CAMPEAU CORPORATION

ANNUAL REPORT 1981

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ANNUAL MEETING

The Annual Meeting of Shareholders will be held at 11 o'clock in the forenoon on Monday, the 19th day of April, 1982 in Salon B, Hotel Plaza de la Chaudière, 2, rue Montcalm in the City of Hull, Quebec.

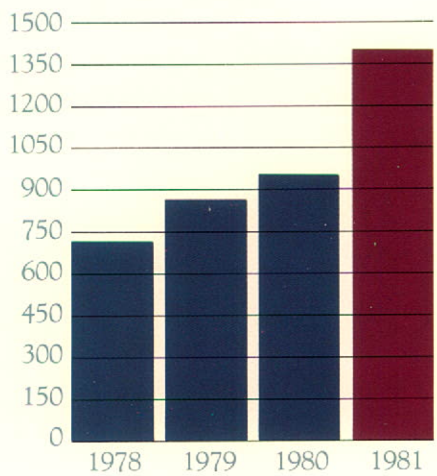
Shareholders of record at the close of business on February 23rd, 1982 will be entitled to vote at the meeting.

ÉDITION FRANÇAISE DU RAPPORT ANNUEL

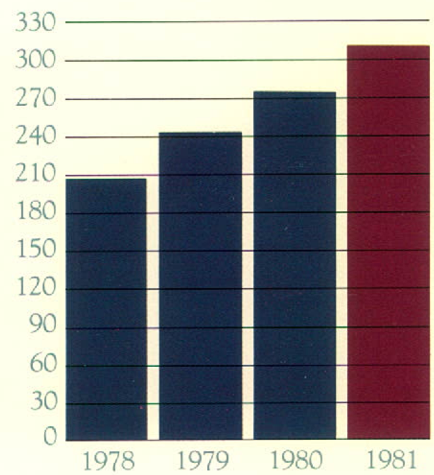
On peut se procurer l'édition française de ce rapport en écrivant au Secrétaire.

		1981	1980
Total revenues	$	310,333,000	275,199,000
Net earnings	$	32,244,000	14,527,000
Per share	$	1.98	0.88
Cash flow from operations	$	60,299,000	34,210,000
Per share	$	3.73	2.13
Total assets		$1,410,855,000	955,919,000
Shareholders' equity	$	84,328,000	52,978,000
Dividends per share	$	0.10	0.075

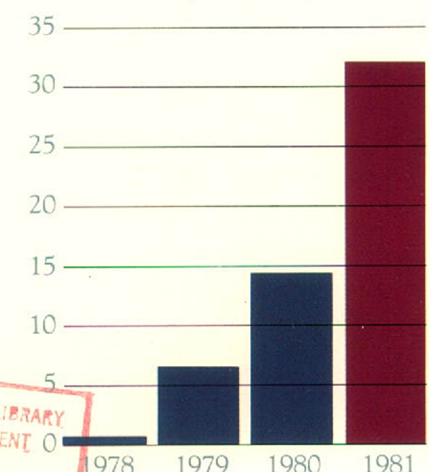
ASSETS (in millions)



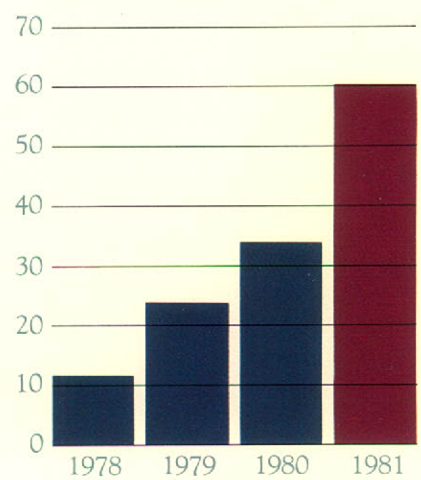
REVENUES (in millions)



EARNINGS (in millions)



CASH FLOW (in millions)



Campeau Corporation is a Canadian-owned, public corporation which ranks among North America's largest and most diversified real estate enterprises. Campeau is active in virtually all aspects of property development but concentrates on the development of high quality income properties, construction and sale of luxury condominiums and large-scale land development.

Pursuant to a carefully planned geographic expansion and diversification program, Campeau Corporation has grown dramatically since its inception 30 years ago to its position today with $1.4 billion in total assets. The majority of the Corporation's assets are still located in Canada, but a growing proportion of new investment has been in the United States.

Strategically, the Corporation has sought to attain a more dominant position in selected growth markets rather than competing in centres all across the country. While continuing to be a major force in the traditional Canadian markets of Ottawa, Montreal and Toronto, Campeau is now solidly positioned for further growth in Western Canada, Florida, Texas and California.

BUSINESS ACTIVITIES

The Commercial Group is responsible for the development, construction and marketing of shopping centres, office and industrial buildings as well as the management of the Corporation's substantial portfolio of rental space. This Group has established an enviable reputation for successful and cost-effective completion of large, multi-use integrated complexes. The Commercial Group is also responsible for the acquisition, development and sale of commercial land.

The Residential Group is responsible for the development and sale of housing and for the acquisition, development and sale of residential land. Historically, Campeau has been a significant builder of single family homes, but in recognition of changing economic conditions, the Corporation scaled-down its operations in this segment of the market and now concentrates on the development of multi-family housing, particularly luxury high-rise condominiums in carefully selected locations. The Residential Group has acknowledged expertise in the area of large-scale land development projects whereby significant parcels of raw land are purchased and taken through the various planning, re-zoning and servicing stages, with parcels of finished or semi-finished lots being sold to builders or contractors.

CORPORATE ORGANIZATION

A large, diversified company operating from coast to coast places heavy demands on the corporate organization. A sophisticated structure with significant local responsibility is essential to deal with the increasing level of business activity. However, the large scale and inherent risk of major real estate projects makes it imperative for major business decisions to reflect the consensus judgement of a senior management group.

Campeau Corporation meets these organizational requirements through a Management Committee, comprised of the Chairman, President and two Executive Vice-Presidents, which approves all major decisions. The operating groups are organized functionally, permitting highly motivated, entrepreneurial developers with significant authority to be located in all major operating centres. Additionally, a competent corporate group of professional managers maintains sophisticated financial controls and provides key support services to the operating groups.

Harbour Point, Toronto, Ontario

R. Campeau,
Chairman of the Board and
Chief Executive Officer

The past year has been an extremely challenging one for the Corporation. The North American economy, already at a low level at the beginning of the year deteriorated further during the balance of 1981. Interest rates remained at unacceptably high levels, having a predictably adverse effect on our industry, particularly the residential sector. Notwithstanding the poor economic environment, Campeau Corporation achieved record levels of earnings and cash flow, for the third consecutive year. In addition the Corporation successfully completed a number of development projects and initiated several new projects in Canada and the United States.

FINANCIAL

The Corporation continued its recent trend of strong financial performance. Net earnings increased in 1981 by 122% from 1980 levels to $32,244,000 or $1.98 per share. Cash flow from operations reached $60,299,000 or $3.73 per share an improvement of 76% over the previous year. Total assets increased significantly to $1,410,855,000 compared with $955,919,000 in 1980. At the end of 1981 Shareholders' Equity at book value stood at $84,328,000.

Historical cost financial statements have definite limitations in measuring the true performance of a real estate corporation. Therefore, each year the Corporation makes a computation of Adjusted Shareholders' Equity, reflecting current market values. For 1981 this computation indicates an Adjusted Shareholders' Equity per common share of $30.00 compared with $21.50 at the end of 1980, an increase of 40%.

DEVELOPMENT

In 1981, the Corporation took advantage of its strong financial capacity to establish several attractive positions for future commercial and residential development. Strategic sites, offering the opportunity for large, phased developments were acquired in Toronto and Calgary in Canada as well as Seattle, Dallas and San Francisco in the United States.

While management is extremely enthusiastic about each one of these development opportunities, it is nonetheless proceeding cautiously because of the uncertain direction of the economy. The Corporation has imposed strict internal guidelines relating to projected financial returns as well as long-term financing. These guidelines must be met before actual development will commence on any new project.

OUTLOOK

Governments in the United States and Canada seem committed to current fiscal and monetary policies designed to combat inflation. It remains to be seen whether these policies will succeed in the long run, but it is almost certain that in the shorter run these policies, and related government deficits, will result in continuing high interest rates and a low level of business activity. These adverse economic conditions will continue to affect the residential sector of our business during the coming year, but we are optimistic that significant budgeted improvements from the Corporation's rental portfolio will make 1982 another successful year.

APPRECIATION

We wish to express our appreciation to all our émployees throughout the organization in Canada and the United States. It is because of their energy, dedication and varied skills that the Corporation is looking forward to 1982 with enthusiasm and confidence.

Robert Campeau
Chairman and Chief Executive Officer

February 18, 1982

Place de Ville, Ottawa, Ontario

Left to right:
D. King, Executive Vice-President;
K.V. Cooper, Vice-President, Commercial Development, Texas; G. Sedgwick, Senior Vice-President, Commercial Development

The Commercial Group is responsible for all aspects of the development, acquisition and management of the Company's income producing properties. This involvement includes the selection and negotiation of land purchases, the design and development of new properties, the renovation and redevelopment of existing properties and ongoing property management.

Over the years the Group has developed and acquired a significant base of rental properties which provides the consistent and growing revenue stream necessary to finance further expansion. Vacancy rates in this portfolio are extremely low and the Commercial Group has been concentrating its recent property management efforts towards:

(a) improving rental rates on renewals by innovative re-merchandising and re-modelling,
(b) more closely controlling rapidly escalating operating expenses, such as energy, maintenance and security costs,
(c) upgrading systems to ensure that all tenant costs are properly calculated and billed to tenants promptly.

A condensed summary of the current property portfolio is set out below and a complete summary appears on pages 24 to 27 of this report.

Table 1
PROPERTY PORTFOLIO

	Total Property	Campeau Corporation Interest
Shopping Centres	5,954,000	4,850,000
Office and Multi-use Buildings	6,186,000	5,847,000
Industrial Properties	2,861,000	2,500,000
Total Square Feet	15,001,000	13,197,000
Residential Units	3,653	3,030
Hotel Rooms	1,202	1,202

While the current property portfolio provides an important revenue base for the Corporation, the primary activity of the Commercial Group is the development of new commercial projects throughout North America. During the year the Group has been reorganized into distinct geographic and functional divisions in recognition of the increased level of development. Currently there are approximately 50 projects at various stages of development, many of which are outlined below.

