

TORSTAR CORPORATION  
1984 ANNUAL REPORT



# TORSTAR

TORONTO STAR  
HARLEQUIN  
METROLAND  
MILES KIMBALL  
TORSTAR BOOKS

*Torstar Corporation is a broadly based information and entertainment communications company. Its operations include The Toronto Star, Canada's leading metropolitan daily newspaper; Harlequin Enterprises, the world's largest publisher of romance fiction; Metroland Printing & Publishing, commercial printers and publishers of community newspapers; the Miles Kimball Company, direct mail catalogue marketers of gifts and business supplies; and Torstar Books, which produces high quality non-fiction books for the consumer. The company operates on a worldwide basis with approximately half of its revenues generated outside Canada.*

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## **Contents**

Report to Shareholders	2
Newspaper and Printing Division:	
The Toronto Star	4
Metroland	8
Book Publishing and Direct Marketing Division:	
Harlequin Enterprises	9
Torstar Books	12
Miles Kimball	13
Financial Statements	14
Six-Year Operating Highlights	24

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## **Transfer Agent and Registrar**

The National Victoria and Grey  
Trust Company, Limited

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## **Listed**

Class B Shares  
\$2.68 First Preference  
    Shares 1981 Series  
\$1.70 First Preference  
    Shares, Third Series  
Warrants  
Toronto and Montreal  
Stock Exchanges

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## **Annual Meeting**

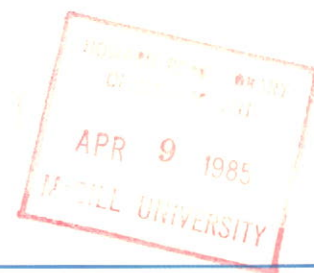
The 1985 Annual Meeting  
of Shareholders will be held  
at 10:00 a.m.,  
Wednesday, April 24th 1985,  
at One Yonge Street, Toronto.

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Corporate Office  
One Yonge Street  
Toronto, Ontario  
M5E 1P9  
(416) 367-4595

## FINANCIAL HIGHLIGHTS

	1984	1983
	(thousands of dollars)	
<b>Operating Results</b>		
Operating revenue . . . . .	<b>\$619,441</b>	\$562,520
Operating profit . . . . .	<b>60,919</b>	47,674
Income from continuing operations . . . . .	<b>20,320</b>	11,609
Net income . . . . .	<b>20,320</b>	5,337
	(percent)	
<b>Operating Ratios</b>		
Operating profit - percent of revenue . . . . .	<b>9.8%</b>	8.5%
Income from continuing operations		
- percent of revenue . . . . .	<b>3.3</b>	2.1
- percent of average shareholders' equity . . . . .	<b>14.5</b>	8.8
	(in dollars)	
<b>Per A and B Share</b>		
Income from continuing operations* . . . . .	<b>\$ 1.47</b>	\$0.80
Net income* . . . . .	<b>1.47</b>	0.30
Shareholders' equity** . . . . .	<b>10.26</b>	9.27
Price range High/Low . . . . .	<b>17.25/10.50</b>	15.00/10.25
*After deducting preference dividends		
**After deducting preference shares		
	(thousands of dollars)	
<b>Financial Position</b>		
Long-term debt . . . . .	<b>\$205,535</b>	\$197,638
Shareholders' equity . . . . .	<b>146,928</b>	132,841



# REPORT TO SHAREHOLDERS

## Overview

Torstar Corporation's operating profits and net income improved substantially in 1984 with all major businesses contributing to higher earnings. Newspaper results were at an all-time high. Harlequin acquired a major competitor, Silhouette, to improve its future prospects. Early in 1985, debt was reduced through an issue of preference shares.

## Earnings

Consolidated revenue increased 10 per cent from \$563 million in 1983 to \$619 million in 1984. Consolidated operating profit grew 28 per cent from \$47.7 million to \$60.9 million. Income from continuing operations was up from \$11.6 million or 80 cents per Class A and B share in 1983, to \$20.3 million or \$1.47 per share in 1984, the highest since 1980.

Operating profit from the newspaper and printing division was up \$7.2 million, reflecting higher advertising volumes and related demand for commercial printing. This growth in an improving economy more than offset the impact of higher newsprint costs. Earnings

increased for both The Toronto Star and Metroland Printing & Publishing. There was a substantial reduction in development spending on Infomart, a videotex company in which Torstar lowered its financial participation early in 1984.

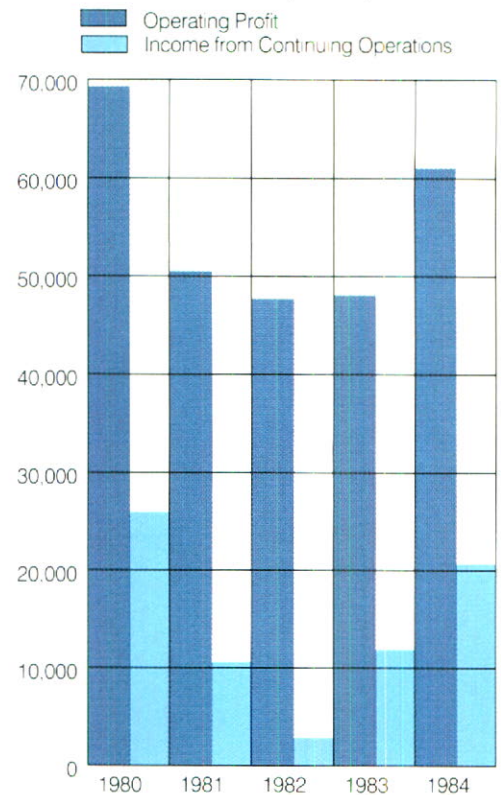
In book publishing and direct marketing, both Harlequin Enterprises and Miles Kimball contributed to a \$6.7 million gain in divisional profit.

Harlequin benefitted from reduced overhead and selling costs, and from a favourable adjustment in 1984 of its provision for book returns in the previous year. Earnings outside North America declined somewhat, and earnings were also reduced by one-time reorganization costs related to Harlequin's acquisition of Silhouette.

Miles Kimball's catalogue marketing business enjoyed a much stronger peak selling season at Christmas than in 1983.

Torstar's interest expense of \$27.6 million was slightly higher than in 1983. The benefits from a lower level of

PROFIT STATISTICS  
1980 - 1984 (\$000's)



debt in the first half of the year were offset by the costs of financing the Silhouette acquisition and higher average interest rates.

Earnings in 1984 reflected a \$1.3 million foreign exchange gain, compared to a \$619,000 loss in 1983.

Net income was \$20.3 million, or \$1.47 per share, compared with \$5.3 million or 30 cents per share in 1983. Income in 1983 was adversely affected by extraordinary losses and operating losses on discontinued operations.

### **Financial Condition**

Long-term debt increased by about \$8 million in 1984 after reflecting an investment of \$24.5 million, including working capital, to acquire Silhouette. Our shareholders' consolidated equity increased approximately \$14 million.

Debt was reduced early in 1985 by almost \$38 million through an issue of convertible preference shares and the sale of a 50 per cent interest in Harlequin's operations in France.

