The Molson Companies Limited 1982

Annual Report

THE MOLSON COMPANIES

The Molson Companies Limited is a diversified Canadian company employing over 12,500 people across Canada and in 36 other countries around the world, with operations in the brewing, chemical specialties, retailing and distribution sectors.

In the 196 years since its inception, all who have been involved in the growth and evolution of The Molson Companies have been committed to providing products and services of high quality and superior value, and to being responsible members of the communities in which they live and work.

MOLSON ACROSS CANADA AND ABROAD

	Sales Revenues ($ Millions)	Capital Employed ($ Millions)	Shareholders	Employees
World Totals	$1,789.4	$663.4	9,471	12,500
Canada Totals	$1,340.9	$505.6	9,164	8,400
% of World Total—Canada	75%	76%	97%	67%
% of Canada Total—West	32%	35%	28%	29%
% of Canada Total—Ontario	41%	39%	45%	41%
% of Canada Total—Quebec	24%	24%	24%	26%
% of Canada Total—Atlantic	3%	2%	3%	4%

ANNUAL MEETING

The annual meeting of the shareholders will be held in the Salon Viger at Le Chateau Champlain, Montreal, Quebec, on June 28, 1982 at 11:30 a.m. EDT.

RAPPORT ANNUEL

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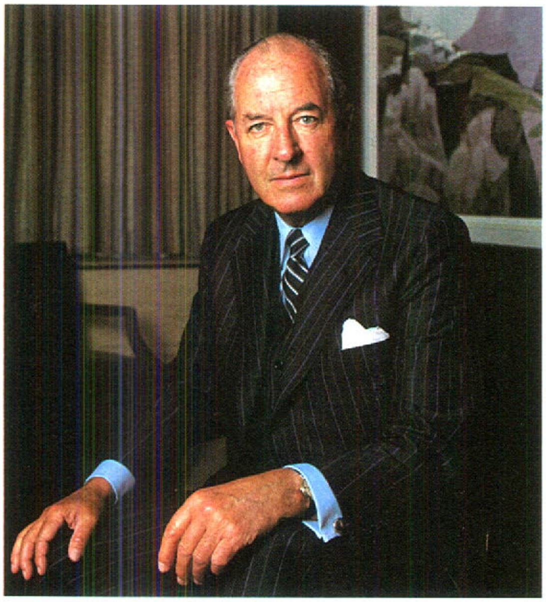
Financial Highlights

	1982	1981
Operations ($ millions):		
Revenues	**$1,798.5**	$1,623.5
Earnings before extraordinary item	**52.8**	39.9
Per share ($):		
Earnings before extraordinary item		
—Basic	**3.75**	2.84
—Fully diluted	**3.53**	2.76
Dividend rate	**1.44**	1.44
Financial position ($ millions):		
Working capital	**153.3**	154.9
Total assets	**880.3**	863.6
Long-term debt	**218.8**	221.7
Shareholders' equity	**327.5**	293.4
Key Ratios:		
Return on shareholders' equity (average)	**17.0%**	14.0%
Total debt: equity ratio	**46:54**	50:50
Current ratio	**1.6:1**	1.5:1

Directors' Report to Shareholders



D. G. Willmot, Chairman of the Board

J. T. Black, President and Chief Executive Officer

We are pleased to report that the Corporation achieved record sales and earnings for fiscal year 1982, despite adverse conditions in Canada and most of the other major countries in which we have operations. Consolidated revenues for fiscal year 1982 increased 10.8 per cent to $1.799 billion from $1.624 billion last year and total net earnings were $52.8 million, an increase of 32.6 per cent over last year's $39.9 million. Basic earnings per share were $3.75 compared to $2.84 before deducting an extraordinary item of 14 cents per share last year, while earnings per share, fully diluted, were $3.53 compared to $2.76 before extraordinary item.

This year's increase in net earnings resulted from a combination of higher earnings from Brewing operations and a lower effective tax rate, partially offset by higher interest costs and unrealized foreign exchange translation losses. It should be noted that the previous year's net earnings were adversely affected by brewing industry work stoppages in Western Canada.

The low level of economic activity, and continued high inflation and interest rates which prevailed throughout the fiscal year, brought about an increased emphasis on more effective management of assets and control of costs and expenses. This contributed to a lower level of borrowing and an improved debt to equity ratio. The focus on asset management continues in each of our businesses, with the objective of reducing the current level of interest costs and further improving liquidity.

During the fiscal year, the Canadian dollar strengthened considerably against most major foreign currencies, with the principal exception of the U.S. dollar. With approximately 25 per cent of our sales revenues being generated outside of Canada, the impact of foreign exchange rates on net earnings can be significant. It is estimated that, if exchange rates had held constant during the past year, total sales revenues would have been $33 million greater and net earnings would have increased by $4.3 million.

The annual dividend rate remained unchanged at $1.44 a share, after having increased in each of the last five years.

Operating Highlights

Sales revenues of the Brewing Group, which accounted for 51 per cent of the Corporation's sales revenues in the past year, were $913.3 million, an increase of 22 per cent. Brewing net operating income was also well ahead of last year. Both sales revenues and operating income comparisons, as already noted, were significantly affected by last year's industry work stoppages in Western Canada. However, even after adjusting for the effect of these work stoppages, Brewing Group net operating income showed an encouraging increase over last year.

Molson Breweries sales volume in Canada increased 5.2 per cent to 7.5 million hectolitres and our national market share was only marginally lower in a year of intense competitive activity. Shipments to the United States, where Molson brands rank second among all imports, increased 8.2 per cent and totalled 1.2 million hectolitres.

