adjustments, net of associated income tax effects:		
Properties and Properties under Development	328,553	243,260
Commercial Land	29,060	33,492
Non-Real Estate Assets and Liabilities	(5,004)	(7,569)
Net Appraisal Adjustment	<u>352,609</u>	<u>269,183</u>
Adjusted Shareholders' Equity	\$439,282	\$345,911
Per Share	\$ 27.11	\$ 21.40



## Consolidated Statement of Earnings

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Year ended December 31, 1982	Notes	1982	1981
		(in thousands)	
<b>Continuing Operations</b>			
Revenue	9	\$148,192	124,270
Expenses:			
Cost of sales and operating expenses		58,577	57,392
Financing	10	49,191	41,868
General and administrative		11,357	9,840
Depreciation and amortization		6,896	4,831
		126,021	113,931
		22,171	10,339
Gain on sale of properties		3,896	1,073
		26,067	11,412
Income taxes – deferred	11	15,057	7,175
Net earnings from continuing operations		11,010	4,237
Net earnings from discontinued operations	13	1,170	28,007
Net earnings		\$ 12,180	32,244
<b>Earnings per common share</b>			
Net earnings from continuing operations		\$ .65	.23
Net earnings		\$ .72	1.98

## Consolidated Statement of Retained Earnings

Year ended December 31, 1982	1982	1981
(in thousands)		
Balance at beginning of year	\$ 62,975	33,220
Net earnings	12,180	32,244
	75,155	65,464
Dividends:		
Second Preference	6	6
Series A Preference	520	520
Common	1,616	1,610
Premium on conversion of convertible notes payable to Class A Common Shares	353	353
	2,495	2,489
Balance at end of year	\$ 72,660	62,975



## Consolidated Balance Sheet

December 31, 1982	Notes	1982	1981
		(in thousands)	
<b>Assets</b>			
Properties	3	\$ 531,560	375,153
Properties under development	4	101,710	133,635
Land held for sale and development	5	149,862	118,637
Amounts receivable	6	51,498	51,661
Other assets and deferred charges		8,445	8,361
		<u>843,075</u>	<u>687,447</u>
Discontinued business assets	13	854,881	723,408
		<u>\$1,697,956</u>	<u>1,410,855</u>
<b>Liabilities</b>			
Secured debt	7	\$ 699,443	563,260
Accounts payable and accrued liabilities		31,671	24,670
Deferred income taxes		60,122	45,065
		<u>791,236</u>	<u>632,995</u>
Liabilities related to discontinued business assets	13	812,447	693,532
<b>Shareholders' equity</b>			
Capital stock	8	21,613	21,353
Retained earnings		72,660	62,975
		<u>94,273</u>	<u>84,328</u>
		<u>\$1,697,956</u>	<u>1,410,855</u>

On behalf of the Board:

D. King, Director

W.J. Carroll, Director



## Consolidated Statement of Cash Flow from Continuing Operations

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	1982	1981
Year ended December 31, 1982	(in thousands)	
<b>Net earnings from continuing operations</b>	<b>\$ 11,010</b>	4,237
Items not requiring a current outlay of cash:		
Deferred income taxes	15,057	7,175
Depreciation and amortization	6,896	4,831
Amortization of financing cost	380	1,172
Cash flow from continuing operations	<b>\$ 33,343</b>	17,415
Cash flow per common share from continuing operations	<b>\$ 2.03</b>	1.05

## Consolidated Statement of Changes in Financial Position

	1982	1981
Year ended December 31, 1982	(in thousands)	
<b>Continuing operations</b>		
<b>Source of cash</b>		
Cash flow from operations	\$ 33,343	17,415
Decrease in amounts receivable	163	(1,830)
Increase in secured debt	136,183	151,158
Costs recovered from sale of properties	10,276	1,824
Increase in accounts payable	7,001	10,031
Issue of capital stock	1,249	2,584
	<b>\$188,215</b>	181,182
<b>Use of cash</b>		
Increased investment in properties, and properties under development	\$141,654	120,505
Increase in land	31,225	77,184
Other assets and deferred charges	464	3,199
Capital stock redeemed	989	989
Dividends and premium on note conversion	2,495	2,489
	<b>176,827</b>	204,366
Discontinued operations – net use of cash (Note 13)	<b>11,388</b>	(23,184)
	<b>\$188,215</b>	181,182



## Auditors' Report to the Shareholders



We have examined the consolidated balance sheet of Campeau Corporation as of December 31, 1982 and the consolidated statements of earnings, retained earnings, cash flow from continuing operations and 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 Corporation as of December 31, 1982 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.

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**Peat, Marwick, Mitchell & Co.**  
Chartered Accountants

Ottawa, Canada  
March 10, 1983



# Notes to Consolidated Financial Statements

December 31, 1982

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## 1. Significant accounting policies

### (a) General

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

### (b) Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and all of its subsidiaries together with the Corporation's proportionate share of the assets, liabilities, revenues and expenses of all incorporated and unincorporated joint ventures.