Effective with the first quarter dividend of 1985, the board of directors was pleased to

increase the Class A and B share dividend from 40 cents annually to 50 cents.

### **Organization**

During 1984, Torstar grouped its operating companies into two divisions. David Galloway, president of Harlequin Enterprises Limited, was appointed chief executive officer of the book publishing and direct marketing division, which includes Harlequin, Miles Kimball and Torstar Books. W. L. Heisey continues as chairman of Harlequin Enterprises. David Jolley, president of Toronto Star Newspapers Limited, was appointed chief executive officer of the newspaper and printing division, which includes The Toronto Star and Metroland.

Paul Zimmerman, president of Torstar since 1980, retired in 1984 but remains a member of the board of directors. Mr. Zimmerman, who joined the corporation in 1978, made a major contribution to Torstar's development, particularly in direct marketing, and we are grateful for his efforts.

### **Development and Outlook**

The corporation's primary strategy is to expand our existing businesses through internal development of products and services. Debt reduction remains a priority.

Results in 1985 will depend on economic factors that influence the strength of the Metropolitan Toronto newspaper market and on the extent to which Harlequin realizes benefits from its ownership of Silhouette.

We extend our appreciation to all our employees for their part in building the strength of the corporation. Their efforts are vital to the achievement of our goals in 1985 and future years.

On behalf of the board



Beland Honderich, Chairman  
March 27, 1985

## NEWSPAPER AND PRINTING DIVISION

### THE TORONTO STAR



*David Jolley  
President and Chief Executive  
Officer, Newspaper and  
Printing Division*

The Toronto Star's circulation and advertising performance was at or near record levels in 1984. It was also a year in which several major news events enabled The Star to exhibit the superior coverage that has been the newspaper's trademark for 92 years, reinforcing its position as Canada's largest and most widely read daily newspaper.

Earnings of The Star exceeded the record set in 1983 despite substantially higher newsprint prices.

#### **Circulation**

The total number of copies of The Star purchased in a year broke through the 200 million level for the first time. In general terms, readership progressively strengthened throughout the year.

Average sales of the Monday-to-Friday Star in 1984 were 508,747, up more than 8,000 from the 1983 level of 500,373 and almost 19,000 copies higher than in 1982. The 1984 total was also fewer than 1,000 copies shy of the all-time weekday circulation average high of 509,700, set in 1973.

Sales of The Saturday Star averaged 806,558, slightly below the 1983 record of 807,736.

The Sunday Star's average sales continued to grow in 1984, reaching a record 513,218. This was not only 25,000 copies higher than in 1983 but also marked the first time that Sunday's average sales surpassed the average sales for Monday-to-Friday.

Within the total circulation picture, growth in home delivery was particularly strong in 1984. The number of subscribers taking seven-day delivery of The Star's Morning Edition continued to climb during the year. And sales from our Newspaper in Education program began to make an appreciable impact on weekday readership growth.

The circulation momentum established in 1984, together with aggressive promotion, prevented any negative results from an increase in the weekly home delivery price, implemented January 13, 1985. The price rose from \$2.25 to \$2.40.

#### **Advertising**

Advertising linage in The Star reached an all-time high in 1984 of 64,880,000 lines – the equivalent of 62 full pages on each publishing day of the year.

The total was 4,340,000 lines or 7.2 per cent higher than the previous record, set in 1983.

Improving economic conditions had a salutary effect on Classified Help Wanted and Careers linage, which rose more than 60 per cent in 1984. The National and Travel advertising marketplaces displayed exceptional growth as well during the year.

Although linage from the retail sector exceeded that of a year ago, the increase was slight. In-paper advertising from retailers actually declined in 1984, as many of the major customers shifted their promotional programs to pre-printed inserts.

Total linage in November of 1984 of 6,518,000 lines was a record high for any month in the paper's history, eclipsing the previous any-month record of 5,990,000 lines, set in November 1983.

Both circulation and advertising gains in 1984 can be attributed in large part to major investments of earlier years including new sections, increased page capacities, and improvements in distribution.

### Editorial

Several major news events of 1984 attracted increased newspaper readership. These included:

- The resignation of Prime

Minister Pierre Trudeau. A special section entitled "The Trudeau Years" sold 170,000 extra copies of the paper.

- The federal leadership convention that elected John Turner as Liberal party leader, followed by the federal election itself and Brian Mulroney's runaway victory.
- The 1984 Summer Olympics in Los Angeles.
- Pope John Paul II's visit to Toronto, an event covered by more than 100 Star reporters, columnists, photographers and editors. A special section on the Pontiff's visit sold 112,000 extra papers.
- The autumn visit of Queen Elizabeth II and Prince Philip.

*Each week, The Star's range of sections appeals to virtually any reader interest.*



- Year-long celebrations marking Toronto's sesquicentennial, highlighted by the visits of the Tall Ships and the royal yacht Britannia.
- Marc Garneau, Canada's first astronaut.
- Rock star Michael Jackson's Toronto concerts.
- The assassination of India's Prime Minister Indira Ghandi.
- Drought in Ethiopia and other African countries.
- The resignation of Ontario Premier William Davis and events leading up to the party convention that chose Frank Miller as his successor.
- And the location of Toronto's domed stadium.

The Star's editorial excellence was recognized in several awards announced during 1984. A team of editors, photographers and reporters – 31 in all – won a 1983 National Newspaper Award for spot news reporting. It was for coverage of the federal Progressive Conservative leadership convention that, in the judges' opinion, "did an excellent job of breathing new life into a story that had been essentially picked clean by radio and television."

Other staff award winners included: Energy writer Diane Francis (Canadian Petroleum

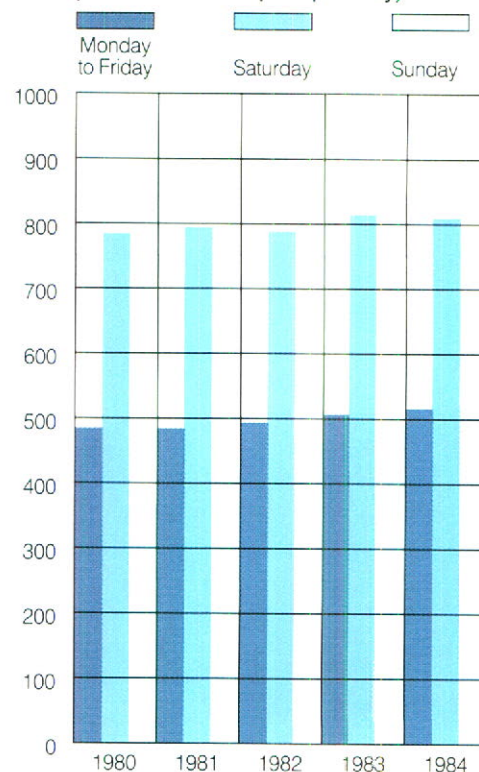
Association National Journalism Award); reporter-photographer Jim Wilkes (Toronto Fire Fighters' Association Media Award); reporter Rosie DiManno, photographer Tony Bock and reporter-photographer Dale Brazao (Metropolitan Toronto Police Association and The Toronto Press Club); columnist Stasia Evasuk (St. John Ambulance Priory Vote of Thanks); and reporter Joe Serge (Council of National Ethnocultural Organizations).