Chemical Specialties sales revenues accounted for 23 per cent of the total sales revenues, increasing one per cent to $408.3 million from $405.1 million the previous year. However, because of the effect of foreign exchange translation, reported net operating income was slightly below last year's level. Had it not been for the impact of changes in foreign exchange rates, it is estimated that Diversey's sales revenues and net operating income would have shown increases, over the previous year, of nine per cent and 15 per cent respectively.

Largely due to the recession in the United States, the growth potential of the Diversey and Wyandotte operations in the United States is being realized more slowly than originally planned and, accordingly, income from U.S. operations, while above last year, was below expectations. In the United Kingdom, severe economic conditions were responsible for a relatively poor year. Diversey performed well in most other markets and is well positioned for future growth.

The Retail and Distribution Group accounted for 26 per cent of the Corporation's sales revenues in the year just ended. The difficult economic environment in Canada was most profoundly felt by the businesses in this Group and, as a result, their combined net operating income remained well below acceptable levels.

Total system sales of Beaver Lumber Company Limited, including franchises, increased 10 per cent to $415.6 million, although sales revenues of Beaver Lumber's company-owned stores declined 0.2 per cent to $326.5 million. Net operating income for the year was only slightly above the break-even level, but considerable progress was made in reducing capital employed, through more effective management of working capital and by the closure during the year of 28 uneconomic stores.

Sales revenues of Willson Office Specialty Ltd. increased four per cent to $104.1 million. Willson achieved an encouraging turnaround during the year and recorded a modest profit. During the latter part of the year, Willson gradually withdrew from its Business Environments operations which had specialized in sales of open office systems, design services and executive furniture.

Seaway/Midwest Ltd. achieved an increase of 17 per cent in sales revenues to $36.7 million which produced, in the high cost operating environment which prevailed, net operating income at approximately the same level as last year.

More details on the performance of each of our businesses will be found in the Operating Review and Financial Review sections of this Annual Report.

Capital Expenditures

During the year $65.0 million was spent on capital projects, compared to $70.7 million last year, the lower amount reflecting the fact that a number of projects were cancelled or cut back in the light of economic circumstances.

The Brewing Group incurred the major portion of this capital investment, with $43.3 million spent primarily to improve efficiency and complete capacity expansion projects already started in the Barrie, Ontario and Edmonton, Alberta breweries. Diversey capital spending, of $16.4 million, included expansion of production facilities in Canada, Denmark, France and Singapore. During the coming year, capital expenditures of $57 million are planned, the largest part of which again will be for Brewing projects.

Human Resources

The Directors would like to express their deep appreciation to the over 12,500 employees of our various businesses, working in 37 countries around the world, without whose dedication and contribution these encouraging results could not have been attained in such a difficult year.

Steps were taken during the year to ensure that our organization structures, and management and compensation practices, continue to be appropriate in terms of operational effectiveness and the achievement of business objectives. As a result of these studies, a number of changes in management practices and internal operating relationships, designed to enhance the vitality of the organization through the eighties, are being introduced.

Corporate Relations

Over the years, the Molson organization has contributed substantial sums to support the well-being of the communities in which we operate. Last year, over $1.1 million was donated to a total of over 700 charitable organizations in Canada, in addition to more modest donations in the other countries in which our companies operate. Canadian contributions included over $378,000 to a number of United Way agencies and $212,000 to universities and hospitals across the country. In order to ensure that the Corporation's charitable donations activity is sensitive to local needs and concerns, the administration of this activity is delegated to a number of regional committees, made up of representatives of our different businesses who live and work in that particular region of the country.

Board of Directors

The Board of Directors met seven times during the past year, in Toronto, Montreal and at a special meeting in Calgary, Alberta, where they met with business and community leaders and shareholders from the Calgary area. In the coming year, the Board will hold a similar meeting in Regina, Saskatchewan, in addition to its regular meetings in Toronto and Montreal.

We were pleased to welcome, as a member of the Board, Mr. Robert D. Stuart, of Chicago, Illinois, Chairman of the Board of the Quaker Oats Company, who joined the Board on August 24, 1981.

Outlook

There is considerable debate about the timing of the economic recovery in Canada and elsewhere, but it now appears clear that the poor economic conditions of the past year will continue well into fiscal 1983. And even when that improvement does come, our businesses will continue their efforts to further improve asset management and productivity.

The emphasis of the past year on concentrating on the fundamental strengths of our existing businesses will also continue. In particular, the Brewing Group will direct its efforts at maintaining its growth in the Canadian market while selectively improving its penetration of the U.S. market; the Chemical Specialties Group will place emphasis on achieving profitable growth in the U.S. market and on maintaining market leadership in other important markets of the world; and, our Retail and Distribution Group businesses will continue their efforts to develop sound and profitable bases of operations in what promise to be continuing difficult times.

Regrettably, given the current economic situation and outlook, we expect the operating environment for most of the coming year to be at least as difficult as it has been in the recent past. We are hopeful, however, that the resources and skills available to the Corporation will enable it to achieve improved sales revenues and earnings, despite the difficulties that each of our businesses will have to face.

On behalf of the Board:

D. G. Willmot
Chairman of the Board

J. T. Black
President and Chief Executive Officer

May 26, 1982

Operating Review

BREWING GROUP

Molson Breweries of Canada Limited

Founded in Montreal in 1786, Molson is the oldest established brewing company in North America, producing and marketing 21 brands of beer in Canada, and distributing 3 brands of beer to 37 U.S. states.