CANADA

SHOPPING CENTRES

PLACE LONGUEUIL SHOPPING CENTRE
The renovation and rebuilding of Place Longueuil, in Longueuil, Quebec on Montreal's south shore was completed in April, 1981. This 340,000 square foot centre anchored by a Miracle Mart department store and a Steinberg food store has been re-leased at rental rates well in excess of those in the old centre.

PLACE DU SAGUENAY SHOPPING CENTRE
Place du Saguenay in Chicoutimi, Quebec, was re-opened in November, 1981 after being damaged by fire in 1980. This centre which includes Sears and Zellers department stores and an expanded ancilliary area has been completely re-designed to incorporate up-to-date merchandising concepts.

Five Thomas Mellon Circle -
Executive Park, San Francisco, California

KANATA TOWN CENTRE
Phase I of the Kanata Town Centre, Kanata, Ontario opened in August, 1981. Anchored by a 32,000 square foot Loblaws food store, this centre features a modern six-theatre Cineplex. Kanata is currently one of Canada's leading growth areas as the result of a rapidly expanding high technology industry. It is expected that Kanata Town Centre will be expanded in the near future.

PINECREST SHOPPING CENTRE
Construction commenced in October, 1981 on the 212,000 square foot Pinecrest Shopping Centre located adjacent to the Queensway in west Ottawa, Ontario. Scheduled to open in late summer 1982, Pinecrest includes a 65,000 square foot Zellers store and a 50,000 square foot Dominion food store.

INTERCITY SHOPPING CENTRE
Ground was broken in early August, 1981 on the Intercity Shopping Centre, an important new regional shopping centre in Thunder Bay, Ontario. Anchored by an 85,000 square foot Zellers store and a 140,000 square foot Sears department store, the enclosed mall will contain 110,000 square feet of ancilliary retail area. Intercity is scheduled to open in August, 1982.

EXPANSION AND RENOVATION
The Shopping Centre Division is committed to maintaining high-quality shopping centres in the communities they serve, consequently existing properties are continually being reviewed for appropriate renovation and/or expansion opportunities. The Oshawa Shopping Centre, already containing nearly 1 million square feet, will again be expanded in the near future, and two large components of the centre will be re-merchandised in 1982. In the Sudbury Shopping Centre, a major food store is being converted into a multi-unit food court, other renovations are in progress and the addition of a third department store is being studied.

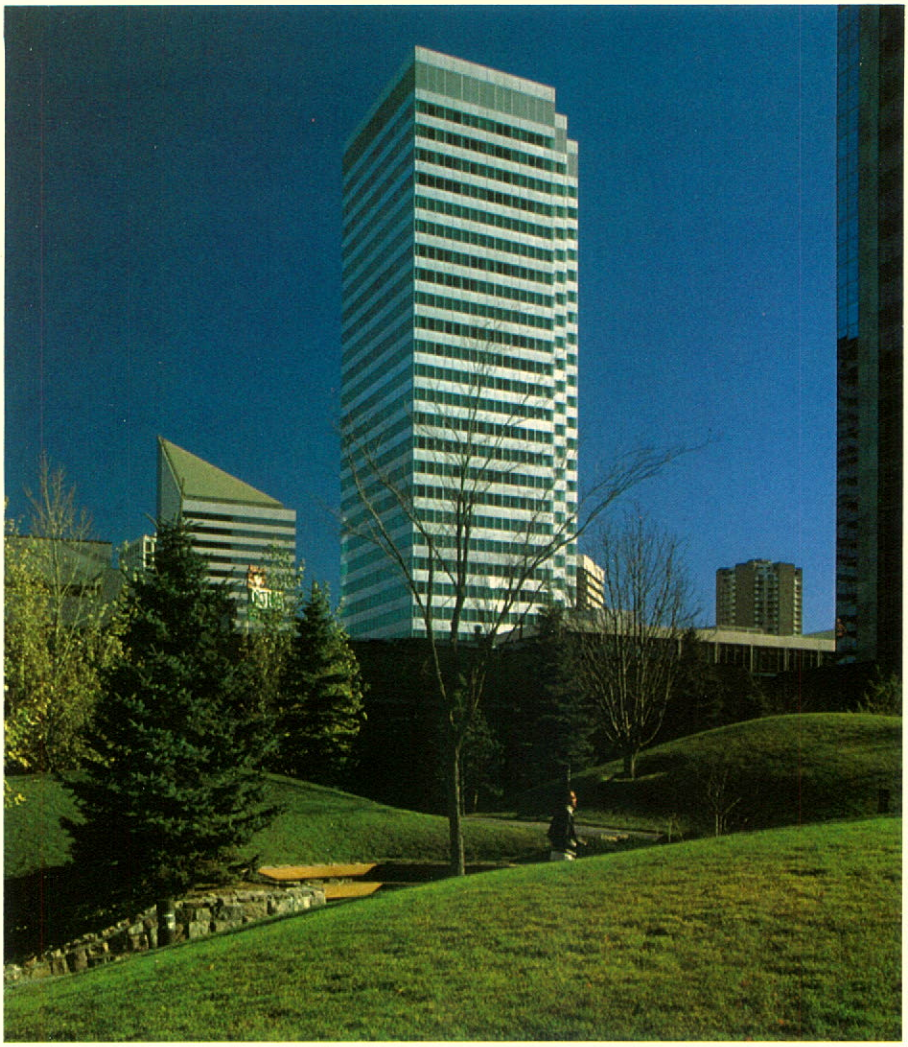
OFFICE BUILDINGS

GUY FAVREAU COMPLEX
The Corporation commenced construction of the office tower portion of the Guy Favreau complex in downtown Montreal, Quebec, in December 1981. Two office towers aggregating 720,000 square feet are scheduled for completion in early 1984 and all the space has been leased on a long-term basis to the Federal Government.

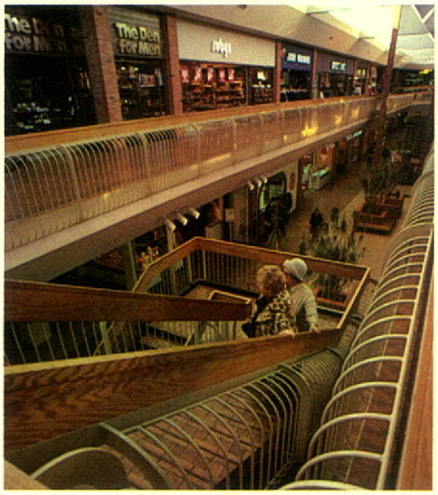
CENTENNIAL TOWERS
Centennial Towers, a 417,000 square foot office building, built in 1967, was vacated in 1979 when the Federal Government re-located many of its departments from Ottawa, Ontario to Hull, Quebec. Demand for office space in the Ottawa area now exceeds supply and Centennial Towers is currently being renovated and modernized. It is expected that Centennial Towers will be substantially leased and occupied during 1983.

COMMONWEALTH SQUARE
Encouraged by the success of Principal Plaza which the Corporation completed in Edmonton, Alberta last year, a major mixed-use development is now being planned for an adjacent 80,000 square foot site. This complex, Commonwealth Square, will be linked by pedway to the Principal Plaza building and the Light Rail Transportation system. It will consist of 800,000 square feet of office space, extensive underground parking and a 350 room luxury hotel, topped by 50 residential condominiums. An enclosed, terraced, retail area will integrate the various components of the complex.

Guy Favreau Complex, Montreal, Quebec



Principal Plaza, Edmonton, Alberta



Oshawa Shopping Centre, Oshawa, Ontario

Place Longueuil, Longueuil, Quebec

VICTORIA CENTRE

A major commercial position was established in Calgary, Alberta with the acquisition of a seven acre, two city block assembly, in the downtown area. Plans are expected to be completed by mid-1982 for Victoria Centre, a large mixed-use project which will be directly linked to Stampede Station, one of the L.R.T. stations within the "free ride" zone of the central business district. Preliminary planning indicates the development of 3 million square feet of office, retail, hotel, entertainment and residential space which will complement the newly completed Trade and Exhibition Centre, the proposed expansion of Stampede Park and the new Olympic Coliseum, presently under construction.

INDUSTRIAL PROPERTIES

In May 1981, the Corporation purchased a package of properties in the Ottawa-Carleton region in Ontario. This package included more than 2 million square feet of industrial and commercial space and substantial acreage of well located industrial and commercial land. These properties together with the Corporation's own holdings in the Kanata area place the Corporation in an excellent position to participate in the tremendous industrial and commercial growth taking place in the hi-tech and electronics industry. A new Industrial Development Division has been created with the responsibility for planning, developing, leasing and marketing space to this industry. In addition to development for retention, it is expected the Corporation will become increasingly involved in build-to-suits for major tenants, two of these have already been completed.

UNITED STATES

CALIFORNIA

SANTA CLARA – SAN JOSE INDUSTRIAL PROPERTIES

For several years, the Commercial Group has been successfully developing office/industrial and commercial space in the 'Silicon Valley' area just south of San Francisco. The Oakmead Village Industrial Park was started in 1978 with the purchase of several buildings and 90 acres of serviced land in Santa Clara County. Oakmead Village now contains more than 1.4 million square feet of buildings and only 12 acres remain to be developed. In 1980 the Corporation acquired an additional 30 acres of land in nearby North San Jose. The first phase of development on these lands was completed in 1981 when three buildings aggregating 250,000 square feet were built and leased to the Atari Corporation. It is anticipated that the balance of the San Jose and Oakmead Village lands will be developed in 1982.

Another 270 acre parcel of land in North San Jose was acquired in mid-1981. It is anticipated that these new lands will facilitate the development of more than 4.2 million square feet of prime office, retail and research/development space over an eight year development programme.

MONADNOCK BUILDING

The Monadnock Building, an historic San Francisco landmark, is located on Market Street in the business core's growth path between the old business district and the city's massive redevelopment area. This building was acquired by the Corporation for redevelopment in 1979 and was sold during 1981 to an investment group. The Corporation has entered into a joint-venture agreement to manage and supervise the renovation and re-leasing of the building. For its role in the joint-venture, Campeau Corporation could earn up to 30% interest in the property.