Research and development in 1984 led to a completely revamped and expanded entertainment section, called "What's On", introduced in the Friday Star on March 8, 1985. This weekly section offers comprehensive listings of a broad range of entertainment activities in and around Metro Toronto. The section covers not only the more traditional fields of entertainment but also caters extensively to the interests of younger readers.

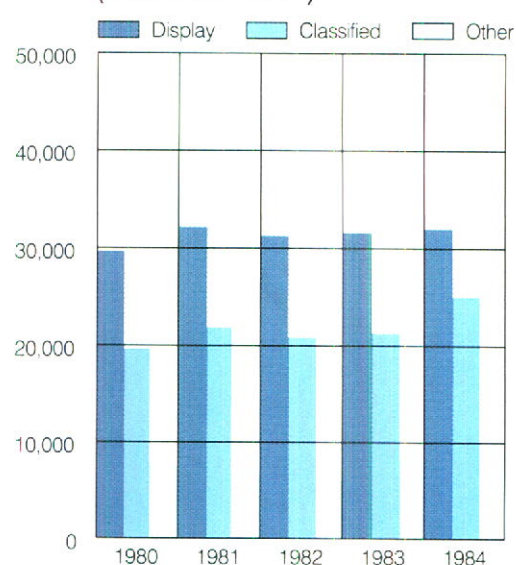
### Community Activities

The Star continued in 1984 to play a major role in community activities in Metro Toronto. The annual Toronto Star Great Salmon Hunt drew almost 12,000 entrants and, once again, proceeds from this six-week,

CIRCULATION STATISTICS  
(thousands of copies per day)



ADVERTISING PERFORMANCE  
(thousands of lines)





non-profit summer derby are being returned to help foster the growth of Lake Ontario's sport fishing industry. The Salmon Hunt generates an economic contribution of more than \$10,000,000 annually, mainly through the sale of boats, motors and other fishing accessories.

A highlight of 1984 was the official opening of The Martin Goodman Trail, a 20-kilometre fitness and recreation pathway along Toronto's waterfront. The Trail, financed by The Star and three levels of government and completed as a sesquicentennial gift to Toronto, is named in memory of the late president of The Star, who died in 1981. The Trail was formally opened by Martin Goodman's wife, Janis, assisted by Star publisher Beland Honderich and Toronto Mayor Art Eggleton.

Contributions to The Star's cherished Fresh Air and Santa Claus Funds in 1984 were a record \$766,000. Ever since 1902, Star readers have contributed annually to help Metro's underprivileged children enjoy a summer camp adventure and a Christmas box. Helped by dozens of volunteers, The Star absorbs all administrative costs of the

funds, thereby assuring that every penny donated is used to help the children.

### Outlook

If economic conditions are stable in 1985, circulation, advertising linage, and earnings should remain at satisfactory

levels. The record levels of 1984, however, may be difficult to match. Newsprint prices have increased sharply and contracts with all The Star's unions are to be renegotiated during the year. On the other hand, careful cost-control programs remain in place.

*Star front pages captured the year's top stories.*



## METROLAND

Distribution and advertising volumes at Metroland Printing & Publishing increased during 1984. The company also launched a major expansion of printing capacities to strengthen its position as the leading publisher of community newspapers, and printer and distributor of advertising inserts and flyers in the Metropolitan Toronto area.

After absorbing considerable investment and expansion costs, Metroland profits increased in 1984.

### Newspapers

Metroland's community newspapers provide local news and advertising information to more than 1.5 million readers in 20 communities in and around Metro Toronto. Distribution of the mid-week papers was increased in 1984 from 480,000 to 515,000 households while distribution of weekend editions remained constant at 120,000 households. During the year, Metroland also introduced "Marketplace", a specialized advertising shopper designed for small advertisers to reach their immediate market area at lower cost.

Advertising lineage in Metroland newspapers increased 1.4

percent in 1984. Lower Retail lineage was more than offset by increases in Real Estate, Classified and National categories, and by growth in inserts.

### Distribution

The steady increases in distribution of advertising material continued in 1984, with approximately 240 million pieces delivered during the year. Deliveries can be made on any day during the week.

Computerized systems have been developed to enable Metroland to meet advertiser demand for targeted distribution. The company can now select from about 1.3 million addresses in computer files to give advertisers precise, selected distribution of promotional material.

### Printing

Strong demand for printing, particularly of advertising inserts, led to a substantial gain in printing revenues and profit.

Installation of a modified heatset printing press at a new Metroland production plant was completed in March, 1985. Metroland now provides advertisers with a full choice of offset, rotogravure or heatset printing.

*Metroland's community newspapers blanket the Greater Toronto area.*



## BOOK PUBLISHING AND DIRECT MARKETING DIVISION

### HARLEQUIN ENTERPRISES



*David Galloway  
President and Chief Executive  
Officer; Book Publishing and  
Direct Marketing Division*

Harlequin Enterprises sold more than 200 million books in 1984 and, before depreciation and goodwill amortization, had operating profits of almost \$21 million.

In July, Harlequin acquired Silhouette, a major publisher of romance fiction, formerly owned by Simon & Schuster, Inc. In so doing, Harlequin consolidated its position as the largest publisher of romance fiction in every major market.

While the acquisition had only a minor effect on 1984 earnings after charging initial reorganization costs, it will have an important impact in the future. Silhouette adds significant sales volume to Harlequin with only minor cost increases.

The cost of the acquisition was \$10 million U.S., plus working capital, with possible additional payments depending upon future earnings growth of Harlequin.

#### **North American Retail**

Earnings at retail in 1984 were ahead of 1983, largely as a result of significant reductions in overhead and selling costs. Non-recurring reorganization costs more than offset a favourable adjustment of a prior

year provision for book returns. Selling cost reductions, some of which were implemented in late 1983, were enhanced through a distribution agreement entered into with Simon & Schuster effective August 1, 1984. This arrangement will reduce such costs further in 1985.

The North American retail market has declined from its 1982 high. Publishers have reduced promotional activity as the introduction of new lines into the market was cut back. A number of competitive lines for which sales did not warrant shelf space have been withdrawn from distribution.

The acquisition of Silhouette increases Harlequin's retail volume in North America by more than 50 percent. In addition, Harlequin's market share grew in 1984 after the launch of a new, more contemporary line, "Harlequin Temptation", which has been well received. A new adventure romance series, "Harlequin Intrigue", was introduced later in 1984.

#### **North American Direct Marketing**

Intense competition at the retail level from 1981 to 1983,

attracted readers from our book club and was the main reason for declines in Harlequin earnings in that period.

In 1984 Harlequin's book club membership and earnings stabilized. More efficient promotion practices were employed to acquire and retain new members and there was improved retention of existing subscribers. Direct marketing earnings in North America will also benefit from the addition of Silhouette's book club members.

### Overseas

Overseas earnings were reduced in 1984 as a result of a soft market in Germany, competitive activity in France, the United Kingdom and Australia, and a decline of approximately 10 percent in the value of overseas currencies against the Canadian dollar.