### (c) Foreign exchange

Asset and liability accounts in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date except for hedged debt which is translated at the rates established by related futures contracts. Revenue and expense accounts are translated at the weighted average rates prevailing during the year.

The portion of unrealized gains or losses on debt relating to domestic operations is deferred and amortized over the remaining term of the debt. The portion of unrealized gains or losses relating to foreign operations is deferred until realized.

### (d) Properties

Properties are shown in the balance sheet at cost less accumulated depreciation.

Depreciation on buildings is provided on the sinking fund method in annual amounts increasing at the rate of 5% compounded annually, which is designed to fully amortize the costs of the buildings over their estimated useful lives.

The estimated useful lives of buildings are mainly as follows:

Office buildings	40 to 60 years
Hotels	60 years
Shopping centres	30 to 50 years
Commercial/Industrial buildings	30 to 40 years

Furniture and equipment are depreciated on the diminishing balance and straight-line methods at various rates.

Tenant improvements are amortized over the term of the leases.

### (e) Properties under development

Properties under development are shown in the balance sheet at cost.

### (f) Land held for sale and development

Land held for sale is carried at the lower of cost and estimated net realizable value and land held for development is carried at cost.

### (g) Financing

Financing costs and interest on specific debt secured by properties under development and real estate inventories are capitalized to such assets. Interest applicable to that portion of the total costs of such properties not financed by specific debt is also capitalized.

Financing costs and interest on debt secured by all other assets, including those intended for disposal (Note 13), and on all general corporate borrowings less the amount capitalized to properties under development and real estate inventories, are pooled. Financing costs are withdrawn from the pool at the weighted average rate for the purpose of capitalization to land held for sale and development. The balance remaining in the pool is charged to expense after an appropriate allocation to discontinued operations.

### (h) Costing

The Corporation capitalizes all direct costs, financing and certain indirect costs of properties under development and land held for sale and development. Indirect costs include property taxes and administrative expenses considered applicable to such assets. Revenues relating specifically to such assets are treated as a reduction of costs.

Generally, the Corporation allocates its cost of land sales in proportion to anticipated revenue.

### (i) Income taxes

Income taxes are recorded on the tax allocation basis. Deferred income taxes result primarily from:

- (i) the difference between depreciation recorded for accounting purposes and capital cost allowance claimed for income tax purposes; and
- (ii) the deferral of certain development and carrying costs for accounting purposes, deducted for income tax purposes.

Foreign withholding taxes that would be applicable to dividend payments from certain foreign subsidiary companies are not provided for as the unremitted earnings of these subsidiaries will be re-invested.

### (j) Revenue recognition

The Corporation recognizes revenue as follows:

#### Rental

Revenue from a rental property is recognized once a property is deemed to be completed. Completion occurs once a break-even point in cash flow earnings is attained, subject to a reasonable maximum period of time. Prior to achieving this level of cash flow the Corporation classifies a property as 'property under development' and treats the revenue therefrom as a deduction from the development cost.

#### Real estate sales

When all material conditions have been fulfilled and the Corporation has received a down payment that is appropriate in the circumstances having regard to the financial resources of the purchaser.



**(k) Discontinued operations**

On January 14, 1983 the Corporation announced its intention to withdraw from the housing and residential land development areas as well as from certain commercial land development in selected geographic areas and other operations which do not meet the Corporation's present investment criteria. The assets intended for disposition together with the related liabilities, revenues and expenses have been segregated in the financial statements from those of the continuing operations. Refer to Note 13.

**2. Joint ventures**

The consolidated financial statements include the Corporation's proportionate interest in its incorporated and unincorporated joint ventures as follows:

(in thousands)	1982	1981
Assets	\$145,711	155,808
Liabilities	128,465	136,605
Revenues	13,226	9,699
Net earnings	1,425	608

The Corporation has guaranteed certain of the obligations of its joint ventures and is contingently liable for the obligations of its associates in certain joint venture developments. The amount of such liability in excess of the liability recorded above on December 31, 1982 was \$56,939,000 (1981 - \$65,159,000). The assets of the joint ventures are available and are sufficient for the purpose of satisfying such obligations.

The Corporation has provided additional financing to certain joint ventures in the amount of \$4,965,000 (1981 - \$3,442,000) which is included in Amounts receivable on the Balance Sheet. Generally, this additional financing entitles the Corporation to a preferred return on its investment.