Facilities: Breweries in Vancouver, Edmonton, Lethbridge, Regina, Prince Albert, Winnipeg, Barrie, Toronto, Montreal, St. John's, with a combined capacity of more than 10 million hectolitres.

Employees: 4,100

Sales revenues: $913 million

CHEMICAL SPECIALTIES GROUP

Diversey Corporation

Established in 1923, Diversey is a leading worldwide organization which markets chemical specialty products and dispensing systems to industrial, institutional and commercial users in over 100 countries. Its products include cleaning and sanitizing compounds, bacteriacides, lubricants, laundry detergents, metal finishing products and water treatment chemicals.

Facilities: 47 plants in 37 countries

Employees: 4,700

Sales revenues: $408 million

RETAIL AND DISTRIBUTION GROUP

Beaver Lumber Company Limited

Founded in 1906, Beaver Lumber is the major lumber, building materials and related hard goods dealer in Canada, serving the "do-it-yourself" consumer market and commercial and farm customers.

Facilities: 212 stores from Quebec to British Columbia, of which 147 are company-owned and 65 are franchises.

Employees: 1,850

Sales revenues: $327 million

Willson Office Specialty Ltd.

Willson Office Specialty is a leading Canadian commercial and retail distributor of office and education products, business supplies and related office furniture.

Facilities: Commercial business supplies offices in major centres across Canada; Moyer school and education supplies operation; 63 retail stationery (Willson) and 12 educational supplies (Teachers') stores from Quebec to British Columbia.

Employees: 900

Sales revenues: $104 million

SEAWAY MIDWEST

Seaway/Midwest Ltd.

Seaway/Midwest is a major Canadian public warehousing and distribution company.

Facilities: 22 warehouses, comprising more than 3 million square feet of space, and cartage facilities in 8 major Canadian centres.

Employees: 900

Sales revenues: $37 million

Brewing Group

Total sales revenues of Molson Breweries of Canada Limited in the past year increased 22 per cent to $913.3 million from $749.5 million. Net operating income was also considerably above last year's level. However, it should be noted that last year's results were adversely affected by industry work stoppages in Alberta and British Columbia. After adjusting for the estimated impact of the work stoppages, Brewing Group net operating income was eight per cent higher than last year.

In Canada, industry sales volume increased by 5.4 per cent, essentially due to a recovery from the lower than normal sales volume of the previous year, while Molson sales volume increased by 5.2 per cent to 7.5 million hectolitres. As a result, Molson's national market share was down only slightly for the 12 month period, despite intense competitive activity during the year.

Given the current turbulent economic environment, it is gratifying that both the company and employees alike benefited from a year of industrial relations stability across the country. It is expected that this situation will prevail during the coming year, with contracts in Quebec and Ontario expiring at the end of 1982, and the remaining contracts due for renewal in the spring of 1983. All Brewing agreements are negotiated on an industry-wide basis,

In spite of the many changes currently taking place in the brewing industry in Canada, Molson's dedication to quality, based on a tradition of almost 200 years, remains unchanged.

Some of the Molson family of brands which are brewed to meet a range of consumer preferences across Canada, and the 3 brands which are exported to the United States.

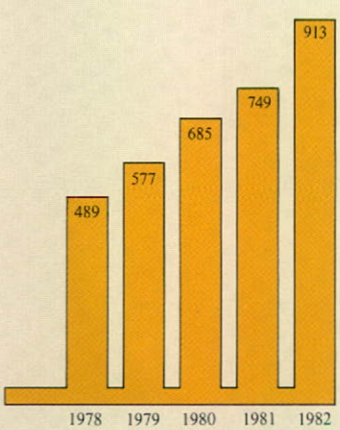
province by province, with the exception of Quebec.

The number of Molson national brands increased to three during the year, with Molson Light joining Export and Canadian. Molson Light, enjoyed by increasing numbers of consumers desiring a light but full-tasting beer, is now produced in six provinces. Molson Export remains Canada's favourite ale and Molson Canadian continued its steady market share growth in the lager market.

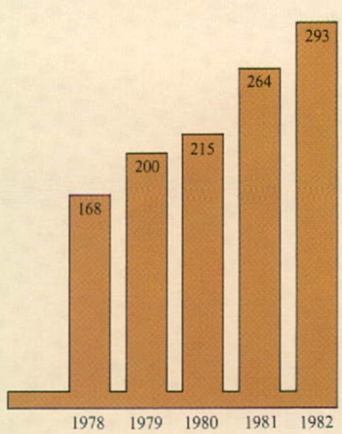
Among the company's multi-regional brands, Molson Golden's trading area was expanded to include Newfoundland, in addition to Ontario, Saskatchewan and Alberta. Brador, a premium beer, is sold in Quebec, Ontario and British Columbia. A number of local Molson brands, appealing to the unique taste preferences of consumers in various parts of the country, are available only in the provinces where they are brewed. These include India in Newfoundland, Laurentide in Quebec, Stock Ale in Ontario, Pilsner in Saskatchewan and Alberta, and Old Style in British Columbia.

Molson's national market share is made up of varying market shares in those provinces where we operate breweries, ranging from a low of about 20 per cent to a high in excess of 50 per cent. While there was some loss of market share to competition early in the year, our position strengthened in the last few months.

Sales revenues
($ millions)



Capital employed
($ millions)



In the United States, despite similar recessionary economic conditions and an intensely competitive marketplace, Molson sales revenues increased by 22 per cent and sales volume was up 8.2 per cent. Against competition from more than 200 other imported beers in the U.S., Molson brands continue to rank second in the U.S. import beer segment, with approximately 1.2 million hectolitres shipped in the past year. Molson brands are now available in 37 states, with seven states, including Alaska and Hawaii, having been added during the year.