Italy, Japan and Scandinavia continue to perform well and enjoyed profit growth in 1984. Profits in Holland were stable. Harlequin Spanish language profits continue to be low as a result of constant devaluation of Mexican and Latin American currencies.

In 1984, Harlequin shifted the base of overseas operations from the United Kingdom to

Toronto. This move will save approximately \$1 million in overhead in 1985.

The purchase of Silhouette will have a beneficial impact on overseas earnings, although the gains will accrue gradually. In those countries where we are the publishers of Silhouette books – the U.K., Australia, Germany and Holland – there will be a contribution in sales and earnings in 1985. In France,

Italy and Japan we are contractually obligated to continue to sell the Silhouette publishing rights to competitors for several years.

Early in 1985 Harlequin sold 50 percent of its French operations to Hachette S.A., France's leading book publisher and distributor, for \$7.3 million. It is expected that the new joint venture in France will provide further opportunities for growth.



*Harlequin titles are published in as many as 14 languages.*

## Development

Given the mature market in series romance fiction, Harlequin plans to diversify by capitalizing on its strengths in international marketing, direct marketing in North America and general publishing skills. For example, in 1985, Harlequin will distribute the board game Trivial Pursuit in Japan, test market a new romance book club in North America and explore a number of general publishing opportunities apart from series romance.

## Outlook

The Silhouette acquisition should provide extensive

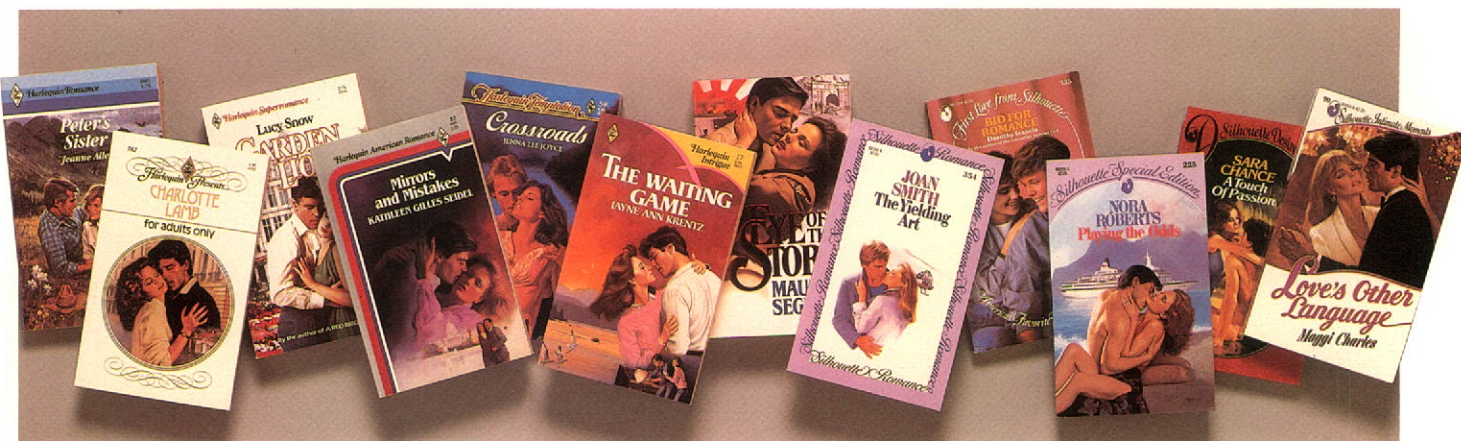
benefits to Harlequin in 1985 and future years. Additional retail and book club volume and lower distribution costs in North America are assured in 1985. As well, improved retention of book club members is encouraging for North American Direct Marketing.

Optimism must be tempered because the total North American market for series romance fiction declined appreciably in 1983 and, apparently, in 1984. Because of the time lag in accepting returns for full credit in the book publishing industry, the extent of decline in 1984 is not yet certain, nor is the trend for 1985.

Overseas, the benefits from Silhouette will be relatively minor in 1985, and operating profits will be reduced in France as the joint venture in that country will incur startup costs. After 1985, we are optimistic that substantial benefits will be achieved in our overseas operations.

Finally, currency trends in relation to the Canadian dollar will continue to impact Harlequin results. The strength of the U.S. dollar continued in early 1985, with beneficial effect on U.S. results, more than offsetting negative effects on overseas earnings.

*Harlequin's product lines now include the full range of Silhouette products in most markets.*



## TORSTAR BOOKS

Under the imprint of Torstar Books, the corporation initiated a program two years ago to develop a non-fiction, direct mail, publishing division. The strategy is to capitalize on lifestyle trends that invite both direct-to-home sales and family reference publications.

Torstar is positioned to enter this field with relatively low cost and investment risk through a U.K. subsidiary, Marshall Editions. Marshall is a book packaging enterprise, experienced at developing books for other publishers worldwide; as such, the company has the expertise to produce books for publication and distribution by Torstar Books in North America.

The rights to a series entitled "The Human Body" were acquired by Torstar Books in January, 1984 from U.S. News and World Report. The product was relaunched during the year and new volumes published. Further volumes will be brought into the market in 1985, together with an aggressive promotion program. The series is expected to generate sales over the next five years.

In 1984, Torstar Books also tested a home needlecraft series called "Stitch by Stitch", based

on editorial material licensed and adapted from a British publisher. The results of the test have been encouraging and this series will be launched in 1985.

Four additional book concepts were at the research and development stage in 1984 and are scheduled for market tests in 1985. These products could be publicly available late in the year and early in 1986.

Investment spending on Torstar Books totalled \$1.6 million in 1984, up from \$800,000 in 1983. Sales levels, including Marshall Editions, approached \$5 million.

It is expected that investment spending will be about \$2 million in 1985. If development continues as planned, a profit contribution by 1987 is anticipated.

*Torstar Books focus on lifestyle trends.*



## MILES KIMBALL

Each year more than 20 million households in the United States receive a gift catalogue through the mail from Miles Kimball of Oshkosh, Wisconsin. The catalogues offer over 2,100 gifts, cards and home products – many available exclusively from Miles Kimball.

In 1984, customers responded at a level above that of 1983 and Miles Kimball enjoyed record earnings – more than 15 per cent above 1983 before depreciation and amortization. These results were achieved despite increased competition as new entrants were attracted to catalogue marketing. Miles Kimball retained its position as the leading direct mail company in its segment of the industry not only because of quality and value – many gift items are priced below \$5 – but also because of an unusually high level of service. Ninety-three per cent of all orders are shipped to customers within 48 hours of receipt. The gift catalogue business is highly seasonal, with a large proportion of sales and earnings occurring in the last quarter of each year. To maximize use of the company's facilities and staff year round, "The Business Book", a 64-page mail order catalogue, was launched in

1982. This program offers the convenience of shopping by mail for hundreds of items used on a daily basis in the business world. Even though development of an operation of this nature entails relatively substantial investment during the initial phase, the Business Book has made excellent progress. The customer list doubled in size in 1984 and

further rapid growth is anticipated in 1985, with a contribution to profits in 1986. While still relatively small, this operation is important to the continued growth of Miles Kimball, particularly as the expanding customer base offers opportunities to increase fulfillment productivity and to develop new products and services.