**3. Properties**

(in thousands)	1982	1981
Land	\$ 57,499	39,080
Buildings and improvements	495,267	355,470
Furniture and equipment	10,235	7,674
	563,001	402,224
Accumulated depreciation	31,441	27,071
	\$531,560	375,153

**4. Properties under development**

(in thousands)	1982	1981
Balance at beginning of year	\$133,635	48,832
Additions during year:		
Acquisitions	—	63,182
Transferred from land	—	11,114
Development and construction costs	98,983	47,829
Capitalized costs:		
– financing	14,019	16,438
– other	2,566	6,266
– revenue	(3,169)	(10,204)
	112,399	134,625
	246,034	183,457
Deductions during year:		
Transferred to properties	139,739	26,291
Cost of sales	4,585	23,531
	144,324	49,822
Balance at end of year	\$101,710	133,635

**5. Land held for sale and development**

(in thousands)	1982	1981
Balance at beginning of year	\$118,637	41,207
Additions during year:		
Acquisitions	568	72,852
Development costs	17,694	5,340
Capitalized costs:		
– financing	19,236	9,098
– other	262	1,254
	37,760	88,544
	156,397	129,751
Deductions during year:		
Cost of sales	5,857	—
Transferred to properties, and properties under development	678	11,114
	6,535	11,114
Balance at end of year	\$149,862	118,637



## 6. Amounts receivable

(in thousands)	1982	1981
Notes, mortgages and agreements for sale, interest bearing	\$ 20,442	23,623
Trade accounts, rents and other receivables	18,966	17,126
Due from joint ventures	4,965	3,442
Receivable from officers	7,125	7,470
	<u>\$ 51,498</u>	<u>51,661</u>
Due within one year	\$ 24,720	28,450

Amounts receivable from officers include house mortgage loans and secured advances under the Stock Purchase Plan.

## 7. Secured debt

The Corporation has obtained financing for its operations from various financial institutions by pledging individual assets as security for such debt. Short-term bank loans, income debentures and certain long-term bank loans are secured by a Bank General Security Package which includes a general assignment of certain amounts receivable and a

fixed charge on various properties and land owned by the Corporation. The following table summarizes the types of financing provided to the Corporation and indicates where appropriate the primary security provided for each type of loan.

(in thousands)	Average interest rates at December 31, 1982	Long-term debt	Short-term debt	Total	
				1982	1981
Properties:					
Mortgages, loans and bonds	9.48%	\$434,791	—	434,791	337,792
Sale/leaseback financing	9.90	38,000	—	38,000	38,000
Bank loans – floating rate	12.14	34,812	33,494	68,306	41,979
Properties under development:					
Mortgage loans	12.01	21,331	—	21,331	77,667
Bank loans – floating rate	11.24	401	4,946	5,347	44,367
Land held for sale and development:					
Mortgage loans	11.07	114,946	10,890	125,836	106,436
Bank loans – floating rate	11.23	198,249	98,503	296,752	225,230
Affiliated company	10.65	7,248	—	7,248	7,000
Real estate inventories:					
Mortgage loans	10.75	4,379	308	4,687	4,273
Bank loans – floating rate	11.56	—	145,518	145,518	86,270
General corporate indebtedness:					
Bank income debentures	7.10	67,875	—	67,875	97,598
Mortgages, loans and notes	11.95	11,354	901	12,255	12,084
Bank loans – floating rate	11.87	5,100	216,715	221,815	98,619
Convertible notes	—	—	—	—	636
Sale/leaseback financing	14.35	1,319	—	1,319	—
	<u>10.98%</u>	<u>\$939,805</u>	<u>511,275</u>	<u>1,451,080</u>	<u>1,177,951</u>



Long-term debt balances at December 31, 1982 are due as follows:

(in thousands)	Instalment payments	Balance due at maturity	Total long-term debt
1983	\$25,335	268,015	293,350
1984	19,788	102,514	122,302
1985	16,787	37,661	54,448
1986	13,428	63,750	77,178
1987	13,202	8,328	21,530
subsequent to 1987			370,997
			<u>\$939,805</u>

#### Allocation of secured debt:

The allocation of secured debt between continuing and discontinued operations has been determined by following the same policies and procedures used to allocate the financing costs of the Corporation (See Note 1(g)).

Debt related to continuing operations	\$ 699,443	563,260
Debt related to discontinued operations	751,637	614,691
	<u>\$1,451,080</u>	<u>1,177,951</u>

#### 8. Capital Stock

The authorized and issued capital stock of the Corporation at December 31, 1982 is as follows:

	Authorized	Issued and Outstanding	1982 (in thousands)	1981
Second Preference Shares	4,000,000	4,000,000	\$ 200	200
Preference Shares				
– Series A	1,600,000	1,480,000	7,400	7,400
– Unclassified	18,400,000	—	—	—
Common Shares	40,000,000	16,201,703	14,013	13,753
			<u>\$21,613</u>	<u>21,353</u>

#### Second Preference Shares

The 3% non-cumulative, redeemable, second preference shares have a par value of \$0.05 each and entitle the holder to ten (10) votes per share.

#### Preference Shares

There are 20,000,000 non-voting Preference Shares authorized with a par value of \$5 per share, issuable in series, of which 1,600,000 are designated Series A Preference Shares. These Series A Preference Shares carry a fixed cumulative dividend of 7% and are redeemable at any time at the option of the Corporation or, after December 1, 1987, at the option of the holder.