BUSH STREET

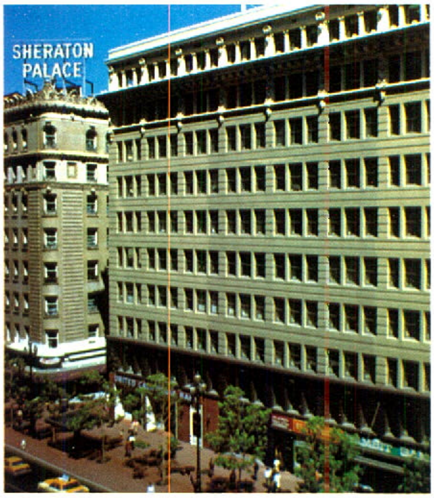
In 1981, the Corporation completed the acquisition of a strategically located site on Bush Street, in the heart of San Francisco's financial district. The architectural firm of Skidmore, Owings and Merrill has designed a 38 storey office tower project which will be topped by 44 luxury residential condominiums and will feature garden terraces at ground level. It is expected that construction will commence on this 740,000 square foot complex in the fourth quarter of 1982.

EXECUTIVE PARK

Overlooking San Francisco Bay and immediately adjacent to Candlestick Park, Executive Park is a unique 71 acre site acquired by the Corporation in 1979. The first phase of its development, a 100,000 square foot office building with a full height central garden atrium has been completed and fully leased. Construction of the second office building of 105,000 square feet is nearing completion and is approximately 50% leased and construction of the third office building is expected to start in 1982. When fully developed, Executive Park will include more than 1,000,000 square feet of commercial space.

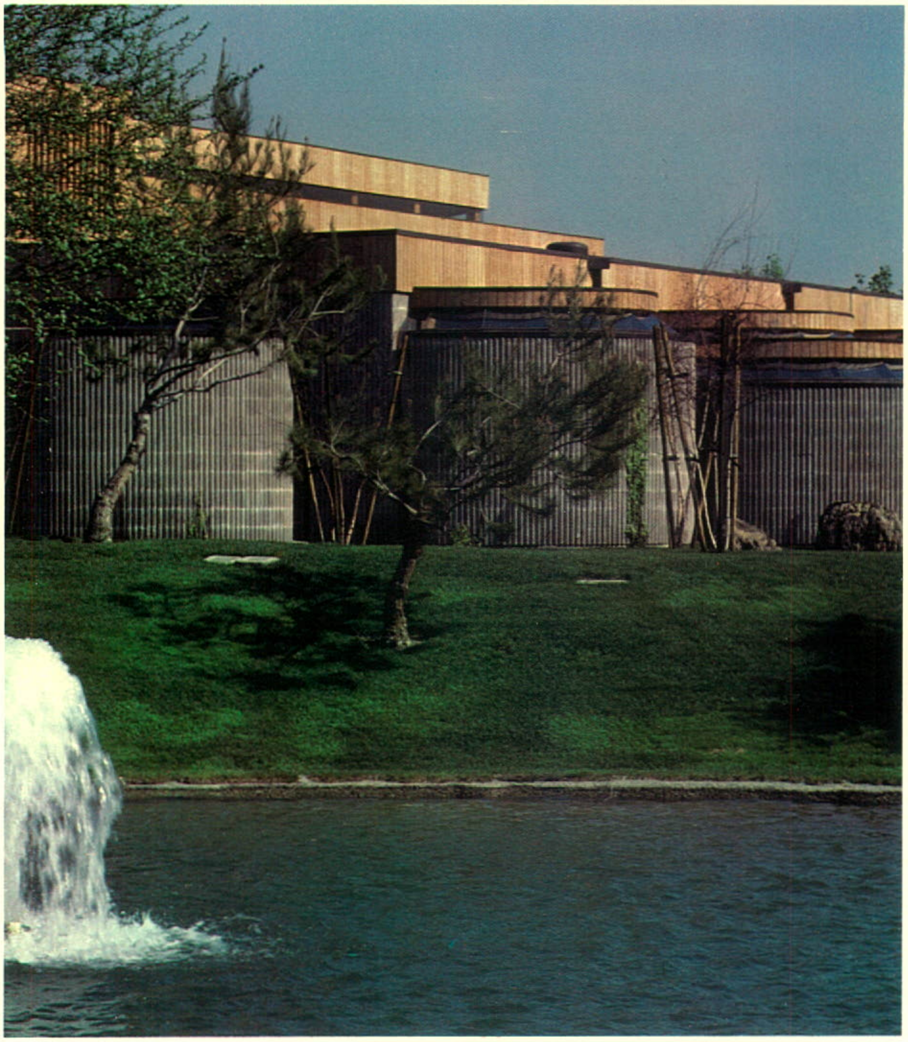
SAN JOSE – DOWNTOWN REDEVELOPMENT

A joint-venture, in which Campeau Corporation is a 50% partner, was selected as the prime developer for a city-sponsored revitalization program involving a 17 acre, 5 block area of downtown San Jose. Planned for development over a ten-year period are 2 million square feet of office space, 600 residential condominiums, a 500 room hotel, and 125,000 square feet of retail space. Negotiations are currently taking place on the terms of the development agreement.



Monadnock Building, San Francisco, Calif.

Phase II Executive Park, San Francisco, Calif.



Oakmead Village Industrial Park, Santa Clara, California

Cole Plaza, Dallas, Texas

WASHINGTON

EVERGREEN PLACE

During 1981, the Group completed the acquisition of 167 acres of land in Bellevue, Washington, a suburb of Seattle. Plans are being processed for the development of a major corporate research and business park to be known as Evergreen Place.

TEXAS

COLE PLAZA

Cole Plaza, an 11 storey, 180,000 square foot structure, is to be built on a site immediately adjacent to the Residential Group's major land assembly in central Dallas, Texas. The project is a joint-venture with the building's lead tenant.

TEXAS CENTER

In 1981 the Corporation exercised its option and completed the acquisition of a six acre site in the central business district in Dallas, Texas. The site, strategically located with excellent access from the newly constructed crosstown expressway, represents the largest prime site for future development in downtown Dallas. Preliminary plans contemplate a three phase project containing more than 4 million square feet of office, retail, hotel, and residential space to be constructed over a five to seven year period.


BAYOU BEND TOWERS

Left to right:
R.B. McCartney, President; L.B. McQuarrie, Vice-President, Land Development, California; J.P. Benoit, Senior Vice-President, Housing and Land Development

The Residential Group is responsible for two broad product lines – housing and residential land – and is currently carrying on active programmes in selected areas of both Canada and the United States.

Continuing difficult economic conditions, particularly the lack of affordable mortgage money, prevented the Group from achieving the aggressive targets which it had established for 1981. No clear signs of a significant change in the North American economy are evident as yet and low demand levels are expected to continue for the first half of 1982 and perhaps longer.

Housing revenues decreased slightly from 1980 levels and pre-tax margins decreased from 16.4% to 14.0% reflecting the fact that the majority of the 1981 sales were new condominiums in Florida and Texas while most of the 1980 sales were condominiums at Harbourside in Toronto, Ontario where margins were higher because the land had been owned for several years. There were only 71 completed housing units in inventory at the end of 1981 versus 240 units at the end of 1980. Table 2 highlights the effectiveness of the Corporation's controls on housing inventories.

Table 2
COMPLETED HOUSING INVENTORY
Canada and U.S.

	Number of Units				
	1981	1980	1979	1978	1977
Detached	**8**	83	153	140	265
Semi-detached	—	45	88	86	122
Townhouses	—	27	135	259	389
High-rise Condominiums	**63**	85	379	680	926
	71	240	755	1,165	1,702

CANADA

HOUSING

HARBOUR SQUARE

The Residential Group's major development in Toronto is the highly successful Harbour Square project on the waterfront in downtown Toronto. Over 1,000 units were built in the first two phases, all of which have been sold. During 1981 planning approvals and construction plans were substantially completed for Harbour Point, the third and final residential phase. Harbour Point will consist of 454 condominium units in two 40 storey towers, each of which will have magnificent views of Lake Ontario and downtown Toronto. Marketing activities for Harbour Point have commenced and construction is expected to commence by June of 1982.

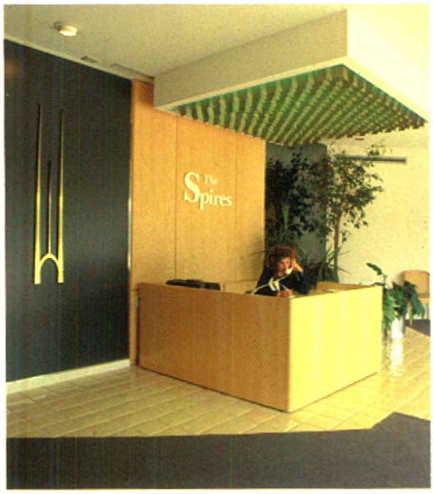
BEAUPORTE VILLAGE

In 1981, an 11.9 acre site in West Toronto was purchased for an innovative residential development of approximately 600 condominium units. The site, known as Beauporte Village, overlooks Lake Ontario, the Humber Bay Park and marinas, and offers excellent views of the Toronto skyline.

MONTREAL

Sales in Ile Bizard and Ste. Rose, the only areas where the Corporation is still building low-rise housing, totalled 197 units compared with 96 units in the previous year. Housing construction in the Montreal Region is restricted to units which have been pre-sold.

Bayou Bend Towers, Houston, Texas



Sales Office, The Spires, Houston, Texas

LAND

NATIONAL CAPITAL REGION

Although the Residential Group discontinued its construction activities in the National Capital Region of Ottawa, Ontario in 1980, the Group is continuing to develop its extensive residential land holdings in the Region for sale to other builders. At year-end the inventory in this region approximated 5,175 acres.

The Group concentrated its activities during the year in re-subdividing lands to meet current market conditions. During 1981, three acres of residential land and 52 acres of industrial land were registered. In the City of Kanata, Ontario, another 1,000 acres have been submitted for regional approval to an official plan amendment and approval is anticipated in the first half of 1982. The Group is optimistic that the burgeoning electronics industry in the Kanata area will have a significant effect on the Corporation's extensive land holdings in this area.

MONTREAL

The Corporation's two major land holdings, Ile Bizard and Ste. Rose, aggregating 2,300 acres, represent the two best, large residential land locations close to the City of Montreal. Thus, the Corporation is in an excellent position to benefit from any resurgence in the housing market. In 1982 the Group intends to continue its planning efforts and concentrate on marketing land to other builders.