*Miles Kimball's catalogues offer more than 2,100 items.*



**Torstar Corporation**  
*(Incorporated under the laws of Ontario)*

*Consolidated Balance Sheet*

*December 31, 1984 (with comparative figures at December 31, 1983)*

<b>Assets</b>	<b>1984</b>	<b>1983</b>
		(thousands of dollars)
<i>Current:</i>		
Cash and short term investments . . . . .	<b>\$ 8,649</b>	\$ 12,656
Receivables (note 3) . . . . .	<b>78,651</b>	71,698
Inventories . . . . .	<b>32,006</b>	20,006
Prepaid expenses . . . . .	<b>27,389</b>	22,597
Prepaid and recoverable income taxes (note 4) . . . . .	<b>16,682</b>	11,655
<i>Total current assets</i> . . . . .	<b>163,377</b>	138,612
<i>Income taxes recoverable</i> (note 4) . . . . .	<b>20,892</b>	26,747
<i>Investments and other non-current assets</i> . . . . .	<b>12,695</b>	5,880
<i>Fixed assets at cost:</i>		
Land . . . . .	<b>4,475</b>	4,608
Buildings and leasehold interests . . . . .	<b>22,440</b>	22,097
Machinery and equipment . . . . .	<b>87,783</b>	72,674
	<b>114,698</b>	99,379
Less accumulated depreciation . . . . .	<b>(53,016)</b>	(45,929)
<i>Net fixed assets</i> . . . . .	<b>61,682</b>	53,450
<i>Mailing lists at amortized cost</i> . . . . .	<b>17,509</b>	11,859
<i>Subscription list at amortized cost</i> . . . . .	<b>5,583</b>	5,917
<i>Goodwill at amortized cost</i> . . . . .	<b>202,043</b>	203,464
<i>Total assets</i> . . . . .	<b>\$483,781</b>	\$445,929

(See accompanying notes)

On behalf of the Board



Director



Director



<b>Liabilities and Shareholders' Equity</b>	<b>1984</b>	<b>1983</b>
		(thousands of dollars)
<i>Current:</i>		
Bank indebtedness . . . . .	<b>\$ 21,562</b>	\$ 34,012
Accounts payable and accrued liabilities . . . . .	<b>89,497</b>	62,696
Income taxes payable . . . . .	<b>5,436</b>	9,424
<i>Total current liabilities</i> . . . . .	<b>116,495</b>	106,132
<i>Long-term debt</i> (note 5) . . . . .	<b>205,535</b>	197,638
<i>Deferred income taxes</i> . . . . .	<b>12,037</b>	6,482
<i>Employees' shares subscribed</i> (note 6) . . . . .	<b>2,786</b>	2,836
<i>Shareholders' equity:</i>		
Share capital (note 6)		
First Preference Shares (non-voting) . . . . .	<b>15,708</b>	16,244
Class A (voting) shares and Class B (non-voting) shares . . . . .	<b>19,829</b>	17,627
Contributed surplus . . . . .	<b>3,114</b>	3,114
Retained earnings . . . . .	<b>109,530</b>	95,856
Foreign currency translation adjustment (note 2) . . . . .	<b>(1,253)</b>	
<i>Total shareholders' equity</i> . . . . .	<b>146,928</b>	132,841
 <i>Total liabilities and shareholders' equity</i> . . . . .	 <b>\$483,781</b>	 \$445,929

(See accompanying notes)

### *Auditors' Report*

#### **To the Shareholders of Torstar Corporation**

We have examined the consolidated balance sheet of Torstar Corporation as at December 31, 1984 and the consolidated statements of income, retained earnings and changes in cash and net borrowings 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, the consolidated financial statements present fairly the financial position of the company as at December 31, 1984 and the results of its operations and the changes in its cash and net borrowings for the year then ended in accordance with generally accepted accounting principles which, except for the change explained in note 2 to the consolidated financial statements, have been applied on a basis consistent with that of the preceding year.

March 18, 1985  
Toronto, Ontario

**Clarkson Gordon**  
Chartered Accountants

## Consolidated Statement of Income

Year ended December 31, 1984 (with comparative figures for 1983)

	1984	1983
	(thousands of dollars)	
<b>Operating revenue</b>	<b>\$619,441</b>	\$562,520
<i>Operating profit</i>		
Newspapers and printing	47,202	39,999
Book publishing	11,237	5,472
Catalogue marketing	6,395	5,454
Corporate administration	(3,915)	(3,251)
	<b>60,919</b>	47,674
Interest (net) (note 7)	(27,621)	(26,846)
Foreign exchange gain (loss)	1,322	(619)
<i>Income before taxes</i>	<b>34,620</b>	20,209
Income taxes (note 4)	14,300	8,600
<i>Income from continuing operations</i>	<b>20,320</b>	11,609
Net loss from discontinued operations		(2,192)
<i>Income before extraordinary items</i>	<b>20,320</b>	9,417
Extraordinary loss		(4,080)
<i>Net income</i>	<b>\$ 20,320</b>	\$ 5,337
<i>Earnings per Class A and Class B share after allowing for dividends on First Preference shares (note 9)</i>		
From continuing operations	\$1.47	\$0.80
Before extraordinary items	\$1.47	\$0.62
Net income for the year	\$1.47	\$0.30

(See accompanying notes)

## Consolidated Statement of Retained Earnings

Year ended December 31, 1984 (with comparative figures for 1983)

	1984	1983
	(thousands of dollars)	
<i>Retained earnings, beginning of year</i>	<b>\$ 95,856</b>	\$ 97,169
Net income	20,320	5,337
	<b>116,176</b>	102,506
Dividends – First Preference shares	1,559	1,638
– Class A and B shares	5,087	5,012
	<b>6,646</b>	6,650
<i>Retained earnings, end of year</i>	<b>\$109,530</b>	\$ 95,856

(See accompanying notes)

## Statement of Changes in Cash and Net Borrowings

Year ended December 31, 1984 (with comparative figures for 1983)

	1984	1983
	(thousands of dollars)	
<b>Operating Activities:</b>		
Cash provided by operations:		
Income from continuing operations . . . . .	\$ 20,320	\$ 11,609
Depreciation . . . . .	8,694	8,186
Amortization . . . . .	8,634	7,732
Deferred income taxes . . . . .	6,383	1,642
Decrease (increase) in non-cash working capital . . . . .	12,158	(3,039)
	<u>56,189</u>	26,130
Cash dividends paid . . . . .	(6,018)	(5,607)
Net cash provided by operations . . . . .	<u>50,171</u>	20,523
<b>Investment and other activities:</b>		
Acquisition of Silhouette (note 8) . . . . .	(24,506)	
Fixed asset additions . . . . .	(18,259)	(6,664)
Proceeds from sale of investments and discontinued operations . . . . .		11,442
Other . . . . .	5,741	4,465
Cash provided by (used in) investment activities . . . . .	<u>(37,024)</u>	9,243
Cash used to reduce net borrowings . . . . .	<u>\$13,147</u>	\$ 29,766
<b>Financing Activities:</b>		
Net borrowings, beginning of year . . . . .	\$218,994	\$248,760
Increase in long-term debt due to revaluing at current exchange rates (note 2) . . . . .	12,601	
Cash used to reduce net borrowings . . . . .	(13,147)	(29,766)
Net borrowings, end of year . . . . .	<u>\$218,448</u>	\$218,994
<i>Represented by:</i>		
Bank indebtedness net of cash and short term investments . . . . .	\$ 12,913	\$ 21,356
Long-term debt . . . . .	205,535	197,638
	<u>\$218,448</u>	\$218,994

(See accompanying notes)

# Notes to Consolidated Financial Statements

December 31, 1984

## 1. Accounting Policies

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in Canada and conform in all material respects with International Accounting Standards. The following is a summary of significant accounting policies:

### (a) Principles of consolidation

The consolidated financial statements include the accounts of the company and all its subsidiaries.