Capital spending of $43.3 million during the year covered expansion of brewing and packaging facilities in Barrie and brewing facilities in Vancouver, Edmonton and Regina, and the opening of new reception facilities in Toronto. During the coming year, capital expenditures of $36 million are planned, primarily for further productivity improvements in our breweries at Montreal, Edmonton, Lethbridge and Regina, and relocation and expansion of the central research and development laboratory in Montreal.

Throughout the year, the Molson name continued to be associated with successful and popular sports teams and events. Le Manic de Montréal, our soccer franchise, in its first season in the North American Soccer League, fought its way into the quarter finals and the hearts of Montreal sports fans, setting a record of over 58,000 for attendance at a single soccer game in Canada. In addition, the team won a prestigious marketing award from the Quebec Chamber of Commerce for the breadth and effectiveness of its promotional efforts.

The Montreal Canadiens Hockey Club remains a highly successful and popular sports attraction, and won its Division title before encountering an early setback in the Stanley Cup playoffs this spring. Our association with "Hockey Night in Canada" across the country continues to be one of our most effective advertising vehicles. The Molson Tennis Challenge, in its second year, was also a very successful event and television feature.

Molson's also has a commitment to support excellence in amateur sports in Canada. During the past year, we supported World Cup downhill skiing at Whistler, British Columbia, World Cup ski jumping at Thunder Bay, Ontario and the Montreal Marathon in Quebec. In these events, and others which Molson supported, the performance of Canadian athletes ranked with the world's best.

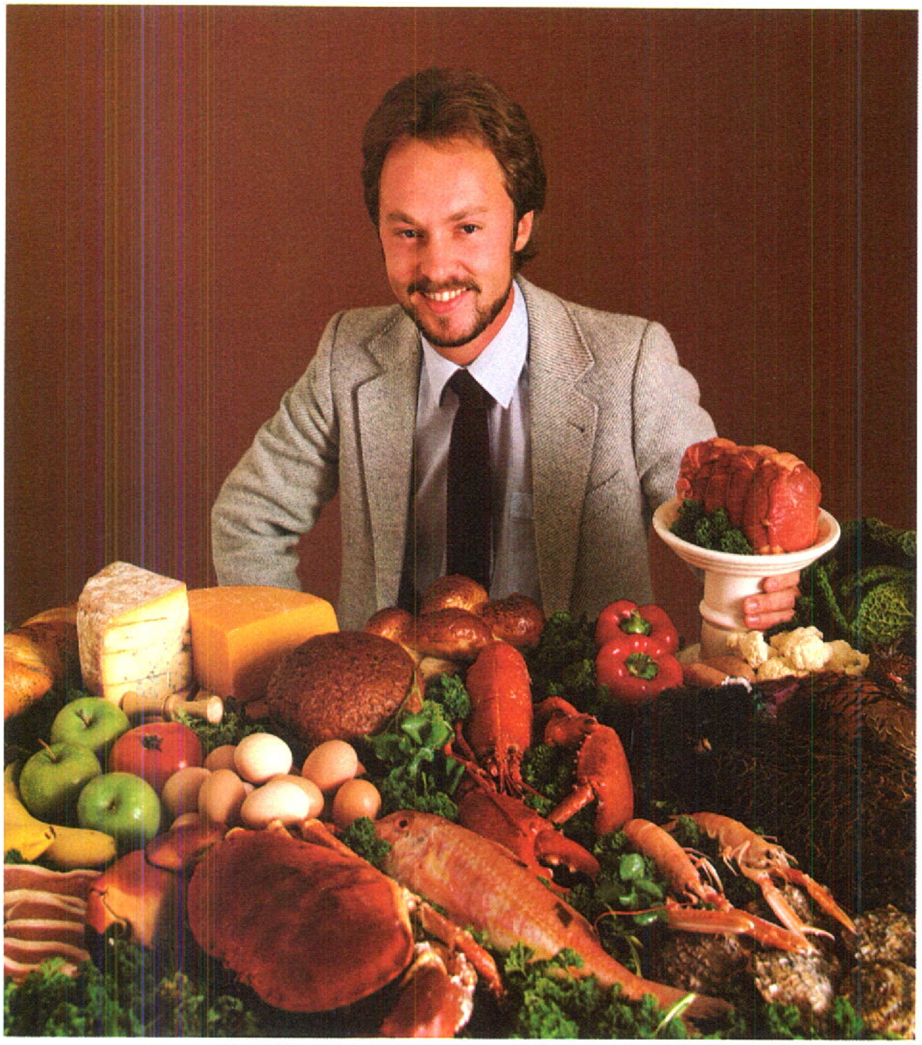
The nature of the brewing industry in Canada has changed steadily over the past several years and competition has become increasingly intense. Both the per capita level of consumption and the rate of industry volume growth have been affected by the increasing levels of taxation on beer, which have effectively reduced the price differential between beer and other alcohol beverages; by unfavourable economic conditions; and by evolving lifestyle changes of traditional and potential consumers of the brewing industry's products. At the same time, there is evidence that the brewing industry is on the verge of important and far-reaching changes in the way its products are priced and marketed across the country, and in the nature of competition.

In this environment, Molson's proven ability to produce high quality products for a variety of tastes, and to sell and market these products effectively, is more important than ever to our success. In the coming year, we expect the operating environment to remain relatively difficult. Nevertheless, given even modest improvement in the North American economy and the continuation of industrial relations stability during the year, we are confident that Molson Breweries of Canada Limited will again achieve solid growth in sales and earnings.