UNITED STATES

HOUSING

BAYOU BEND TOWERS

Construction of the 110 unit luxury high-rise condominium, Bayou Bend Towers, in Houston, Texas, was completed in the early fall of 1981. While sales in this project have been affected by current economic conditions, the building has become accepted as one of the city's prestige addresses. The Corporation is confident that the remaining units in this project will sell quickly when economic conditions improve.

THE SPIRES

Late in 1981, construction commenced on The Spires, the first phase of a two-phase project located on six acres of land near the Texas Medical Centre in Houston, Texas. The total project will contain 476 luxury condominium units in two 40 storey towers with construction of the first phase expected to be completed early in 1983.

LA TOUR

In October of 1981, the Corporation began construction on the first residential phase of its imaginative Vineyard development in Dallas, Texas. La Tour, a 23 storey, 131 unit luxury building is located less than ten minutes from the central business district in a fashionable neighbourhood of restaurants and boutiques. Construction is proceeding on schedule and is expected to be completed in late 1982. La Tour represents the first phase of a completely integrated 22 acre residential and business community which the Corporation plans to develop over the next six to eight years.

WILSHIRE PLAZA

Land was acquired in 1981 for an ultra-luxurious condominium project on "the golden mile" at the corner of Wilshire Boulevard and Westholme in Beverly Hills, California. This project will consist of 152 units in two high-rise towers. Marketing activity has commenced and assuming the required pre-sale requirements are met, construction is scheduled to commence in September, 1982.

Wilshire Plaza, Wilshire Boulevard, Los Angeles, California

La Tour, Dallas, Texas

Ocean Trail, Jupiter, Florida

LONG BEACH

In September 1981, Campeau Corporation was chosen by the City of Long Beach, California as the successful applicant for the residential portion of its downtown redevelopment. This development will involve two phases, each containing 175 condominium units. Negotiations with the City as to the terms of the development are now taking place but no construction is anticipated to take place in 1982.

SAN FRANCISCO

The Residential Group is actively involved in the planning of three separate projects in San Francisco, California. The first project to get underway will likely be the 44 luxury condominium units to be included at the top of the Corporation's Bush Street office development now in the working drawing stage. Additionally, the Residential Group is working with the Commercial Group to redesign the site plan for Executive Park to include two 100 unit residential towers. The Corporation has also entered into a 50/50 joint venture agreement to develop a 150 unit condominium project on a site on Post Street in the theatre district of San Francisco.

OCEAN TRAIL

Construction of a 12 storey, 138 unit building was completed in 1981 and two more identical buildings are nearing completion at this ocean front development in Jupiter, Florida at the present time. A fourth medium-rise building containing 51 units is also under construction. All but 80 units in the last two buildings have been pre-sold and most of the balance should be sold by the end of 1982.

THE BAY CLUB

In October 1981, a 45 acre tract of land fronting on Sarasota Bay, in Florida, was purchased for a multi-phase residential development. Construction on this project, to be called The Bay Club, will commence early in 1982 and is expected to continue until 1986. The development will include 562 luxury units contained in four high-rise towers on the bay and several low-rise tennis villa structures spread throughout the balance of the property. The project also features 11 tennis courts and an existing 14,000 square foot Spanish-style mansion which is being renovated to serve as a private club facility for residents.

Residents' Private Club, The Bay Club, Sarasota, Florida

LAND

Land sales in 1981 fell short of projections primarily as a result of high interest rates and the overall slowdown in the United States housing market. The Group concentrated its activities during the year on continuing the planning and approval processes and confined its servicing activities to an absolute minimum. All the projects are situated in excellent market areas in the prime growth corridors of Southern California and Florida. Sales should improve dramatically with any upswing in the U.S. economy.

Table 3 summarizes the Group's United States land holdings.

Table 3
U.S. LAND HOLDINGS

	Type	Total Acres	Campeau Corporation Interest %	Campeau Corporation Interest Acres
CALIFORNIA				
Colinas de Capistrano	Residential	322	100	322
Lomas de Yorba	Residential	3,331	50	1,666
Lake Hills Country Estates	Residential	1,721	71	1,221
State College Business Park	Industrial	185	80	148
Cable Lake	Mobile Home	105	80	84
FLORIDA				
Boca Grove	Residential	300	51	153
Miscellaneous	Residential	40	50	20
		6,004		3,614

COLINAS DE CAPISTRANO

Development continued throughout the year on the final 322 acres of the Colinas de Capistrano Community in South Orange County, California. Litigation brought by residents of a neighbouring community which suspended activity on this project during 1980 was successfully settled early in 1981. Services have been completed for 323 units and Tract Maps have been recorded for the delivery and sale of these units. Preliminary Land Use and Entitlement Maps for the balance of the property, totalling an additional 590 units, have been obtained, but final servicing of these units will await completed sales contracts.

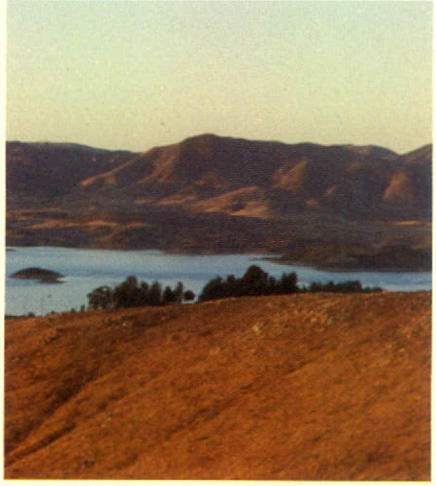
LOMAS DE YORBA

Development continued on schedule in the Lomas de Yorba Community, a 3,331 acre residential community located in the City of Yorba Linda in Eastern Orange County, California. The Corporation is the managing partner and has a 50% interest in this project. During 1981, substantial progress was made on planning and development. Final Tract Map approvals were obtained for 39 acres of office-industrial, 29 acres of commercial and 400 town house units. Major services were completed on a portion of the property during the year but additional servicing will be undertaken only when sales demand justifies additional expenditures.

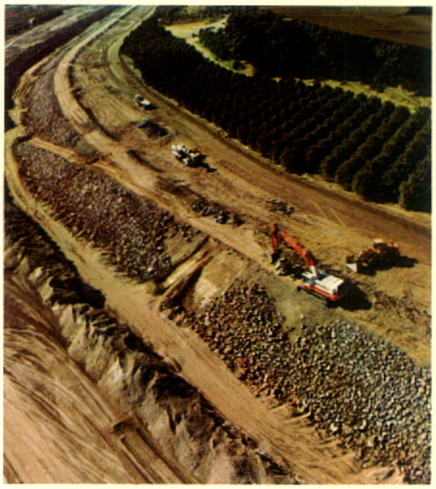
LAKE HILLS COUNTRY ESTATES

Development approval of the specific plan on the 1,721 acre Lake Hills Estates Project in Riverside County, California, was obtained in May 1981 for 1,700 units. However, a litigation proceeding launched by the Sierra Club and other environmental groups has resulted in an injunction against

Lomas de Yorba, Yorba Linda, California



Lake Hills, Riverside County, California



Colinas de Capistrano, South Orange County, California

further active development. The Corporation is appealing this injunction and expects to be successful. In the meantime, the processing of Preliminary Land Use Maps has continued and approvals have been obtained for 595 units. Sewer capacity from the Western Municipal Water District has been procured for the entire project and Tentative Map processing is being pursued for an additional 400 units to be approved in 1982.

STATE COLLEGE BUSINESS PARK
The Corporation completed its acquisition of an 80% interest in the State College Business Park, San Bernardino, California in early 1981. Servicing of this 185 acre development was completed in September 1981 and marketing of industrial and commercial lots is now under way.

CABLE LAKE
This project is an assembly of a number of small parcels totalling 105 acres in the Cable Lake area in the northern section of the City of San Bernardino. The Corporation has an 80% interest in this project which primarily involves the development and sale of mobile home units. Planning approvals and final engineering has been completed and the project is now ready for resale.

BOCA GROVE
Boca Grove, a luxury country club project in Florida in which the Corporation is a 51% joint-venture partner, is proceeding on schedule. All site work has been completed and the championship 18-hole golf course is now ready for play. Construction on the tennis complex, the sales office, gate houses and ancilliary buildings is substantially completed. When fully developed, Boca Grove is expected to yield 420 lots, 40 of which have already been sold to 16 builders, primarily for use as model homes.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Apple Logo
A Product of Logo Computer Systems, Inc.
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Left to right:
W. J. Carroll, Executive Vice-President, Finance; N. Kraftchuck, Vice-President, Corporate Planning; T. Walker, Senior Vice-President, Treasurer

In last year's Annual Report it was indicated that the Corporation intended to discontinue its direct involvement in the Hotel, Building Products and Lumber operations which were not producing satisfactory returns. During the year substantial progress was made in this regard.

HOTELS

Effective May 1, 1981, L'Auberge de la Chaudiere, the Corporation's 243 room hotel in Hull, Quebec was leased to Plaza Hotels Inc. This long-term lease contains provisions for guaranteed minimum rent plus participation based on profitability. This hotel is now included with the properties managed by the Commercial Group.

In September 1981, the Harbour Castle Hotel in Toronto was sold producing a pre-tax gain of $25.8 million. Management is justifiably proud of the Harbour Castle Hotel which it developed as the first phase of the important Harbour Square project, but it concluded that the proceeds of the sale could be more effectively utilized by the Corporation.

BUILDING PRODUCTS

Of the four former segments of the Building Products Division, one has been sold, one discontinued and the two remaining are now operating at reduced volume but satisfactory profit levels.

LUMBER

Negotiations for the possible sale of the Lumber Division were being carried on throughout most of the year. Economic conditions in 1981 were disastrous for the industry as housing starts declined to record lows and lumber prices plummeted to levels far below production costs. As prices continued to decline late in the year and the prospect of completing a sale in 1981 diminished, the decision was made to temporarily suspend operations until economic conditions improve. Sales of finished inventories will continue until they are depleted, thereby reducing the Corporation's capital investment. The Corporation intends to continue its efforts to dispose of this Division in 1982.

CAMPEAU TECH INVESTMENTS

Through its extensive real estate holdings in the Kanata area of the Ottawa-Carleton region, and the 'Silicon Valley' area of Northern California, Campeau Corporation has been particularly exposed to the explosive growth taking place in the telecommunications and micro-electronics industries. In 1981 the Corporation decided to form a wholly-owned subsidiary to make selective equity investments in Canadian high-technology companies.