### (b) Foreign exchange

Assets and liabilities denominated in foreign currencies have been translated to Canadian dollars at exchange rates prevailing at the year end with the exception of non-monetary assets and liabilities of integrated operations which are translated at historical rates. Revenues and expenses are translated at average rates for the year.

Exchange adjustments resulting from foreign currency translation are included in income except for those relating to self-sustaining foreign operations (which are included in shareholders' equity as unrealized exchange adjustments) and long-term debt which are amortized over the remaining term of the debt.

### (c) Receivables

Receivables are reduced by provisions for anticipated book returns which are determined by reference to past experience and expectations.

### (d) Inventories

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

### (e) Depreciation

Fixed assets are depreciated using various rates and methods depending on the estimated useful lives of the assets. The rates and methods used for the major depreciable assets are as follows:

- (i) Machinery and equipment-straight line over 10 to 15 years or 20% diminishing balance;
- (ii) Buildings-straight line over 25 years or 5% diminishing balance;
- (iii) Leasehold interests-straight line over the life of the lease.

### (f) Mailing lists

Purchased direct mail marketing lists are amortized on a straight line basis over 5 to 10 years.

### (g) Subscription list

The newspaper subscription list is amortized on a straight line basis over a 30-year period to 2001.

### (h) Goodwill

Goodwill is amortized on a straight line basis over periods of 20 to 40 years from the dates of acquisition.

### (i) Past service pension costs

The costs relating to improved pension benefits granted for employment in prior periods, to the extent they are not covered by pension plan surplus, are amortized over periods not exceeding 15 years from the dates at which such benefits become effective.

## 2. Change in Accounting Policy

In 1984, the company changed its method of accounting for foreign currency translation in accordance with a change in the method recommended by the Canadian Institute of Chartered Accountants. This change has been applied prospectively from January 1, 1984 and accordingly the previously reported consolidated balance sheet at December 31, 1983 and the consolidated statements of income, retained earnings and changes in cash and net borrowings for the year then ended have not been restated. The effect on the current and prior year's earnings and prior year's shareholders' equity is not material.

## 3. Receivables

The provisions for anticipated book returns deducted from receivables at December 31, 1984 amounted to \$56 million (December 31, 1983 - \$45 million).

#### 4. Income Taxes

(a) Income taxes recoverable consist of benefits available due to losses carried forward and timing differences which are expected to reduce future income tax liabilities:

	1984	1983
	(thousands of dollars)	
Estimated U.S. tax reductions available through 1998	<b>\$18,866</b>	\$21,469
Estimated Canadian tax reductions available through 1991	<b>16,083</b>	15,240
Other taxes recoverable	<b>2,625</b>	1,693
	<b>37,574</b>	38,402
Less current portion	<b>16,682</b>	11,655
	<b>\$20,892</b>	\$26,747

In addition there are \$3.5 million in tax benefits not recognized at December 31, 1984, which may be available in future years.

Income taxes payable are due principally in jurisdictions outside North America.

(b) The financial statement tax rate differs from the Canadian statutory rate. A reconciliation of the difference is as follows:

	1984	1983
	%	%
Canadian statutory rate	<b>51.0</b>	51.0
Amortization of goodwill and other outlays not deductible for tax purposes	<b>8.9</b>	14.9
Foreign income taxed at lower rates	<b>(18.2)</b>	(20.9)
Manufacturing and processing profits allowance	<b>( 0.4)</b>	( 5.5)
Other items		3.1
Financial statement tax rate	<b>41.3</b>	42.6

#### 5. Long-term Debt

Long-term debt outstanding at December 31 is as follows:

December 31	1984	1983
	(thousands of dollars)	
Term loan agreement (a)	<b>\$159,286</b>	\$156,796
Bank loans (b)	<b>46,249</b>	40,285
Other debt		557
	<b>\$205,535</b>	\$197,638

(a) Term Loan Agreement: The company has a line of credit with two Canadian banks for up to \$215 million, which reduces by \$21.5 million per year commencing April 2, 1985.

Amounts borrowed under the line of credit are primarily in the form of bankers' acceptances which are issued at varying interest rates normally slightly below prime and maturing over periods ranging from 30 days to one year. Borrowings may be made in Canadian dollars or U.S. dollars.

(b) Bank Loans: The company has borrowed U.S. \$35 million (Cdn. \$46.2 million) from a number of banks with interest rates based upon the prevailing London interbank rate. The loans are due 1986 to 1990.

(c) Interest rates: As of December 31, 1984 interest on long-term debt was payable as follows:

	(thousands of dollars)
At fixed rates:	
- 11.9% until March 1986	\$ 33,035
- 11.9% until December 1985	46,249
At floating rates (average 11.6% at December 31, 1984)	126,251
	<b>\$205,535</b>

Subsequent to December 31, 1984, the interest rate on a further \$52 million of the floating rate debt was fixed at 10.5% until January 1986.

*Notes to Consolidated Financial Statements*  
December 31, 1984

(d) Minimum long-term debt repayment requirements in each year to 1989 are: 1985 nil; 1986 \$9.8 million; 1987 \$19.9 million; 1988 \$32.6 million; 1989 \$34.2 million.

(e) Long-term debt includes U.S. \$107 million. It is anticipated that these borrowings will be repaid out of U.S. dollar earnings.