#### Common Shares

The common shares entitle the holder to one (1) vote per share. Pursuant to the Ontario Securities Commission Policy 3-58 and the Toronto Stock Exchange's Policy Statement on Restricted shares, these shares are to be referred to as 'Subordinate Voting Shares' as the Second Preference Shares carry ten (10) votes per share.

During 1982 36,666 common shares were issued for a cash consideration of \$259,994.



## 9. Segmented information

In the opinion of management, the business of the Corporation is the acquisition and development of commercial real estate in Canada and the United States of

America. This includes the development, operation and management of retail, office and industrial space and the acquisition, development and sale of real estate.

Geographic segmented information for the years ended December 31 is as follows:

(in thousands)	Canada		United States		Consolidated	
	1982	1981	1982	1981	1982	1981
<b>Revenue</b>						
Rental	\$124,380	81,456	6,657	4,364	131,037	85,820
Real estate sales	3,408	556	13,747	37,894	17,155	38,450
	\$127,788	82,012	20,404	42,258	148,192	124,270
<b>Operating profit</b>						
Rental	\$ 71,435	42,847	4,933	3,277	76,368	46,124
Real estate sales	(1,599)	(271)	4,064	13,531	2,465	13,260
Total operating profit	\$ 69,836	42,576	8,997	16,808	78,833	59,384
Gain on sale of properties					3,896	1,073
General corporate expenses					(7,471)	(7,177)
Financing					(49,191)	(41,868)
Income taxes – deferred					(15,057)	(7,175)
Net earnings from continuing operations					\$ 11,010	4,237
<b>Identifiable assets</b>	\$633,080	514,606	209,995	172,841	843,075	687,447

## 10. Financing

(in thousands)	1982	1981
Financing costs incurred	\$178,392	141,061
Less capitalized:		
Continuing business assets		
– Properties under development	(14,019)	(16,438)
– Land held for sale and development	(19,236)	(9,098)
Discontinued business assets	(77,471)	(50,961)
Financing charged against earnings	67,666	64,564
Financing charged against continuing operations	49,191	41,868
Financing charged against discontinued operations	18,475	22,696
	\$ 67,666	64,564

Interest charged against earnings, on indebtedness initially incurred for a term of more than one year, amounted to \$47,172,000 (1981 – \$43,106,000).



## 11. Income taxes

- (a) The effective rate of income tax provided in the consolidated statement of earnings varies from the rates specified in the taxing statutes primarily because income debenture interest and certain gains on the disposition of rental properties have been excluded in the determination of net income for income tax purposes.
- (b) The Corporation has received income tax reassessments from the Minister of National Revenue whereby certain capital gains related to a rental property, converted to a condominium, have been reassessed as ordinary income. The Corporation has filed Notices of Objection to these reassessments and both the Corporation and its legal counsel are of the opinion that the Corporation is likely to succeed in its appeal.
- (c) The Corporation has a capital loss carry-forward in the approximate amount of \$12,000,000 on which deferred income taxes have not been recognized. This loss may be carried forward indefinitely to reduce future capital gains and the potential benefit will be reflected in earnings when realized. At current rates of tax this unrecorded deferred income tax benefit amounts to approximately \$3,000,000.

## 12. Commitments

The Corporation has entered into various lease commitments. Certain of these leases have escalation clauses requiring adjustments to rent at various dates based on the market value of the property or other factors. The aggregate minimum rentals payable under such leases amount to approximately \$27,651,000 and those that are payable within the next five years are as follows:

1983	\$ 583,724
1984	583,724
1985	583,724
1986	516,696
1987	358,683
	<u>\$2,626,551</u>

## 13. Discontinued operations

On January 14, 1983 the Corporation announced its intention to withdraw from the housing and residential land development areas as well as from certain commercial land development in selected geographic areas and other operations which do not meet the Corporation's present investment criteria. The assets intended for disposition together with the related liabilities, revenues and expenses have been segregated in the financial statements from those of the continuing operations.

The discontinued business assets have been segregated into two pools, Real Estate and Other, for accounting purposes at December 31, 1982. Other is comprised of lumber and forestry, building products, raceway operations and investments. The comparative figures for 1981 have been restated to conform with the 1982 presentation.

The disposal of substantially all of the assets in both pools is expected to occur in an orderly manner over the next three to four years and management anticipates that there will be net gains in each pool from such disposals. However due to the economic uncertainties and the duration of the disposal plan it is impossible to make a precise determination of the eventual outcome. The Financial Statements at December 31, 1982 do not include the anticipated net gains.

The disposal of the assets in the Real Estate pool will be accounted for using the cost recovery method. This method treats all proceeds as a recovery of costs with no recognition of profit until the costs are fully recovered and, thereafter, recognizes all proceeds as gains. Therefore, gains from some assets will be offset against losses from others. In estimating the gain or loss for each asset the underlisted items were taken into account:

- The book value at December 31, 1982;
- Carrying costs until date of disposition;
- Additional development or construction costs necessary to prepare assets for sale;
- Employee termination and redundancy costs, commissions, selling and legal costs;
- Proceeds from sale of assets including their net earnings until date of sale; and
- Income taxes.