The basic strategy of Campeau Tech Investments is to invest in early stage, high-technology companies with the potential for rapid growth in sales and earnings. Generally Campeau Tech will seek to make its investment on an advantageous basis in exchange for providing management direction and financial strength to the investee company. Initially the Corporation had the additional objective of identifying two or three investments which would quickly provide Campeau Tech with both product line diversification and broad exposure to the leaders in the Canadian high-tech community.

The Corporation believes it has substantially achieved the foregoing objectives with three carefully selected investments made during 1981.


NABU 1100

LOGO COMPUTER SYSTEMS INC.

The first investment made by Campeau Tech was the acquisition of a 46% interest in Logo Computer Systems Inc., a Canadian company headquartered in Montreal, formed to develop, manufacture and market hardware and software products designed for use with a new version of a powerful computer language called Logo.

The computer languages currently in use require a programmer to have special training and technical skills. Logo was designed as a "natural" language permitting the user to create a personal set of words which the computer will understand. The Logo language was originated by Dr. Seymour Papert, one of the founding directors of L.C.S.I. It has been widely recognized as one of the most advanced educational tools for teaching logical thinking and problem solving but until recently was only available for use with large computers. L.C.S.I. has developed an improved version of the Logo language which can be used with the new generation of micro-computers.

In January of 1982 L.C.S.I. signed a world-wide distribution agreement with Apple Computer Inc. of Cupertino, California covering the distribution of Apple Logo, a product specifically developed for use with the popular Apple II personal computer. The initial shipment of 5,000 Apple Logo's (a package containing two Logo diskettes and two user manuals) took place in February, 1982. L.C.S.I. is in the advanced development stage of Logo implementations for several other popular personal computers and is currently negotiating distribution arrangements for these products. In addition to Apple Logo diskettes, L.C.S.I. has developed a 64k memory extension board and a sprite board which will be available later this year.

L.C.S.I. has received numerous inquiries from educational authorities throughout North America and several foreign countries regarding future applications of Logo. All of these opportunities are being carefully reviewed by L.C.S.I. but the major efforts in 1982 will be directed towards ensuring the distribution of quality products and the establishment of a sound commercial base for future growth.

CANADIAN TELECOMMUNICATIONS GROUP

Campeau Tech's second investment in 1981 was the acquisition of a 25% interest in Canadian Telecommunications Group Inc. CTG was formed in 1980, several months before the CRTC's regulatory decision to permit companies to sell, install and maintain telephone equipment for attachment to the Bell Canada network. Since then CTG, with its head office in Toronto, has opened branch offices in Montreal, Ottawa, Hamilton, Kitchener and London and has established itself as the leading company in the rapidly growing interconnect industry.

In addition to its direct role as a telephone sales consultant and equipment supplier, CTG has a subsidiary, Comptel Distribution Inc., which is a wholesale distributor of telecommunications equipment. CTG installs and distributes most popular telephone manufacturers equipment such as Mitel, Tie, Rockwell etc. and is the exclusive Canadian distributor for V-Band, Key BX and Hitachi.

During 1981 CTG devoted its efforts to establishing a large installed base to support the significant maintenance and administrative organization which is necessary to compete effectively with Bell Canada. In 1982 it is anticipated that CTG sales will reach the $40 to 50 million range and considerable attention will be devoted to ensuring that proper profit margins are maintained.

NABU MANUFACTURING CORPORATION

Another significant investment made by Campeau Tech in 1981 was the acquisition of a 13.1% interest in NABU Manufacturing Corporation. Although NABU was only formed in July of 1981 it represents the

Canadian Telecommunications Group

combination of several predecessor computer companies and subsequently NABU acquired the assets and businesses of three additional companies in computer related businesses.

NABU, headquartered in Kanata, Ontario has instantly become Canada's largest micro-computer firm and is currently engaged in several aspects of the computer and communications industry:

(a) the design, development and manufacture of micro-computers,
(b) the design and development of computer software,
(c) the distribution of small computer systems through a direct sales force and a retail sales network, and
(d) the manufacture and marketing of cable television converters.

A key part of NABU's strategic plan is the development of a communications compatible computer system using the cable network as a communications medium. The main advantage the NABU system anticipates over telephone-based systems relates to the additional capacity and speed which coaxial cable offers over telephone lines. A home field trial of this system involving three Ottawa cable companies is planned for this spring. Although NABU is a young company it has attracted some of the top computer and communications industry talent available in Canada and has the potential to become a major force in the North American high technology industry.

FUTURE PLANS

Campeau Corporation is extremely enthusiastic about each of its initial high-technology investments. Potential returns on these types of investments can be very high, but the Corporation also recognizes that competition is intense and technological obsolescence a major risk. Campeau Tech has no imminent plans for further investments, but will continue to assess the many interesting investment opportunities which are presented to it.

For the third consecutive year Campeau Corporation has achieved record levels for revenues, net earnings and cash flow from operations.

Revenue increased to $310,333,000 from $275,199,000 in 1980. Net earnings were $32,244,000 or $1.98 per common share compared with $14,527,000 or $.88 per common share in 1980.

Cash flow from operations, which is derived by adding non-cash charges such as deferred income taxes, depreciation and amortization to net earnings, increased in 1981 to $60,299,000 or $3.73 per share compared with $34,210,000 or $2.13 per share in 1980.

SOURCES OF INCOME

The Corporation financial statements contain detailed financial information broken down geographically, and by identifiable business segment which permits useful analysis of the performance of each business segment. Table 4 below summarizes the Revenue and Operating Profit for the real estate business segments.

Table 4
REVENUE AND OPERATING PROFIT

	Revenue		Operating Profit	
(in thousands)	**1981**	1980	**1981**	1980
COMMERCIAL				
Rental	**$108,421**	93,490	**56,316**	54,056
Real estate sales	**52,835**	28,244	**14,159**	7,351
RESIDENTIAL				
Housing	**65,677**	70,859	**9,214**	11,770
Land	**16,517**	12,000	**7,207**	2,210
OTHER	**66,883**	70,606	**10,145**	2,524
Total	**$310,333**	275,199	**97,041**	77,911

Rental revenue increased significantly in 1981 and this segment continues to be the major and most consistent source of operating profit. Revenue and operating profit from Commercial real estate sales also increased sharply from 1980. This segment includes industrial and commercial land sales and build-to-suits and is anticipated to become more important in 1982 and future years.

In total the contribution from the Residential sector increased slightly in 1981. While revenue and operating profit from housing sales was adversely affected by high interest rate levels, there was an offsetting improvement in the contribution from Residential land sales.

ASSETS

Total assets of the Corporation increased to $1,410,855,000 at December 31, 1981 compared with $955,919,000 a year earlier. Table 5 below illustrates the geographic distribution of the Corporation assets and highlights the increasing proportion of the Corporation's investments in the United States.

Table 5
TOTAL ASSETS

	1981		1980		1979	
	($000)	%	($000)	%	($000)	%
Quebec	**261,204**	**18.5**	254,763	26.7	247,712	28.6
Ontario	**479,711**	**34.0**	420,835	44.0	419,455	48.3
Western Canada	**107,617**	**7.6**	49,779	5.2	47,206	5.5
United States	**562,323**	**39.9**	230,542	24.1	151,986	17.6
	1,410,855	**100.0**	955,919	100.0	866,359	100.0

ADJUSTED SHAREHOLDERS' EQUITY

At December 31, 1981 Shareholders' Equity, at book value, was $84,328,000. However, historical cost financial statements do not necessarily indicate the fair market value of a corporation's equity. This is particularly true for real estate corporations where the fair market value of assets frequently is substantially in excess of book value.

To provide an additional measure of the operating and investment performance of management, the Corporation calculates an Adjusted Shareholders' Equity. Essentially this computation involves adjusting the recorded Shareholders' Equity to reflect the estimated current market value of the Corporation's assets and liabilities, net of the income tax effects associated with such adjustments. Substantially all of the current market values for the Corporation's real estate assets were established by independent appraisers with the current value of the remaining assets being estimated by Management.

Table 6 summarizes the Adjusted Shareholders' Equity computation at December 31, 1981 and indicates that the appraisal surplus, net of related income taxes, at December 31, 1981 was $406,321,000 up from $297,601,000 at the end of 1980.

On a per common share basis, the Adjusted Shareholders' Equity has increased at December 31, 1981 by approximately 40% to $30.00 per share from $21.50 per share in 1980.

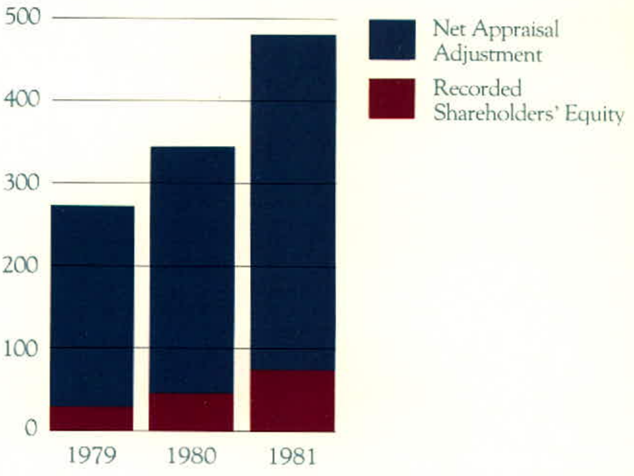
Table 6
ADJUSTED SHAREHOLDERS' EQUITY

(in thousands)	1981	1980
Recorded Shareholders' Equity	**$ 84,328**	52,978
Less par value of preference shares	**(7,600)**	(7,600)
	76,728	45,378
Adjustment, net of associated income tax effects;		
Properties	**258,489**	219,015
Properties under development and housing inventories	**51,443**	12,748
Land – Commercial	**54,622**	25,847
– Residential	**54,184**	45,860
Non-real estate assets and liabilities	**(12,417)**	(5,869)
Net Appraisal Adjustment	**406,321**	297,601
Adjusted Shareholders' Equity	**$483,049**	342,979

DIVIDENDS

In recognition of the Corporation's improved profit and cash flow performance and the strengthened financial position of the Corporation, the Board of Directors increased the common share dividend paid in 1981 to $.10 per share compared with $.075 paid in 1980.