## 6. Share Capital

(a) The following is a summary of changes in the company's share capital during the year:

	Authorized	Outstanding Shares	Amount
			(000's)
<b>First preference shares, non-voting</b>			
Balance at beginning of year	9,958,200		
<b>\$2.68 - 1981 series</b>			
Balance at beginning of year		578,555	\$14,464
Redeemed during year	(920)	(920)	(23)
Balance at end of year		577,635	14,441
<b>\$1.00 - 1982 series</b>			
Balance at beginning of year		71,200	1,780
Issued during year		4,000	100
Redeemed during year	(20,800)	(20,800)	(520)
Converted to Class B shares	(3,721)	(3,721)	(93)
Balance at end of year		50,679	1,267
<b>Total First Preference Shares</b>	<b>9,932,759</b>	<b>628,314</b>	<b>\$15,708</b>

	Authorized	Outstanding Shares	Amount
			(000's)
<b>Class A (voting) and Class B (non-voting) shares</b>			
Balance at beginning of year	21,029,000		
<b>Class A shares</b>			
Balance at beginning of year		2,595,325	\$ 2,821
Converted to Class B shares		(13,708)	(15)
Balance at end of year		2,581,617	2,806
<b>Class B shares</b>			
Balance at beginning of year		9,984,314	14,806
Converted from Class A shares		13,708	15
Issued as stock dividends		49,059	628
Issued under employees' share purchase plan		151,379	1,474
Converted from 1982 series preference shares		8,650	93
Other		500	7
Balance at end of year		10,207,610	17,023
<b>Total Class A and B shares</b>	<b>21,029,000</b>	<b>12,789,227</b>	<b>\$19,829</b>
<b>Class C (non-voting) shares</b>			
Balance at beginning of year	59,001,738		
Issued during the year as stock dividends on Class A and B shares		8,851,432	\$ 885
Redeemed for cash within 15 days of the dates of issue	(8,851,432)	(8,851,432)	(885)
Balance at end of year	50,150,306	Nil	Nil

(b) Details with respect to rights attaching to the company's share capital are as follows:

(i) **\$2.68 Cumulative Redeemable First Preference Shares, 1981 series (the "1981 series")**

1981 series shares are retractable at the option of the holder at a price of \$25 per share plus accrued and unpaid dividends, if any, (i) at any time before July 1, 1986, provided that such retraction coincides with the exercise of an equivalent number of Class B share purchase warrants or (ii) on June 30, 1986 for cash. The shares are redeemable at the option of the company after June 30, 1986 at predetermined prices varying from \$26.25 to \$25.00 plus accrued and unpaid dividends, if any.

(ii) **\$1.00 Cumulative Convertible, Redeemable First Preference Shares, Second Series (the "1982 series")**

Subject to certain employment conditions and achievement of earnings objectives, the 1982 series, which has been set aside for stock purchase loans to executives, may be eligible for conversion in 1985 and future years into approximately 114,000 Class B shares. The 1982 series shares are redeemable at any time at a price of \$25 per share at the option of either the holder or the company.

(iii) **Class A (voting) and Class B (non-voting) shares**

Class A and Class B shareholders may elect to receive dividends in cash or stock dividends in the form of Class B or Class C shares.

Class A shares are convertible at any time at the option of the holder into Class B shares.

(iv) **Voting provisions**

First Preference Shares are non-voting unless eight quarterly dividends in aggregate on any series of First Preference

Shares have not been paid. So long as any dividends remain in arrears, holders of all First Preference Shares are entitled to one vote for each share held to elect two directors.

Class B Shares are non-voting unless eight consecutive quarterly dividends have not been paid. In that event, and until the company pays full quarterly dividends on the Class B Shares for eight consecutive quarters, holders of Class B Shares will be entitled to one vote for each share held.

(v) **Class B share purchase warrants**

Class B share purchase warrants entitle the holder thereof to purchase one Class B share at a price of \$20.50 before July 1, 1986. At December 31, 1984 there were 604,183 warrants outstanding.

(vi) **Restrictions on transfer**

Registration of the transfer of any of the company's shares may be refused if such transfer could jeopardize either the ability of the company to engage in broadcasting or its status as a Canadian newspaper.

(c) Under the company's employees' share purchase plan, employees may subscribe for Class B shares to be paid for through payroll deductions over two-year periods at a purchase price which is the lower of:

- (i) 95% of the market price on the entry date; or
- (ii) the market price at the end of the payment period.

As at December 31, 1984, outstanding employee subscriptions were as follows:

Number of shares	Subscription rate per share	Maturing
94,892	\$12.45	May 1985
148,671	\$10.79	April 1986

# Notes to Consolidated Financial Statements

December 31, 1984

## 7. Interest

Interest expense and revenue for the years ended December 31, 1984 and 1983 consisted of:

	1984	1983
	(thousands of dollars)	
Interest expense		
– non-current	\$26,643	\$28,879
– other	3,332	2,247
Interest revenue	(2,354)	(4,280)
	\$27,621	\$26,846

## 8. Acquisition

Effective August 1, 1984, the company, through its subsidiary Harlequin Enterprises Limited ("Harlequin") acquired, for cash, the Silhouette Book Publishing Division of Simon & Schuster Inc. The acquisition which was accounted for as a purchase may be summarized as follows:

	(thousands of dollars)
Net assets acquired:	
Working capital	\$13,090
Fixed assets and other	
non-current assets	2,357
Mailing list	6,533
Goodwill	2,526
Cost of acquisition	\$24,506

In addition, Harlequin has agreed to pay Simon & Schuster Inc. further amounts in the period 1986 through 1992 if Harlequin's romance fiction book business earnings increase above an agreed base. The maximum of these contingent payments is a further U.S. \$25 million.

## 9. Earnings Per Class A and Class B Share

For purposes of calculating earnings per Class A and Class B share, net income for the year has been reduced by dividends paid on First Preference Shares. The dilutive effect on the earnings per share calculation from the potential exercise of the Class B share purchase warrants and conversion of 1982 First Preference Shares is immaterial.

## 10. Pension Plans

The unamortized past service costs for pension benefits in effect at December 31, 1984 approximate \$5.8 million. Benefit improvements have been implemented in 1985 which increase pension plan liabilities by a further \$3.7 million.

## 11. Lease Obligations

The company is committed to annual rentals of approximately \$6 million for each of the next five years. Included in such commitments is a long term obligation, to the year 2001, requiring annual rental payments of \$1.7 million plus other costs.

## 12. Subsequent Events

(a) In March 1985, the company issued, for \$31.5 million, 1.4 million \$1.70 Cumulative Redeemable Convertible First Preference Shares, Third Series. These shares are convertible into Class B shares until April 1990 on a one-for-one basis. The net proceeds were used to reduce short term borrowings, to prepay long-term debt and for working capital.

(b) Effective January 1, 1985, Harlequin entered into a joint venture with its distributor in France, Hachette S.A., under which Harlequin sold a 50% interest in its French operations for \$7.3 million. The resulting gain, net of income taxes, was approximately \$1.5 million.

## 13. Segmented Information

The company's continuing operations are classified into three business segments:

Newspapers and Printing – Publishing of daily and community newspapers and commercial printing.

Book Publishing – Publishing of romance fiction, distributed through retail outlets and by direct mail, and non-fiction books distributed primarily through direct mail.

Catalogue Marketing – Distribution of gifts and business supplies through direct mail catalogues.