The operations of the Other pool of assets will be reflected each year as discontinued operations in the statement of earnings.



For the years ended December 31, 1982 and 1981, the Corporation's discontinued business assets, liabilities, operations, source and use of cash and notes thereto are as follows:

#### Discontinued business assets

(in thousands)	Subsidiary Note Reference	1982	1981
<b>Real estate</b>			
Properties	C	\$ 59,752	50,692
Land held for sale and development	D	437,648	367,751
Inventories	E	166,463	107,964
Amounts receivable		48,650	38,595
Other assets and deferred charges		22,274	27,211
		<u>734,787</u>	<u>592,213</u>
Other		120,094	131,195
		<u>\$854,881</u>	<u>723,408</u>

#### Liabilities related to discontinued business assets

(in thousands)	1982	1981
Secured debt (Note 7)	\$751,637	614,691
Accounts payable and accrued liabilities	30,375	36,790
Deposits from purchasers	5,785	13,094
Deferred income taxes	24,650	28,957
	<u>\$812,447</u>	<u>693,532</u>

#### Net earnings from discontinued operations

(in thousands)	1982	1981
Revenue	\$156,718	187,221
<b>Expenses:</b>		
Cost of sales and operating expenses	131,945	140,544
Financing (Note 10)	18,475	22,696
General and administrative	6,899	7,537
Depreciation and amortization	2,536	3,472
	<u>159,855</u>	<u>174,249</u>
	(3,137)	12,972
Gain on sale of properties	—	25,860
	<u>(3,137)</u>	<u>38,832</u>
Income taxes – deferred (Note 11)	4,307	(10,825)
Net earnings from discontinued operations	\$ 1,170	28,007

#### Source and Use of Cash

(in thousands)	1982	1981
<b>Source of cash</b>		
Net earnings from discontinued operations	\$ 1,170	28,007
<b>Items not requiring a current outlay of cash:</b>		
Deferred income taxes	(4,307)	10,825
Depreciation and amortization	2,536	3,472
Amortization of financing cost	152	580
	<u>(449)</u>	<u>42,884</u>
Cash flow (deficiency) from discontinued operations	(449)	42,884
Decrease in Other business assets	9,758	(42,724)
Increase in secured debt	136,946	224,207
Costs recovered from sale of properties	—	58,201
Decrease in other assets and deferred charges	4,937	(9,681)
Continuing operations	11,388	(23,184)
	<u>\$162,580</u>	<u>249,703</u>
<b>Use of cash</b>		
<b>Real estate</b>		
Increased investment in properties	\$ 10,405	15,383
Increase in land	69,897	212,400
Increase in inventories	58,499	41,384
Increase in amounts receivable	10,055	725
Decrease in accounts payable	6,415	(15,911)
Decrease in deposits from purchasers	7,309	(4,278)
	<u>\$162,580</u>	<u>249,703</u>



## Notes

## A) Accounting policies

The accounting policies with respect to discontinued business operations for 1982 and 1981 are those stated in Note 1 and also the following:

## (i) Inventories

Inventories are valued at the lower of cost and estimated net realizable value.

## (ii) Investments

Investments in companies where no significant influence exists are carried at cost and dividends are taken into income as received. The carrying value is written down below cost if there is a loss of value which is considered to be permanent.

Investments in companies in which the Corporation exercises a significant influence are carried on the equity basis.

## (iii) Costing of real estate inventories

The Corporation capitalizes all direct costs, financing and certain indirect costs of real estate inventories. Indirect costs include property taxes and administrative expenses considered applicable to such assets.

Generally, the Corporation allocated its cost of condominium sales in proportion to anticipated revenue.

## (iv) Revenue recognition

The Corporation recognizes revenue as follows:

## Housing

- Detached and semi-detached house sales – when title passes to the purchaser.
- Condominium housing sales – at first closing, when the purchaser is entitled to possession.

## Land

When all material conditions have been fulfilled and the Corporation has received a down payment that is appropriate in the circumstances having regard to the financial resources of the purchaser.

## Office Condominiums

When the purchaser is entitled to possession.

## (v) Depreciation

Depreciation on buildings is provided on the same basis as detailed in Note 1(d). The estimated useful lives for apartments, buildings, garden homes and townhouses is 30 to 50 years.

Raceways and related appurtenances are depreciated on the straight-line method. The estimated useful life for buildings, tracks, sewers, parking lots and fences is 40 years and for equipment, 10 years.

Other property, plant and equipment are depreciated on the diminishing balance method at the rates of 5% and 10% annually for occupied premises, 30% annually for construction equipment and rolling stock and 20% annually for other equipment.