ADJUSTED SHAREHOLDERS' EQUITY (in thousands)



SHOPPING CENTRES	Size of Site (Acres)	Parking Spaces	Number of Stores and Services	Area of Non-Owned Buildings (sq. ft.)	Total Leaseable Area(1) (sq. ft.)	Company's interest %	Company's interest (sq. ft.)
ONTARIO							
Oshawa Shopping Centre, Oshawa	52.0	4,128	194		972,000	100	972,000
New Sudbury Shopping Centre, Sudbury	37.0	2,995	100		479,000	100	479,000
Wellington Square, London	5.6	811	90		413,000	100	413,000
Timmins Square, Timmins	52.5	1,800	67		359,000	50	180,000
Kingston Shopping Centre, Kingston	16.9	1,067	79	108,000	324,000	100	216,000
Golden Mile Plaza, Toronto	17.1	1,127	71		263,000	100	263,000
Intercity Plaza, Thunder Bay	7.5	410	21	140,000	254,000	100	114,000
Hazeldean Mall, Kanata	18.4	980	49		197,000	100	197,000
Beacon Hill Shopping Centre, Ottawa	9.0	592	30		123,000	100	123,000
Sunnybrook Plaza, Toronto	2.9	154	49		96,000	100	96,000
Kanata Town Centre, Kanata	11.6	418	26		93,000	100	93,000
Dorwin Plaza, Windsor	14.1	458	34		91,000	100	91,000
York Plaza, Toronto	4.9	335	27		59,000	100	59,000
Riverside Shopping Mall, Ottawa	4.3	181	22		42,000	100	42,000
Kanata Shopping Centre, Kanata	2.1	112	17		26,000	100	26,000
Bank Street Plaza, Ottawa	1.7	51	4		19,000	50	10,000
QUEBEC							
Le Carrefour Rimouski, Rimouski	25.9	1,900	75		343,000	50	172,000
Place Longueuil, Longueuil	20.1	1,547	94		340,000	67	228,000
Place du Saguenay, Chicoutimi	13.2	1,113	73	91,000	299,000	75	156,000
Les Galeries Jonquière, Jonquière	24.5	1,393	60		245,000	50	123,000
Le Carrefour Alma, Alma	30.1	1,300	56		240,000	50	120,000
Place Drummond, Drummondville	9.0	499	26		88,000	100	88,000
Greber Boulevard Plaza, Gatineau	2.9	93	8		41,000	100	41,000
Place de Fabreville, Fabreville	5.7	253	14		40,000	100	40,000
Place St. Jean, Pierrefonds	3.6	110	12		35,000	100	35,000
Place du Progrès, Gatineau	3.7	1,149	1		24,000	100	24,000
WESTERN CANADA							
Town and Country Centre, Victoria	20.1	1,228	30		235,000	100	235,000
Golden Mile Plaza, Regina	13.4	1,008	62		214,000	100	214,000
TOTAL PORTFOLIO	429.8	27,212	1,391	339,000	5,954,000		4,850,000

(1) Includes area of non-owned buildings.

OFFICE AND MIXED-USED PROPERTIES

	Net Rentable Area (sq. ft.)			Company's Interest	
	Office	Retail	Total	%	(sq. ft.)
ONTARIO					
Place de Ville, Ottawa	1,206,000	64,000	1,270,000	100	1,270,000
Journal Towers, Ottawa	640,000		640,000	100	640,000
Centennial Towers, Ottawa	417,000		417,000	100	417,000
Metro Centre, Ottawa	138,000		138,000	100	138,000
Haldon Square, Ottawa	96,000		96,000	67	64,000
360 Coventry Road, Ottawa	82,000		82,000	100	82,000
Admiral House, Ottawa	74,000		74,000	100	74,000
Bell Tower, Oshawa	59,000		59,000	100	59,000
1140 Morrison Drive, Nepean	54,000		54,000	100	54,000
1150 Morrison Drive, Nepean	37,000		37,000	100	37,000
1010-1024 Morrison Drive, Nepean	33,000		33,000	100	33,000
1657 Carling Avenue, Ottawa	22,000		22,000	100	22,000
Addressograph Building, Ottawa	16,000		16,000	50	8,000
Other Ontario Properties	96,000	167,000	263,000	100	263,000
QUEBEC					
Les Terrasses de la Chaudière, Hull	1,860,000	41,000	1,901,000	100	1,901,000
Palais du Commerce, Montreal	182,000		182,000	100	182,000
Edifice Les Prévoyants, Chicoutimi	45,000		45,000	75	34,000
Other Quebec Properties	6,000	6,000	12,000	100	12,000
WESTERN CANADA					
Principal Plaza, Edmonton	400,000		400,000	50	200,000
Rayonier Building, Vancouver	68,000		68,000	100	68,000
Other Western Canada Properties	58,000	32,000	90,000	100	90,000
CALIFORNIA					
150 Executive Park Boulevard, San Francisco	101,000		101,000	100	101,000
5 Thomas Mellon Circle, San Francisco	95,000		95,000	55	52,000
Oakmead Office Building	32,000		32,000	50	16,000
Oakmead Commercial Centre, Sunnyvale	12,000	11,000	23,000	50	12,000
Other California Properties	0	36,000	36,000	50	18,000
TOTAL PORTFOLIO	5,829,000	357,000	6,186,000		5,847,000

INDUSTRIAL PROPERTIES	Size of Site (Acres)	Net Rentable Area (sq. ft.)	Company's Interest %	Company's Interest (sq. ft.)
ONTARIO				
Admiral Business Park, Ottawa	9.9	210,000	100	210,000
1125-1181 Parisien Street, Gloucester	6.4	111,000	100	111,000
1377 Triole Street, Ottawa	4.7	108,000	100	108,000
2220-2265 Gladwin Crescent, Ottawa	5.9	101,000	100	101,000
3234-3270 Hawthorne Road, Ottawa	6.5	93,000	100	93,000
Nestlé Building, Brockville	7.2	91,000	100	91,000
1257-1283 Algoma Road, Gloucester	4.8	89,000	100	89,000
Lismer Building, Kanata	7.6	69,000	100	69,000
2700 Lancaster Road, Ottawa	2.6	69,000	100	69,000
6-20 Bexley Place, Nepean	3.3	54,000	100	54,000
1117 New Market Avenue, Ottawa	2.3	50,000	100	50,000
2530 Stanfield Road, Cooksville	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
2060 Walkley Road, Ottawa	2.5	30,000	100	30,000
1000 Morrison Drive, Nepean	2.1	30,000	100	30,000
2400 Lancaster Road, Ottawa	2.3	29,000	100	29,000
Dashwood Building, Kanata	1.9	18,000	100	18,000
Pitney Bowes Building, Ottawa	1.3	17,000	100	17,000
Other Ontario Properties	32.4	308,000	97	300,000
CALIFORNIA				
Signetics Building, Santa Clara	14.5	200,000	50	100,000
Manta Buildings, San Leandro	9.7	199,000	100	199,000
Marlin Buildings, Union City	7.2	149,000	100	149,000
Poly-vue Plastics, Petaluma	10.0	132,000	100	132,000
Atari Building, San Jose	7.3	110,000	50	55,000
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 I, Santa Clara	1.3	30,000	50	15,000
Lockheed Building, Santa Clara	2.4	29,000	50	15,000
Applied Materials II, Santa Clara	2.6	28,000	50	14,000
I.D.T. Building, Santa Clara	1.1	16,000	50	8,000
TOTAL PORTFOLIO	197.1	2,861,000		2,500,000

RESIDENTIAL PROPERTIES

	Number of Suites	Company's Interest %	Company's Interest Suites
ONTARIO AND QUEBEC			
Riverside Court Apartments, Ottawa	759	100	759
Redwood Court Garden Homes, Ottawa	640	100	640
Playfair Towers, Ottawa	427	100	427
Champlain Towers, Ottawa	243	50	122
Château Maisonneuve, Montreal	242	100	242
Kanata Garden Homes, Kanata	232	100	232
Varley Apartments, Kanata	85	100	85
Riverside Heights Garden Homes, Ottawa	83	100	83
NEW YORK			
Fleetwood Park Apartments, Westchester	480	60	288
Netherland Gardens, Riverdale	462	33	152
TOTAL PORTFOLIO	3,653		3,030

HOTELS

	Rooms	Company's Interest %	Company's Interest No. of Rooms
ONTARIO AND QUEBEC			
Holiday Inn, Ottawa, Ontario	505	100	505
Skyline Hotel, Ottawa, Ontario	454	100	454
Hotel Plaza de la Chaudière, Hull, Quebec	243	100	243
TOTAL PORTFOLIO	1,202		1,202

CONSOLIDATED STATEMENT OF EARNINGS

Year ended
December 31, 1981

(in thousands)	Notes	1981	1980
Revenue	13	$310,333	275,199
Expenses:			
Cost of sales and operating expenses		194,911	179,223
Financing	14	62,953	53,373
General and administrative		20,402	16,010
Depreciation and amortization		8,756	9,534
		287,022	258,140
		23,311	17,059
Gain on sale of properties	15	26,933	6,068
		50,244	23,127
Income taxes – deferred	16	18,000	8,600
Net earnings		$ 32,244	14,527
Earnings per common share	17	$ 1.98	.88

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Year ended
December 31, 1981

(in thousands)	Notes	1981	1980
Balance at beginning of year		$33,220	21,094
Net earnings		32,244	14,527
		65,464	35,621
Dividends:			
Second Preference		6	6
Series A Preference		520	520
Common		1,610	1,190
Premium on conversion of convertible notes payable to Class A Common Shares	12	353	353
Premium on purchase of Common Shares for cancellation		—	332
		2,489	2,401
Balance at end of year		$62,975	33,220

December 31, 1981

(in thousands)	Notes	1981	1980
ASSETS			
Properties	3	$ 456,327	483,906
Properties under development	4	141,618	48,832
Land held for sale and development	5	482,315	196,445
Inventories	6	121,792	77,235
Investments	7	57,826	33,963
Amounts receivable	8	112,521	90,191
Other assets	9	18,663	14,751
Deferred charges	10	19,793	10,596
		$1,410,855	955,919
LIABILITIES			
Secured debt	11	$1,177,951	802,586
Accounts payable and accrued liabilities		61,412	35,406
Deposits from purchasers		13,142	8,927
		1,252,505	846,919
Deferred income taxes		74,022	56,022
SHAREHOLDERS' EQUITY:			
Capital stock	12	21,353	19,758
Retained earnings		62,975	33,220
		84,328	52,978
		$1,410,855	955,919

On behalf of the Board:

R.B. McCARTNEY, Director
W.J. CARROLL, Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Campeau Corporation as of December 31, 1981 and the consolidated statements of earnings, retained earnings, cash flow from 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, 1981 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.