The following is a summary of business and geographic segments of the company:

(thousands of dollars)

Business Segments	Operating Revenue		Operating Profit before Depreciation and Amortization		Operating Profit	
	1984	1983	1984	1983	1984	1983
Newspaper publishing and printing	\$327,205	\$294,579	\$52,967	\$45,597	\$47,202	\$39,999
Book publishing	233,110	212,914	19,262	12,636	11,237	5,472
Catalogue marketing	59,126	55,027	9,882	8,563	6,395	5,454
Corporate administration			(3,864)	(3,204)	(3,915)	(3,251)
Consolidated	\$619,441	\$562,520	\$78,247	\$63,592	\$60,919	\$47,674

	Identifiable Assets		Additions to fixed assets		Depreciation and Amortization	
	1984	1983	1984	1983	1984	1983
Newspaper publishing and printing	\$129,755	\$111,408	\$13,117	\$3,838	\$5,765	\$5,598
Book publishing	290,008	273,332	4,841	2,491	8,025	7,164
Catalogue marketing	40,363	36,991	255	332	3,487	3,109
Corporate	23,655	24,198	46	3	51	47
Consolidated	\$483,781	\$445,929	\$18,259	\$6,664	\$17,328	\$15,918

Geographic Segments	Operating Revenue		Operating Profit		Identifiable Assets	
	1984	1983	1984	1983	1984	1983
Canada	\$344,240	\$309,145	\$46,408	\$39,470	\$170,267	\$153,243
United States	181,884	151,491	13,675	5,809	207,102	192,119
Other (a)	93,317	101,884	4,751	5,646	82,757	76,369
Corporate administration			(3,915)	(3,251)	23,655	24,198
Consolidated	\$619,441	\$562,520	\$60,919	\$47,674	\$483,781	\$445,929

(a) Principally United Kingdom, France, Germany, Australia and Italy.

## Six-Year Operating Highlights – Continuing Operations

	1979	1980	1981	1982	1983	1984
<b>Operating Revenue</b>						
(thousands of dollars)						
Newspaper publishing and printing	172,058	191,440	242,048	258,697	294,579	<b>327,205</b>
Book publishing	146,317	184,402	194,543	225,395	212,914	<b>233,110</b>
Catalogue marketing		38,639	52,357	52,195	55,027	<b>59,126</b>
Operating revenue	<u>318,375</u>	<u>414,481</u>	<u>488,948</u>	<u>536,287</u>	<u>562,520</u>	<b>619,441</b>
<b>Operating Profit and Income from continuing operations</b>						
(thousands of dollars)						
Newspaper publishing and printing	17,383	19,002	25,256	17,382	39,999	<b>47,202</b>
Book publishing	41,614	44,685	22,264	25,823	5,472	<b>11,237</b>
Catalogue marketing		7,477	5,757	6,570	5,454	<b>6,395</b>
Corporate Administration	(2,620)	(2,700)	(2,376)	(2,673)	(3,251)	<b>(3,915)</b>
Operating profit	<u>56,377</u>	<u>68,464</u>	<u>50,901</u>	<u>47,102</u>	<u>47,674</u>	<b>60,919</b>
Interest and foreign exchange expense (income)	(435)	6,410	33,901	38,393	27,465	<b>26,299</b>
Income before taxes	<u>56,812</u>	<u>62,054</u>	<u>17,000</u>	<u>8,709</u>	<u>20,209</u>	<b>34,620</b>
Income taxes	<u>26,696</u>	<u>25,900</u>	<u>5,702</u>	<u>6,000</u>	<u>8,600</u>	<b>14,300</b>
Income before minority interest	<u>30,116</u>	<u>36,154</u>	<u>11,298</u>	<u>2,709</u>	<u>11,609</u>	<b>20,320</b>
Minority interest in earnings of subsidiary	9,583	10,538	725			
Income from continuing operations	<u>20,533</u>	<u>25,616</u>	<u>10,573</u>	<u>2,709</u>	<u>11,609</u>	<b>20,320</b>
<b>Per Share Data</b> (adjusted for 3 for 2 stock split in 1980)						
Income from continuing operations	\$1.68	\$2.10	78¢	9¢	80¢	<b>\$1.47</b>
Dividends – Class A and Class B shares	40¢	55¢	76¢	58¢	40¢	<b>40¢</b>
<b>Rate of Return on Revenue</b>						
Operating profit	17.7%	16.5%	10.4%	8.8%	8.5%	<b>9.8%</b>
Income before minority interest	9.5%	8.7%	2.3%	0.5%	2.1%	<b>3.3%</b>
<b>Return on Equity</b>						
Income from continuing operations as a percentage of average shareholders' equity	20.8%	22.0%	8.1%	2.0%	8.8%	<b>14.5%</b>

# Corporate Directory

## **Torstar Corporation**

### **Board of Directors**

Beland H. Honderich,  
*Chairman*  
J. Murray Cockburn,  
*Executive Vice-President*  
Burnett M. Thall,  
*Vice-President*  
Ruth Atkinson Hindmarsh  
William J. Campbell  
Harry A. Hindmarsh  
Alex J. MacIntosh  
Catherine Atkinson-Crang  
E. Paul Zimmerman  
Duncan L. Gordon  
W. Lawrence Heisey  
John T. Boon, C.B.E.  
John R. Evans  
William G. Hutchison

### **Officers**

Beland H. Honderich,  
*Chairman*  
David A. Galloway,  
*President, Book Publishing  
and Direct Marketing Division*  
David R. Jolley,  
*President, Newspaper and  
Printing Division*  
J. Murray Cockburn,  
*Executive Vice-President*  
Burnett M. Thall,  
*Vice-President*  
Barry A. Henstock,  
*Vice-President, Finance*  
Jacob S. Van Ginkel,  
*Treasurer*  
Robert J. Steacy,  
*Director of Finance*  
J. Blair Mackenzie,  
*General Counsel and Secretary*  
Harry E. Andrews,  
*Secretary to the Board  
and Investment Manager*

## **Book Publishing and Direct Marketing Division**

### **Harlequin Enterprises Limited**

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*Chairman*  
David A. Galloway,  
*President*  
Brian E. Hickey,  
*President, North America*  
Robert J. Massie,  
*Executive Vice-President, Overseas*  
Horst K. W. Bausch,  
*Vice-President and  
Editor-in-Chief*  
W. Martin Catto,  
*Vice-President, Finance*

### **Miles Kimball Company**

Alberta Kimball,  
*Chairman*  
Ted Leyhe,  
*President*  
Thomas L. Drummond,  
*Vice-President, Operations*  
George F. Hagene,  
*Vice-President, Merchandising*  
David Hursh,  
*Vice-President,  
Printing Division*  
Clair R. Martin  
*Vice-President, Finance*  
Alfred F. Miyamoto,  
*Vice-President, Christmas  
Card Design and Art*  
Richard H. Norton,  
*Vice-President,  
Business Book Division*

### **Torstar Books**

Simon G. Waterlow,  
*General Manager*

### **Marshall Editions**

Bruce Marshall,  
*President*

## **Newspaper and Printing Division**

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*President*  
Burnett M. Thall,  
*Senior Vice-President*  
George Radwanski,  
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Ray Timson,  
*Managing Editor*  
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Bruce W. Taylor,  
*Vice-President, Operations*  
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*Director of Advertising*  
John E. A. Brooks,  
*Director of Communications*  
Ralph Brown,  
*Director of Corporate Systems*  
B. Neil Clark,  
*Director of Circulation*  
Christopher J. Davies,  
*Director of Industrial  
Relations*  
Albert J. Simpson,  
*Director of Production*

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Hubert J. Foley,  
*Vice-President, Production*  
Ronald Z. Lenyk,  
*Vice-President, Publisher –  
Mississauga News*  
Murray D. Skinner,  
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Osbawa Division*  
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