## B) Joint Ventures

The Corporation's proportionate interest in its incorporated and unincorporated joint ventures is as follows:

(in thousands)	1982	1981
Assets	\$72,903	76,854
Liabilities	55,926	67,356
Revenues	2,804	14,193
Net earnings	323	2,874

The Corporation has guaranteed certain of the obligations of its joint ventures and is contingently liable for the obligations of its associates in certain joint venture developments. The amount of such liability in excess of the liability recorded above on December 31, 1982 was \$39,509,000 (1981 – \$49,499,000). The assets of the joint ventures are available and are sufficient for the purpose of satisfying such obligations.

The Corporation has provided additional financing to certain joint ventures in the amount of \$5,014,000 (1981 – \$4,351,000) which is included in Amounts Receivable. Generally this additional financing entitles the Corporation to a preferred return on its investment.

## C) Properties

(in thousands)	1982	1981
Land	\$ 4,871	4,786
Buildings and improvements	58,666	48,814
Furniture and equipment	5,940	5,685
	69,477	59,285
Accumulated depreciation	9,725	8,593
	\$ 59,752	50,692

## D) Land held for sale and development

(in thousands)	1982	1981
Balance at beginning of year	\$367,751	155,600
Additions during year:		
Acquisitions	20,293	175,148
Development costs	40,369	34,963
Capitalized costs:		
– financing	55,171	35,606
– other	2,397	1,762
	118,230	247,479
	485,981	403,079
Deductions during year:		
Cost of sales	47,399	20,692
Transferred to inventories	934	14,636
	48,333	35,328
Balance at end of year	\$437,648	367,751



**E) Inventories**

(in thousands)	1982	1981
Housing, completed and in progress	\$160,661	104,430
Office condominiums	5,802	3,534
	<u>\$166,463</u>	<u>107,964</u>

**F) Segmented information**

During the year the Corporation operated discontinued business assets in Canada and the United States of America.

(in thousands)	Canada		United States		Consolidated	
	1982	1981	1982	1981	1982	1981
<b>Segment revenue</b>						
Real estate	\$ 35,920	65,286	82,334	51,687	118,254	116,973
Other	38,464	70,248	—	—	38,464	70,248
	<u>\$ 74,384</u>	<u>135,534</u>	<u>82,334</u>	<u>51,687</u>	<u>156,718</u>	<u>187,221</u>
<b>Segment operating profit</b>						
Real estate	\$ 8,067	11,893	9,369	11,914	17,436	23,807
Other	1,193	14,435	—	—	1,193	14,435
	<u>\$ 9,260</u>	<u>26,328</u>	<u>9,369</u>	<u>11,914</u>	<u>18,629</u>	<u>38,242</u>
Gain on sale of properties					—	25,860
General corporate expenses					(3,291)	(2,574)
Financing					(18,475)	(22,696)
Income taxes – deferred					4,307	(10,825)
Net earnings from discontinued operations					\$ 1,170	28,007
<b>Identifiable assets</b>						
Real estate	\$230,698	215,533	504,089	376,680	734,787	592,213
Other	104,584	118,312	15,510	12,883	120,094	131,195
	<u>\$335,282</u>	<u>333,845</u>	<u>519,599</u>	<u>389,563</u>	<u>854,881</u>	<u>723,408</u>

**G) Related party transactions**

During the year, a partnership, owned 50% by the Corporation and 50% by a company in which the Chairman of the Board of Directors and Chief Executive Officer of the Corporation owns 50%, purchased management services from the Corporation for \$445,000 (1981 – \$362,000).



## Office and Mixed-Use Properties

31

	Net Rentable Area (sq. ft.)				Campeau Interest	
	Office	Retail	Other	Total	%	sq. ft.
<b>Ontario</b>						
Place de Ville, Ottawa	1,158,000	64,000	40,000	1,262,000	100	1,262,000
Journal Towers, Ottawa	546,000	12,000	108,000	666,000	100	666,000
Centennial Towers, Ottawa	376,000	13,000	36,000	425,000	100	425,000
Metro Centre, Ottawa	106,000		34,000	140,000	100	140,000
360 Coventry Road, Ottawa	81,000			81,000	100	81,000
Admiral House, Ottawa	57,000	7,000	10,000	74,000	100	74,000
Halldon Square, Ottawa	78,000	18,000		96,000	67	64,000
Bell Tower, Oshawa	62,000			62,000	100	62,000
1140 Morrison Drive, Ottawa	11,000		43,000	54,000	100	54,000
1150 Morrison Drive, Ottawa	37,000			37,000	100	37,000
126 York Street, Ottawa	22,000	18,000	32,000	72,000	50	36,000
1010-1024 Morrison Drive, Ottawa	35,000			35,000	100	35,000
Other Ontario Properties	113,000	175,000		288,000	100	288,000
<b>Québec</b>						
Les Terrasses de la Chaudière, Hull	1,860,000	41,000		1,901,000	100	1,901,000
Palais du Commerce, Montréal	192,000			192,000	100	192,000
Édifce Les Prévoyants, Chicoutimi	45,000			45,000	75	34,000
Other Québec Properties	6,000	6,000		12,000	100	12,000
<b>Western Canada</b>						
Principal Plaza, Edmonton	340,000	80,000		420,000	50	210,000
Other Western Canada Properties	30,000	60,000		90,000	100	90,000
<b>California</b>						
150 Executive Park Boulevard, San Francisco	99,000			99,000	100	99,000
5 Thomas Mellon Circle, San Francisco	101,000			101,000	50	51,000
Lakeside Office Building, Santa Clara	32,000			32,000	50	16,000
Oakmead Commercial Centre, Sunnyvale	12,000	11,000		23,000	50	12,000
Other California Properties		5,000		5,000	50	3,000
<b>Total Portfolio</b>	<b>5,399,000</b>	<b>510,000</b>	<b>303,000</b>	<b>6,212,000</b>		<b>5,844,000</b>