Chemical Specialties Group

Diversey's sales revenues were $408.3 million, an increase of one per cent over last year, while operating profit of $26.7 million was slightly below last year's level. Foreign exchange rates constitute a key element in the comparison with last year as both sales revenues and operating profits were depressed by the impact of the significant strengthening of the Canadian dollar over the past year, in relation to most major currencies except the U.S. dollar. If exchange rates had remained at the average level of the previous year, it is estimated that sales revenues for the year would have been $35.0 million higher and operating profit $6.3 million greater. In addition, the economic difficulties that were experienced in North America were also felt in many of the major countries around the world in which Diversey does business.

One of Diversey's major markets is the institutional market which includes hotels, restaurants, health care facilities, airline flight kitchens and industrial and school cafeterias. These customers, such as the one shown above in London, England, use a range of Diversey products and dispensing equipment, including detergents, sanitizers, and rinse additives.



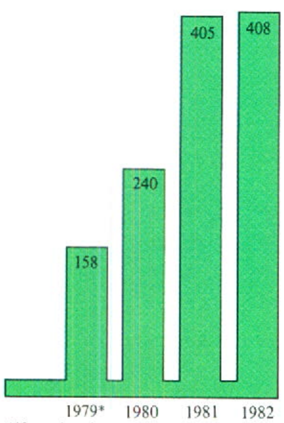
Diversey sales representatives are highly trained and qualified to meet their customers' needs. Erich Bautz of Diversey G.m.b.H. in West Germany is a bacteriologist specializing in milk and food processing and serves Diversey customers in the food processing industry.

In North America, which accounted for 46 per cent of sales revenues and is now Diversey's largest market area, sales revenues increased four per cent over last year. Diversey Wyandotte Inc., the major Canadian operating company, had another good year with sales increasing 14 per cent. In the United States, Diversey Wyandotte Corporation was affected by the low level of economic activity and the additional effort required to effectively integrate the Diversey and Wyandotte sales organizations. As a result, net operating income showed little growth over the previous year. However, we are confident that the benefits of the consolidation of the Diversey and Wyandotte operations will be reflected in improved performance next year.

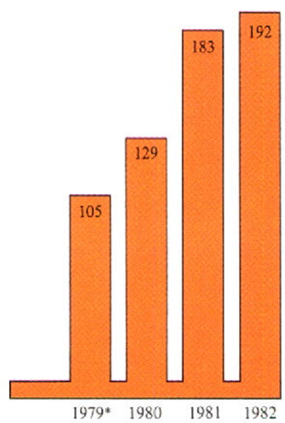
Europe, Diversey's other major market area, accounted for 40 per cent of the company's revenues. Sales revenues declined 10 per cent, due primarily to exchange rate impacts. When expressed in local currencies, however, the sales increases in the major European operations ranged from a low of nine per cent to a high of 28 per cent.

Net operating incomes, in local currencies, showed a similar encouraging trend except for the key market of the United Kingdom, where continued economic difficulties resulted in a decline in earnings. A major cost reduction program has been implemented in the United Kingdom and

Sales revenues
($ millions)



Capital employed
($ millions)



operating income is now returning to more normal levels. In addition, the product line of the U.K. company has been expanded through the acquisition of Russell Kirby Limited, a company with a full range of floor care products.

In Spain, construction was completed of a new 70,000 square foot plant, incorporating laboratory and manufacturing facilities, that will provide capacity for further growth in that country. In Portugal, Diversey acquired Confiltra Limitada to expand its activities in the water treatment business.

In Latin America and the Caribbean, sales revenues increased 14 per cent and accounted for nine per cent of Diversey's total.

Diversey continued to achieve impressive growth in sales revenues in Brazil and Venezuela. Diversey's modest operations in Argentina have been curtailed because of the impact of inflation and interest rates and generally unstable conditions. Exports to those countries in Latin America and the Caribbean where Diversey does not have a resident business operation grew significantly during the year.

Pacific and Far East sales revenues increased 22 per cent over last year and accounted for five per cent of total sales revenues. Australia and Singapore, the major operations in this region, achieved excellent sales and earnings growth for the year. Shortly after the year end, the operations in Japan, which had not been profitable, were sold to a local company and a licensing agreement was arranged.

Capital expenditures during the year were $16.4 million, primarily to expand production facilities in Canada, Denmark, France, Spain and Singapore. Also during the year, the World Headquarters of Diversey Corporation was relocated from Chicago, Illinois to Mississauga, Ontario. During the coming year, capital expenditures of $16 million are planned, covering a range of projects in several countries.

Diversey owes its worldwide strength to its 4,700 dedicated employees, based in 37 countries and serving markets in over 100 countries. In addition to offering a range of over 1,000 high quality products, Diversey representatives have a commitment to specialized service, together with a personal understanding of their customers' businesses. These sales professionals are backed up with the support of a total systems concept, which includes the use of research and development laboratories, equipment design capability, and an extensive technical data base, all of which are linked together to assist in solving customers' problems around the world.

It is clear that improved technology will be an important ingredient in the future growth and development of Diversey. In this regard, efforts have been intensified to bring about the transfer and adaptation of relevant technology from one country to another on as wide a scale as possible. In addition, Diversey will continue to emphasize technical innovation in industries already served, and to utilize its technological expertise and experience as a foundation for developing markets in new industries.