Ottawa, Canada
February 18, 1982

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

CONSOLIDATED STATEMENT OF CASH FLOW FROM OPERATIONS

Year ended December 31, 1981

(in thousands)	1981	1980
Net earnings	$ 32,244	14,527
Items not requiring a current outlay of cash:		
Deferred income taxes	18,000	8,600
Depreciation and amortization	8,756	9,534
Amortization of foreign currency translation differences	1,299	1,549
Cash flow from operations	$ 60,299	34,210
Cash flow per common share	$ 3.73	2.13

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1981

(in thousands)	1981	1980
SOURCE OF CASH		
Cash flow from operations	$ 60,299	34,210
Secured debt:		
Issue of long-term debt	339,162	76,036
Increase in short-term debt	92,365	57,657
Costs recovered from sale of properties	60,015	34,519
Issue of capital stock	2,584	2,224
Increase in deposits from purchasers	4,215	5,164
Other, net	14,128	(6,490)
	572,768	203,320
USE OF CASH		
Increase in land, net	285,870	39,496
Increase in inventories	44,557	10,473
Increase in investments	23,863	33,963
Increase in amounts receivable	22,330	11,824
Repayment of long-term debt	56,162	66,923
Capital stock redeemed	989	1,609
Dividends	2,136	1,716
Other assets	3,912	10,426
	439,819	176,430
INCREASED INVESTMENT IN PROPERTIES, AND PROPERTIES UNDER DEVELOPMENT	$132,949	26,890

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.

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

(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 the 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.

(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) 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.

(h) Costing
The Corporation capitalizes all direct costs of properties under development, land held for sale and development and real estate inventories. In addition certain indirect costs, including specific interest, property taxes and a portion of the general cost of corporate borrowing and administrative expenses considered applicable to such assets, are capitalized. Revenues relating specifically to such assets are treated as a reduction of costs.

Generally, the Corporation allocates its cost of sales on land and condominium 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.

(j) Revenue recognition
The Corporation recognizes revenue as follows:

Commercial:

(i) 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.

(ii) 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.

Residential:

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

(ii) 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.

(k) Depreciation

(i) Properties

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
Apartment buildings and shopping centres	30 to 50 years
Garden homes and townhouses	40 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.

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.

(ii) Other property, plant and equipment

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.

2. JOINT VENTURES

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

(in thousands)	1981	1980
Assets	**$232,622**	101,308
Liabilities	**203,961**	81,211
Revenues	**23,991**	17,370
Net earnings	**3,497**	1,850

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, 1981 was $126,206,000 (1980 – $65,460,000). 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 $7,794,000 (1980 – $8,165,000) 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)	Rental Properties	Other Property, Plant and Equipment	Total 1981	Total 1980
Land	$ 62,171	282	**62,453**	62,296
Buildings and improvements	415,361	7,115	**422,476**	444,297
Furniture and equipment	8,295	13,600	**21,895**	28,398
	485,827	20,997	**506,824**	534,991
Accumulated depreciation	42,503	7,994	**50,497**	51,085
Total	$443,324	13,003	**456,327**	483,906

4. PROPERTIES UNDER DEVELOPMENT

(in thousands)	1981	1980
Balance at beginning of year	**$ 48,832**	31,842
Additions during year:		
Acquisitions	**69,570**	410
Transferred from land	**14,805**	1,022
Development and construction costs	**46,133**	23,019
Capitalized costs		
– financing	**16,818**	4,537
– other	**7,792**	944
– revenue	**(12,507)**	(1,886)
	142,611	28,046
	191,443	59,888
Deductions during year:		
Transferred to properties	**26,292**	5,528
Cost of sales	**23,533**	5,528
	49,825	11,056
Balance at end of year	**$141,618**	48,832

5. LAND HELD FOR SALE AND DEVELOPMENT

(in thousands)	1981	1980
Balance at beginning of year	$196,445	156,949
Additions during year:		
Acquisitions	247,937	31,262
Development costs	40,651	10,150
Capitalized costs:		
– financing	44,629	22,007
– other	2,710	3,483
	335,927	66,902
	532,372	223,851
Deductions during year:		
Cost of sales	20,692	22,310
Transferred to properties under development	14,805	1,022
Transferred to inventories	14,560	4,074
	50,057	27,406
Balance at end of year	$482,315	196,445
Commercial	$275,126	78,727
Residential	207,189	117,718
	$482,315	196,445

In connection with the expropriation by the Province of Quebec of property at Mount Bruno, Quebec the Corporation was awarded $4,208,000 plus interest, which approximates the net carrying value of this property. The Corporation has appealed this award and, in the opinion of management, ultimate proceeds on settlement will exceed the carrying value. Accordingly, this transaction has not been recognized in the accounts. A deposit of $3,500,000 has been received by the Corporation and is included in deposits from purchasers.

6. INVENTORIES

(in thousands)	1981	1980
Housing, completed and in progress	$104,430	62,859
Lumber and building products	13,828	10,856
Office condominiums	3,534	3,520
	$121,792	77,235

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

7. INVESTMENTS

(in thousands)	1981	1980
Investments accounted for by the cost method (quoted market value $43,988,000)	$ 50,829	33,622
Investments accounted for by the equity method	6,997	341
	$ 57,826	33,963

8. AMOUNTS RECEIVABLE

(in thousands)	1981	1980
Notes, mortgages and agreements for sale, interest bearing	$ 73,374	53,412
Trade accounts, rents and other receivables	23,870	22,716
Due from joint ventures	7,794	8,165
Receivable from officers	7,483	5,898
	$112,521	90,191
Due within one year	$ 45,132	46,825

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

9. OTHER ASSETS

(in thousands)	1981	1980
Prepaid expenses	$ 2,859	927
Deposits	13,456	10,495
Miscellaneous	2,348	3,329
	$ 18,663	14,751

10. DEFERRED CHARGES

(in thousands)	1981	1980
Unamortized foreign exchange translation differences	$ 1,658	1,300
Unamortized discount and expenses on issue of long-term debt	13,153	5,961
Other	4,982	3,335
	$19,793	10,596

11. 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 the primary security provided for each type of loan.

(in thousands)	Average Interest Rates at December 31, 1981	Long-term debt	Short-term Debt	Total 1981	Total 1980
Debt secured by:					
Properties:					
Mortgages, loans and bonds	10.39%	$341,360	—	341,360	344,829
Sale/lease back financing	9.90	38,000	—	38,000	38,000
Bank loans – floating rate	16.80	35,879	6,100	41,979	19,785
Properties under development:					
Mortgage loans	9.21	77,394	—	77,394	5,993
Bank loans – floating rate	17.10	33,251	11,249	44,500	29,409
Land held for sale and development:					
Mortgage loans	11.32	103,708	3,000	106,708	37,609
Bank loans – floating rate	16.10	174,711	52,767	227,478	48,473
Affiliated company	16.25	7,000	—	7,000	7,187
Real estate inventories:					
Mortgage loans	16.00	—	705	705	4,654
Bank loans – floating rate	16.93	—	83,890	83,890	58,480
Investments and other assets:					
Bank income debentures	10.70	97,598	—	97,598	93,974
Mortgage loans and notes	15.37	11,321	763	12,084	4,260
Bank loans – floating rate	16.62	10,242	88,377	98,619	108,661
Convertible notes	6.63	636	—	636	1,272
	13.07%	$931,100	246,851	1,177,951	802,586

Long-term debt balances at December 31, 1981 are due as follows:

(in thousands)		Instalment Payments	Balance Due at Maturity	Long-term Debt
	1982	$20,057	81,091	101,148
	1983	33,958	138,868	172,826
	1984	34,941	133,583	168,524
	1985	14,728	22,674	37,402
	1986	6,764	26,241	33,005
subsequent to	1986	—	—	418,195
				$931,100

12. CAPITAL STOCK

The authorized and issued capital stock of the Corporation at December 31, 1981 is as follows:

	Authorized	Issued and Outstanding	(in thousands) 1981	1980
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	—	—	—
Class A Common Shares	141,319	—	—	—
Common Shares	40,000,000	16,165,037	13,753	12,158
			$21,353	19,758

Second Preference Shares

Pursuant to Articles of Amendment dated May 4, 1981, the 1,000,000 authorized and issued 3% non-cumulative, redeemable, Second Preference Shares with a par value of $0.20 each entitling the holder to ten votes per share, were split four-for-one thereby creating 4,000,000 authorized and issued Second Preference Shares. Preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Second Preference Shares remain unchanged.

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. There are 1,480,000 Series A Preference Shares outstanding at December 31, 1981.

Class A Common Shares

There are 141,319 Class A Common Shares authorized with a par value of $7 per share, redeemable at the option of the Corporation or the holder at any time at a redemption price equal to $7 per share plus all declared and unpaid dividends thereon. These Class A Common Shares are reserved for issuance on conversion of the convertible notes payable.

During 1981, 141,319 Class A Common Shares were issued and redeemed on conversion of a convertible note payable having a face amount of $635,936. The premium on conversion in the amount of $353,287 was charged to retained earnings.

In January 1982 the remaining convertible note was converted into 141,319 Class A Common Shares of the Corporation and redeemed.

Common Shares

Pursuant to Articles of Amendment dated May 4, 1981, the 10,000,000 authorized Common Shares without par value, were split four-for-one thereby creating 40,000,000 authorized common shares.

There are 40,000,000 authorized Common Shares without par value of which 16,165,037 were issued and outstanding at December 31, 1981 (1980 – 15,987,816 shares). During 1981 177,221 shares were issued for a cash consideration of $1,594,989.

13. SEGMENTED INFORMATION

The business of the Corporation is the investment in and development of real estate in Canada and the United States of America.

In the opinion of management, the Corporation operates primarily in two segments of this industry; commercial and residential. The commercial segment includes the development, operation and management of retail, office and industrial space and apartments and the acquisition, development and sale of commercial real estate. The residential segment includes the development and sale of highrise condominiums and single family housing and the acquisition, development and sale of land.