## Shopping Centres



32

	Size of Site (acres)	Parking Spaces	Number of Stores and Services	Area of Non-Owned Buildings (sq. ft.)	Total Rentable Area (sq. ft.)	Campeau Interest %	Interest sq. ft.
<b>Ontario</b>							
Oshawa Shopping Centre, Oshawa	75.7	4,995	174		970,000	100	970,000
New Sudbury Shopping Centre, Sudbury	41.0	3,163	89		476,000	100	476,000
Timmins Square, Timmins	52.5	1,895	61		363,000	100	363,000
Wellington Square, London	5.8	814	37		358,000	100	358,000
Golden Mile Plaza, Toronto	17.1	1,127	71		258,000	100	258,000
Kingston Shopping Centre, Kingston	16.8	1,040	79	114,000	331,000	100	217,000
Pinecrest Shopping Centre, Ottawa	26.8	1,065	42		197,000	100	197,000
Hazeldean Mall, Kanata	18.4	987	49		191,000	100	191,000
Intercity Shopping Centre, Thunder Bay	13.6	1,105	73	144,000	325,000	100	181,000
Beacon Hill Shopping Centre, Ottawa	9.0	592	28		115,000	100	115,000
Sunnybrook Plaza, Toronto	2.9	125	33		94,000	100	94,000
Kanata Town Centre, Kanata	19.2	475	26		91,000	100	91,000
Dorwin Plaza, Windsor	14.1	458	34		91,000	100	91,000
Intercity Plaza, Thunder Bay	4.4	410	13		80,000	100	80,000
York Plaza, Toronto	4.9	335	26		59,000	100	59,000
Riverside Mall, Ottawa	4.3	181	22		42,000	100	42,000
Beaverbrook Mall, Kanata	2.1	112	17		26,000	100	26,000
Bank Street Plaza, Ottawa	1.7	51	4		19,000	50	10,000
<b>Québec</b>							
Le Carrefour Rimouski, Rimouski	28.7	1,650	75		344,000	100	344,000
Les Galeries Jonquière, Jonquière	24.5	1,300	56		244,000	100	244,000
Le Carrefour Alma, Alma	36.7	1,300	56		236,000	100	236,000
Place Longueuil, Longueuil	21.8	1,600	97		351,000	67	235,000
Place du Saguenay, Chicoutimi	14.9	940	76	88,000	291,000	75	152,000
Place Drummond, Drummondville	8.1	400	26		85,000	100	85,000
Greber Boulevard Plaza, Gatineau	2.9	93	8		41,000	100	41,000
Place du Fabreville, Fabreville	5.7	253	14		40,000	100	40,000
Place du Progrès, Gatineau	3.7	1,149	1		24,000	100	24,000
<b>Western Canada</b>							
Town and Country Centre, Victoria	9.5	1,204	27		233,000	100	233,000
Golden Mile Plaza, Regina	13.4	943	57		206,000	100	206,000
<b>Total Portfolio</b>	<b>500.2</b>	<b>29,762</b>	<b>1,371</b>	<b>346,000</b>	<b>6,181,000</b>		<b>5,659,000</b>