The outlook for the coming year appears favourable. Action has been taken to restore the level of earnings in the United Kingdom and the U.S. company is now positioned to generate the earnings potential foreseen in 1980 when the Wyandotte acquisition was made. In the majority of other countries, there are also encouraging prospects for growth. Assuming some improvement in economic conditions in major markets, and some stabilization in foreign currency exchange rates, we expect Diversey to resume its previous pattern of growth in the coming year.

Retail and Distribution Group

During the past year, the businesses in our Retail and Distribution Group continued to be severely affected by high interest and inflation rates and the resulting low level of economic activity in Canada. The marked slowdown in economic growth was most heavily felt by Beaver Lumber Company Limited, due primarily to the decline in housing starts and general construction activity, and to the deferral by consumers of major home improvement projects and associated purchases. Despite the downturn in the economy, Willson Office Specialty achieved a turnaround in operating income for the year while Seaway/Midwest continued to produce moderately satisfactory results.

Total sales revenues of the three businesses that make up the Group rose slightly to $467.8 million. Although net operating income for the Group also increased over last year, considerable improvement is still required before acceptable levels are attained.

Beaver Lumber Company Limited

Beaver Lumber sales revenues decreased 0.2 per cent to $326.5 million during the past year. However, total system sales revenues, including franchised store operations, increased 10 per cent to $415.6 million. Net operating income for the year, including gains from disposals of certain fixed assets, was only marginal, due to the cost of additional store closures and continuing pressures on margins brought about by the inability to pass on cost increases in an extremely soft market.

Many Canadian homeowners are undertaking their own home improvement and renovation projects. Expert advice on how to carry out these projects, as well as a complete range of tools and supplies, is available from Beaver Lumber stores.

Willson retail stores offer a wide assortment of office and business supplies. Bernadette Hutsebaut, is the Manager of the Willson Retail Store in Winnipeg's Polo Park Shopping Centre.

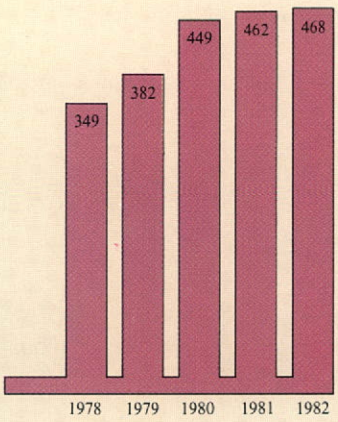
The decline in the level of housing starts and related construction activity in the last half of the fiscal year had a particularly strong impact on the operations of Beaver stores in smaller and rural markets that depend largely on the sale of lumber and related building materials to farm customers and local contractors. During the course of the year, it was necessary to close 28 uneconomic stores in these markets.

The Beaver stores in larger urban markets also experienced difficult operating conditions. It had been expected that the "do-it-yourself" home improvement market would remain relatively strong during this period of low economic activity and high interest rates. However, even this market suffered as customers chose to defer home improvement and renovation projects and related major purchases.

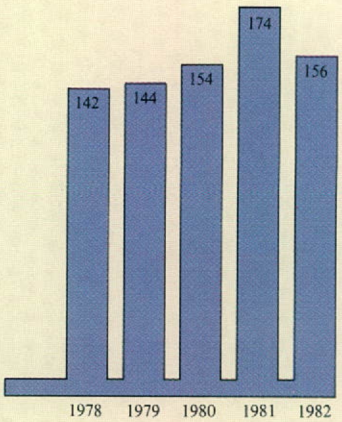
Beaver continued its franchising program during the year as part of its plan to strengthen its presence in smaller or rural markets and to increase its return on capital employed. During the year, the number of franchises increased from 54 to 65. It is likely, however, that the growth of new franchises will slow somewhat because of the impact on prospective franchises of continued high interest rates and the difficult economic environment.

Prospects for the coming year are highly dependent on the recovery of the economy, the timing and extent of which is uncertain. Beaver will undoubtedly continue to face a difficult operating environment, with fur-

Sales revenues
($ millions)



Capital employed
($ millions)



ther rationalization and limitations on earnings being likely. Once the economy improves, however, we are confident that the steps Beaver has taken to consolidate its operating base will lead to significant gains in income and return on capital employed.

Willson Office Specialty Ltd.

Sales revenues of Willson Office Specialty Ltd. increased 4.4 per cent during the year to $104.1 million, despite the progressive withdrawal from the Business Environments operation and the effects of the economic slowdown, which resulted in reduced purchases by Willson's commercial customers. Willson achieved a small operating profit for the year compared to a loss the previous year, a turnaround attributable to higher gross margins and improved control of distribution costs in the Business Supplies operation, plus solid sales increases in the Retail and Moyer Education operations.

Willson retail stationery stores experienced sales revenues growth of 13 per cent during the year and were not as affected by adverse economic conditions as were many retailers. The stores are strategically located in major cities across Canada and offer merchandise for which demand is reasonably constant, even in a difficult operating environment. Strong sales growth was recorded in Western Canada, where Willson remains the leader in the retail stationery market, and in Ontario, where Willson has increased market penetration in recent years. At year end, 63 Willson retail stores were in operation, the same number as one year ago.

Revenues from the sale of commercial business supplies increased only two per cent during the year, with a sluggish second half following a strong first six months. Significant sales growth in Ontario was offset by some weakness in Quebec and Western Canada. On balance, however, given the current economic climate, performance was encouraging, with improvements being registered in operating margins and in the control of inventories and distribution costs.

The Willson Business Environments operation was phased out during the year, following a decision to withdraw from the sale of custom-made and executive furniture, open office systems, and space planning and design services. Willson continues to have a significant presence in the basic office furniture market, however, through its Business Supplies and Retail operations.