Segmented information for the years ended December 31 is as follows:

	Canada		United States		Consolidated	
(in thousands)	1981	1980	1981	1980	1981	1980
SEGMENT REVENUE						
Commercial						
– rental	$ 99,625	90,819	8,796	2,671	108,421	93,490
– real estate sales	11,872	10,235	40,963	18,009	52,835	28,244
Residential						
– housing	31,086	70,859	34,591	—	65,677	70,859
– land	8,080	4,653	8,437	7,347	16,517	12,000
Other	66,883	70,606	—	—	66,883	70,606
	$217,546	247,172	92,787	28,027	310,333	275,199
SEGMENT OPERATING PROFIT						
Commercial						
– rental	$ 53,039	51,932	3,277	2,124	56,316	54,056
– real estate sales	61	2,970	14,098	4,381	14,159	7,351
Residential						
– housing	4,102	11,770	5,112	—	9,214	11,770
– land	1,746	(493)	5,461	2,703	7,207	2,210
Other	10,145	2,524	—	—	10,145	2,524
Total operating profit	$ 69,093	68,703	27,948	9,208	97,041	77,911
Gain on sale of properties					26,933	6,068
General corporate expenses					(10,777)	(7,479)
Financing					(62,953)	(53,373)
Income taxes – deferred					(18,000)	(8,600)
Net earnings					$ 32,244	14,527
IDENTIFIABLE ASSETS						
Commercial	$637,998	460,745	270,656	102,132	908,654	562,877
Residential	83,921	83,609	268,095	127,543	352,016	211,152
Other	126,613	181,847	23,572	43	150,185	181,890
	$848,532	726,201	562,323	229,718	1,410,855	955,919
CAPITAL EXPENDITURES*						
Commercial	$178,543	25,704	187,157	37,051	365,700	62,755
Residential	34,091	31,337	163,478	63,915	197,569	95,252
Other	3,296	3,896	—	—	3,296	3,896
	$215,930	60,937	350,635	100,966	566,565	161,903
DEPRECIATION AND AMORTIZATION						
Commercial	$ 5,419	4,416	448	293	5,867	4,709
Other	2,889	4,825	—	—	2,889	4,825
	$ 8,308	9,241	448	293	8,756	9,534

*Capital expenditures include amounts capitalized to properties under development, land and housing inventories, a portion of which is in this year's cost of sales.

The segment headed "Other", as shown above, is made up of the following operations:

(in thousands)	Canada 1981	Canada 1980	United States 1981	United States 1980	Consolidated 1981	Consolidated 1980
SEGMENT REVENUE						
Hotels	$ 32,564	42,490			32,564	42,490
Lumber and Building Products	26,287	25,868			26,287	25,868
Miscellaneous	8,032	2,248			8,032	2,248
	$ 66,883	70,606	—	—	66,883	70,606
SEGMENT OPERATING PROFIT						
Hotels	$ 5,963	2,627			5,963	2,627
Lumber and Building Products	(2,062)	(1,482)			(2,062)	(1,482)
Miscellaneous	6,244	1,379			6,244	1,379
	$ 10,145	2,524	—	—	10,145	2,524
IDENTIFIABLE ASSETS						
Hotels	$ —	77,943			—	77,943
Lumber and Building Products	23,660	23,414			23,660	23,414
Miscellaneous	102,953	80,490	23,572	43	126,525	80,533
	$126,613	181,847	23,572	43	150,185	181,890
CAPITAL EXPENDITURES						
Hotels	$ 459	788			459	788
Lumber and Building Products	206	2,137			206	2,137
Miscellaneous	2,631	971			2,631	971
	$ 3,296	3,896	—	—	3,296	3,896
DEPRECIATION AND AMORTIZATION						
Hotels	$ 1,268	2,597			1,268	2,597
Lumber and Building Products	668	735			668	735
Miscellaneous	953	1,493			953	1,493
	$ 2,889	4,825	—	—	2,889	4,825

Hotels:
Effective May 1, 1981 the Corporation ceased to be responsible for the operation and maintenance of the L'Auberge de la Chaudière and the building was leased. Accordingly, the operational results shown above are reflected up to this time and thereafter are reported under rental properties.

The Harbour Castle Hotel was sold on September 14, 1981. The operational results up to this date are shown above.

14. FINANCING

(in thousands)	1981	1980
Financing costs incurred	$140,183	88,521
Less capitalized:		
Properties under development	(16,818)	(4,537)
Land held for sale and development	(44,629)	(22,007)
Real estate inventories	(15,783)	(8,604)
	$ 62,953	53,373

15. GAIN ON SALE OF PROPERTIES

(in thousands)	1981	1980
Harbour Castle Hotel	$25,800	—
Rental properties	1,133	6,068
	$26,933	6,068

16. 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.

17. PER SHARE DATA

Per share data reflects the four-for-one share split that was carried out in May 1981.

18. 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 $30,555,000 and those that are payable within the next five years are as follows:

1982	$1,508,490
1983	1,382,158
1984	1,000,254
1985	704,405
1986	521,688
	$5,116,995

19. 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 $385,000 (1980 – $325,000).

20. STATUTORY INFORMATION

Interest charged against earnings, on indebtedness initially incurred for a term of more than one year, amounted to $56,857,000 (1980 – $51,137,000).

The aggregate direct remuneration paid by the Corporation to directors and senior officers as defined in the Business Corporations Act (Ontario) was $2,272,624 (1980 – $1,578,362) of which the directors in their capacity as directors received $58,500 (1980 – $72,250).

21. COMPARATIVE FIGURES

Certain 1980 comparative figures have been reclassified to conform with the 1981 presentation.

	1981	1980	1979	1978	1977
BALANCE SHEET					
ASSETS					
Properties	$ **597,945**	532,738	546,840	477,070	422,962
Land held for sale and development	**482,315**	196,445	156,949	125,975	86,732
Inventories	**121,792**	77,235	66,762	59,502	66,479
Other	**208,803**	149,501	95,808	57,805	44,610
	$1,410,855	955,919	866,359	720,352	620,783
LIABILITIES					
Secured debt	**$1,177,951**	802,586	735,037	602,576	507,311
Deposits from purchasers	**13,142**	8,927	4,539	4,358	4,327
Accounts payable and accrued liabilities	**61,412**	35,406	39,462	41,501	42,683
Deferred income taxes	**74,022**	56,022	47,422	36,749	33,048
	1,326,527	902,941	826,460	685,364	587,369
SHAREHOLDERS' EQUITY	**84,328**	52,978	39,899	34,988	33,414
	$1,410,855	955,919	866,359	720,352	620,783
STATEMENT OF EARNINGS					
REVENUE					
Properties	$ **146,988**	98,944	80,944	73,396	56,096
Land	**30,785**	34,790	26,308	14,021	7,311
Housing	**65,677**	70,859	70,158	54,069	58,999
Other	**66,883**	70,606	64,682	67,683	47,398
	310,333	275,199	242,092	209,169	169,804
EXPENSES					
Properties	**74,123**	44,031	30,920	25,456	20,134
Land	**21,117**	25,229	18,170	10,552	3,726
Housing	**55,425**	59,089	61,808	55,967	57,949
Other	**53,002**	60,408	56,843	61,837	43,572
Financing	**62,953**	53,373	47,579	43,702	36,075
General and administrative	**20,402**	16,010	12,898	8,623	7,033
	287,022	258,140	228,218	206,137	168,489
	23,311	17,059	13,874	3,032	1,315
Gain on sale of properties	**26,933**	6,068	1,101	725	—
Earnings before taxes and extraordinary items	**50,244**	23,127	14,975	3,757	1,315
Income taxes	**18,000**	8,600	10,174	3,234	(1,174)
Earnings before extraordinary items	**32,244**	14,527	4,801	523	2,489
Extraordinary items	**—**	—	1,800	—	680
Earnings for the period	$ **32,244**	14,527	6,601	523	3,169
Per share	$ **1.98**	.88	.39	—	.10
CASH FLOW FROM OPERATIONS					
Cash provided from operations	$ **60,299**	34,210	24,098	11,817	9,481
Per share	$ **3.73**	2.13	1.50	.77	.33
DIVIDENDS					
Dividends paid	$ **1,610**	1,190	785	368	655
Per share	$ **0.10**	0.075	0.050	0.025	0.025

DIRECTORS

DAVID S. BEATTY
President,
Beatinvest Limited
Toronto

○ 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,
Levesque, Beaubien Inc.
Montreal

□ ROBERT DESPRÉS, O.C.
Chairman,
Atomic Energy of Canada
Limited

○ DAVID KING
Executive Vice-President,
Campeau Corporation

○ RONALD B. McCARTNEY
President,
Campeau Corporation

□ ALAN M. MANN, M.D.
Psychiatrist-in-Chief,
Montreal General Hospital
Montreal

□ FRANÇOIS MERCIER, C.R.
Partner,
Stikeman, Elliott, Tamaki,
Mercier and Robb
Montreal

○ JEAN C. PARADIS
Deputy Chairman,
Campeau Corporation

FRANK STRONACH
Chairman and
Chief Executive Officer,
Magna International Inc.
Toronto

○ Member of Executive Committee
□ Member of Audit Committee

OFFICERS – CAMPEAU CORPORATION

ROBERT CAMPEAU
Chairman of the Board and
Chief Executive Officer

JEAN C. PARADIS
Deputy Chairman

RONALD B. McCARTNEY
President

DAVID KING
Executive Vice-President

WILLIAM J. CARROLL
Executive Vice-President,
Finance

CLEMENT CADIEUX
Senior Vice-President,
Special Projects

JOHN van HAASTRECHT
Senior Vice-President,
Shopping Centre Division

TIMOTHY J. WALKER
Senior Vice-President,
Treasurer

DOUGLAS A. BEGGS
Vice-President,
Comptroller

RAYMOND M. CHEVRIER
Vice-President,
Construction Administration

BRUNO CHIRICOTA
Vice-President,
Forestry Operations

DONALD J. CRESSWELL
Vice-President,
Secretary and
General Counsel

JOHN D. ELLISON
Vice-President,
Land and Housing,
Canada

CLARK W. GILLASPIE
Vice-President,
Commercial Group,
Administration

JEAN-MARIE GAUDREAULT
Vice-President,
Project Planning

NORMAN E. KRAFTCHUK
Vice-President,
Corporate Planning

J.R. RAYMOND LEVESQUE
Vice-President,
N.C.R. and Quebec

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

OFFICERS – U.S. SUBSIDIARIES

J. PIERRE BENOIT
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K1N 8R9

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5th Floor
Toronto, Ontario
M5H 2P6

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