## Business Parks

	Size of Site (acres)	Net Rentable Area (sq. ft.)	Campeau Interest	
			%	sq. ft.
<b>Ontario</b>				
Admiral Business Park, Ottawa	9.9	210,000	100	210,000
1125-1181 Parisien Street, Gloucester	6.4	110,000	100	110,000
1377-1411 Triole Street, Ottawa	4.7	109,000	100	109,000
3234-3270 Hawthorne Road, Ottawa	6.5	93,000	100	93,000
1257-1283 Algoma Road, Gloucester	4.8	89,000	100	89,000
2239-2287 Gladwin Crescent, Ottawa	4.7	77,000	100	77,000
2700-2710 Lancaster Road, Ottawa	3.4	69,000	100	69,000
Lismer Building, Kanata	7.6	63,000	100	63,000
6-20 Bexley Place, Nepean	3.3	54,000	100	54,000
1117 Newmarket Avenue, Ottawa	2.3	50,000	100	50,000
2530 Stanfield Road, Mississauga	2.0	45,000	100	45,000
2660-2678 Lancaster Road, Ottawa	3.6	45,000	100	45,000
2750 Lancaster Road, Ottawa	2.6	38,000	100	38,000
1580 Liverpool Court, Ottawa	3.8	36,000	100	36,000
899 Belfast Road, Ottawa	3.9	31,000	100	31,000
1000 Morrison Drive, Nepean	2.1	30,000	100	30,000
Holiday Fitness Centre, Ottawa	2.3	29,000	100	29,000
Other Ontario Properties	36.1	372,000	50-100	356,000
<b>California</b>				
Poly-vue Plastics, Petaluma	10.0	132,000	100	132,000
Signetics Building, Santa Clara	14.5	218,000	50	109,000
Atari Building, San Jose	7.3	110,000	50	55,000
Atari Southeast, San Jose	5.7	78,000	50	39,000
Atari Northeast, San Jose	5.1	73,000	50	37,000
Signetics West, Santa Clara	5.4	70,000	50	35,000
Atari North, San Jose	5.0	69,000	50	35,000
Intel Building, Santa Clara	3.0	44,000	50	22,000
Eaton Building, Santa Clara	2.9	40,000	50	20,000
Applied Materials, Santa Clara	2.3	30,000	50	15,000
Fujitsu America, San Jose	2.6	30,000	50	15,000
Lockheed Building, Santa Clara	2.4	29,000	50	15,000
I.D.T. Building, Santa Clara	1.1	15,000	50	8,000
<b>Total Portfolio</b>	<b>177.3</b>	<b>2,488,000</b>		<b>2,087,000</b>




**Corporate Directory**

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**Directors**

- **Robert Campeau**  
Chairman of the Board and  
Chief Executive Officer,  
Campeau Corporation
  - **William J. Carroll**  
Executive Vice-President, Finance,  
Campeau Corporation
  - **André Charron, C.R.**  
President, Lévesque, Beaubien Inc.  
Montréal
  - **Robert Després, O.C.**  
Chairman, Atomic Energy of Canada  
Limited, Québec
  - **David King**  
President and Chief Operating Officer,  
Campeau Corporation
  - **Alan M. Mann, M.D.**  
Psychiatrist-in-Chief,  
Montréal General Hospital, Montréal
  - **Ronald B. McCartney**  
President,  
Campeau Corporation Florida
  - **François Mercier, C.R.**  
Partner,  
Stikeman, Elliott, Tamaki,  
Mercier and Robb, Montréal
- 
- Member of the Executive Committee
  - Member of the Audit Committee

**Officers – Campeau Corporation**

- Robert Campeau**  
Chairman of the Board and  
Chief Executive Officer
- David King**  
President and Chief Operating Officer
- William J. Carroll**  
Executive Vice-President, Finance
- Clement Cadieux**  
Senior Vice-President, Special Projects
- John van Haastrecht**  
Senior Vice-President, Development
- Timothy J. Walker**  
Senior Vice-President, Treasurer
- Douglas A. Beggs**  
Vice-President, Comptroller
- Raymond M. Chevrier**  
Vice-President, Construction Administration
- Donald J. Cresswell**  
Vice-President, Secretary and General Counsel
- Jean-Marie Gaudreault**  
Vice-President, Project Planning
- Clark W. Gillaspie**  
Vice-President, Corporate Administration
- J.R. Raymond Levesque**  
Vice-President, N.C.R. and Québec
- Donald McMaster**  
Vice-President, Construction Management
- Terrence D. Partington**  
Vice-President, Commercial Development,  
Western Canada
- Robert F. Ross**  
Vice-President, Residential Construction
- Roland Villemaire**  
Vice-President, Accounting

address: 320 Bay Street  
Toronto, Ontario  
M5H - 2P2

#### **Officers – U.S. Subsidiaries**

**J. Pierre Benoit**

Senior Vice-President,  
Housing and Land Development

**Peter L. Clark**

Vice-President, Commercial Development,  
California

**Lenard B. McQuarrie**

Vice-President, Land Development,  
California

#### **Offices and Principal Subsidiaries**

**Head Office**

2932 Baseline Road  
Ottawa, Ontario  
K1N 8R9

**Executive Office**

5th Floor  
320 Bay Street,  
Toronto, Ontario  
M5H 2P2

**Branch Offices**

Calgary  
Edmonton  
Montréal  
Toronto  
Dallas  
Houston  
Newport Beach  
San Francisco  
Santa Clara  
Sarasota

**Principal Subsidiaries**

Campeau Corporation (U.S.) Inc.  
Campeau Corporation California  
Campeau Corporation Florida  
Campeau Corporation Texas

**Transfer Agent**

Royal Trust Corporation of Canada  
Montréal, Toronto

**Registrar**

Guaranty Trust Company of Canada  
Montréal, Toronto