Moyer Education Supplies sales revenues increased 16 per cent during the year, reflecting a growing leadership position in the school supplies market. Teachers' Stores, of which there are 12 across the country, and the Moyer catalogue operation performed well during a year in which competitors in the industry encountered severe difficulties.

Willson's efforts in the current year will be directed to maintaining its sales momentum while further improving its customer service, gross margins, and internal administrative systems. Given Willson's underlying strength in the markets it now serves and the progress toward internal administrative improvements, we are confident that acceptable earnings can be achieved in the near future.

Seaway/Midwest Ltd.

Sales revenues of Seaway/Midwest Ltd. increased 17 per cent to $36.7 million, while net operating income was sustained at a modest level. Seaway/Midwest sales and earnings performance was particularly encouraging during the first half of the year, but was negatively affected during the last six months by recessionary forces. On a regional basis, British Columbia, Manitoba and the Maritime provinces were areas of strong growth and reasonable profitability, while weak conditions existed elsewhere, particularly in Alberta and Quebec.

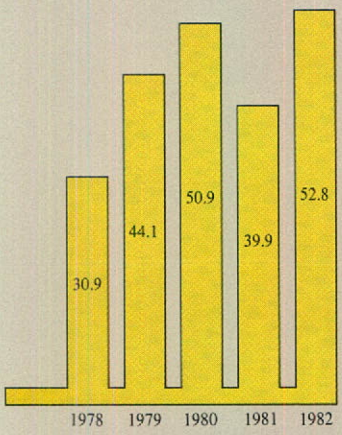
Seaway/Midwest's warehouse in Rexdale, Ontario, one of its 22 modern and efficient distribution centres across the country.

Seaway/Midwest continues to occupy a unique position in the public warehousing and distribution industry, with its network of 22 distribution centres in eight cities across the country, established leadership in developing computer systems to meet individual client's needs, and a proven reliability and capability in the distribution of pharmaceuticals and small packaged products. With a resumption of economic growth across the country, Seaway/Midwest should be able to achieve significant sales revenue growth and increased earnings.

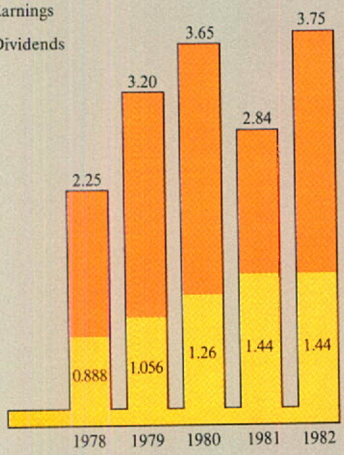
Financial Section

Financial Review

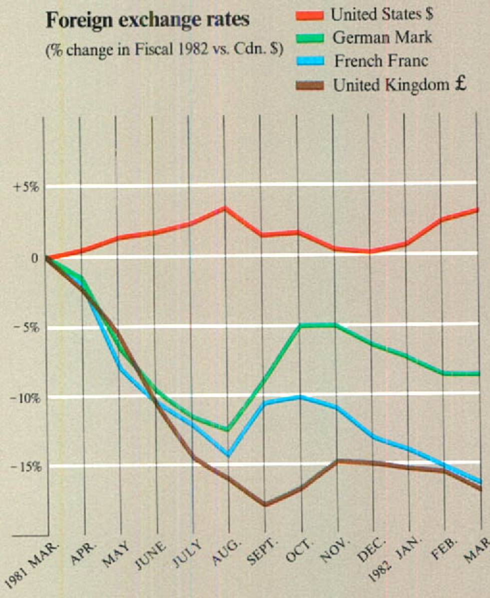
Earnings, before extraordinary items
($ millions)



Earnings and dividends per share



Foreign exchange rates
(% change in Fiscal 1982 vs. Cdn. $)



Earnings

Worldwide revenues for the year ended March 31, 1982 were $1,798.5 million compared to $1,623.5 million last year. Net earnings for the year increased to $52.8 million, or $3.75 per share, from $39.9 million, or $2.84 per share before deducting an extraordinary item of 14 cents per share last year. Earnings per share on a fully diluted basis were $3.53 in the 1982 fiscal year compared to $2.76 last year, before extraordinary item.

Dividends to shareholders during the year were $20.3 million with the dividend rate unchanged at $1.44 per share.

Cost of sales, selling and administrative expenses of $1,388.3 million grew by 8.1% over last year compared to an increase in sales revenues of 10.7%. The sales and earnings performance of each business is discussed in the Operating Review on pages 5 through 14 of this Annual Report, and further commentary can be found under Segmented Financial Information on page 18.

Total interest expense increased to $39.4 million from $31.9 million last year. This increase of $7.5 million was due to continuing high interest rates and to the fact that average borrowings were higher than during the previous year.

Net earnings this year were reduced by unrealized foreign exchange losses of $2.7 million which arose on the translation to Canadian dollars of assets and liabilities situated outside Canada. This compares with a loss of $1.6 million last year. Because these foreign exchange losses were unrealized and are the result of the application of accounting conventions, rather than economic events, we believe their deduction from earnings has understated the underlying performance of our business in 1982. Management favours a change in Canadian accounting rules with respect to foreign currency translation along the lines recently introduced in the United States.

During the fiscal year, there were substantial fluctuations in foreign exchange rates and most major currencies, except the U.S. dollar, have declined significantly in value against the Canadian dollar. A graph illustrating these changes in exchange rates is shown on this page.

These fluctuations in exchange rates have adversely affected the reported earnings of the Corporation in two ways. Firstly, net earnings have been reduced by the unrealized translation losses of $2.7 million mentioned above. Secondly, the sales revenues and earnings of our foreign operations have been translated into Canadian dollars this year at rates which on average were significantly lower than last year. Taking both of these effects into consideration, had exchange rates remained unchanged from last year's levels, it is estimated that sales revenues for fiscal year 1982 would have been greater by $33 million and that net earnings would have been higher by $4.3 million, or 30 cents per share.

The consolidated tax rate on Molson worldwide earnings in 1982 was 36.8% compared to 42.1% last year. Our tax rate is subject to fluctuations from year to year, because of the different effective rates of tax applicable to each of our businesses. In addition to a change in the mix of pre-tax earnings, the main reasons for the decline in tax rate this year were our ability to offset certain capital gains against available capital loss carry-forwards, higher levels of inventory allowances and other tax credits, and the resolution of certain tax issues for which provision had previously been made.

Financial Position

Total assets of the Corporation at March 31, 1982 were $880.3 million compared to $863.6 million last year.

Internal measurements of financial performance focus on return on capital employed, cash flow and working capital levels. As a result of this emphasis during the current fiscal year, net borrowings declined slightly after funding investments in fixed assets and the payment of dividends to shareholders.

The Consolidated Statement of Changes in Financial Position on page 23 has been prepared on a different basis than in previous years and now reflects changes in net borrowings rather than changes in working capital. It is our hope that this new form of statement will provide more useful information to readers of our financial statements.

In total, our net borrowings have been reduced at 1982 fiscal year-end by $0.5 million compared to an increase in net borrowings at the previous year-end of $79.4 million. Last year the change in net borrowings was affected by a reduced level of earnings and the use of $52.6 million for business acquisitions and investments.

By contrast, this year's earnings were at an all time high for the Corporation and funds provided from business operations increased to $88.7 million from $75.3 million last year. In addition, some fixed assets and certain investments were sold. The total source of funds was $102.7 million compared to $90.2 million last year.

Total capital employed at March 31, 1982 increased by only 3% to $663.4 million from last year's $642.2 million. The reduction in current assets (net) at fiscal 1982 year-end to $209.2 million from $223.5 million last year reflects decreases in inventories, accounts receivable, and cash and short term investments.

Return on shareholders' equity increased to 17.0% from last year's 14.0%, reflecting the higher level of net earnings in fiscal year 1982.

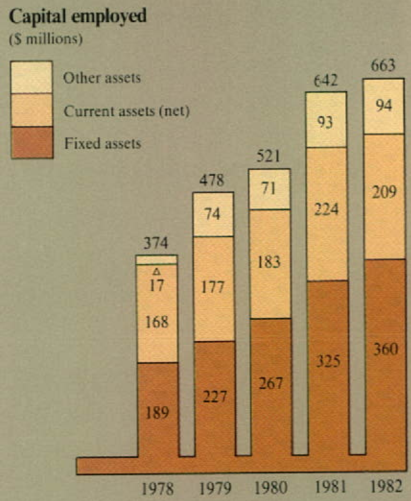
Liquidity and Debt

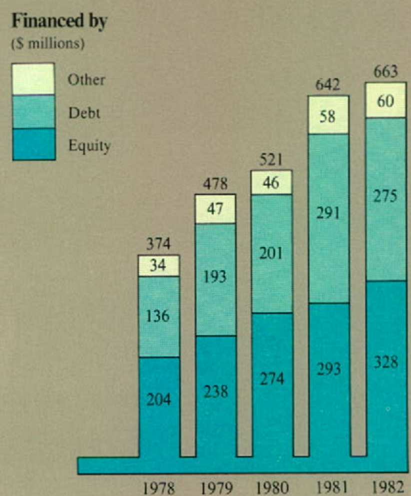
The Corporation improved its liquidity during the 1982 fiscal year. This improvement is reflected in a reduction in fiscal year-end debt of $15.7 million to $274.6 million and an improvement in the total debt to equity ratio to a level of 46:54 at March 31, 1982, compared to 50:50 one year earlier.

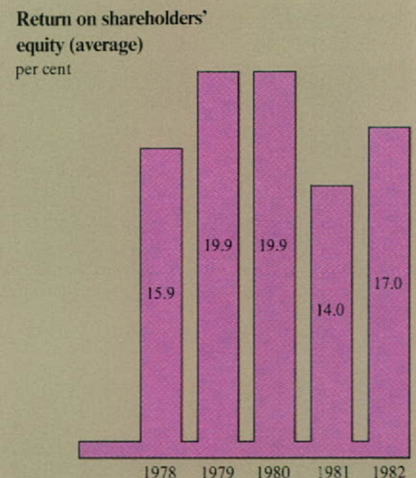
The international scope of Molson's business has continued to expand and accordingly, the proportion of non-Canadian dollar denominated debt has increased as a component of total debt. Our total debt position at fiscal 1982 year-end is summarized below in millions of dollars:—

	CANADA	U.S.A.	OTHERS	TOTAL
Short-term debt	34.5	0.7	14.5	49.7
Long-term debt	146.6	61.1	4.9	212.6
Capital lease obligations	10.9	0.7	0.7	12.3
	192.0	62.5	20.1	274.6

While foreign currency debt obligations carry with them the uncertainties and risks associated with fluctuations in foreign exchange rates, they are incurred to finance foreign net assets, thereby reducing the Corporation's overall exposure to foreign exchange risk. In addition, the opportunity of financing outside of Canada provides the Corporation with broader access to sources of credit.

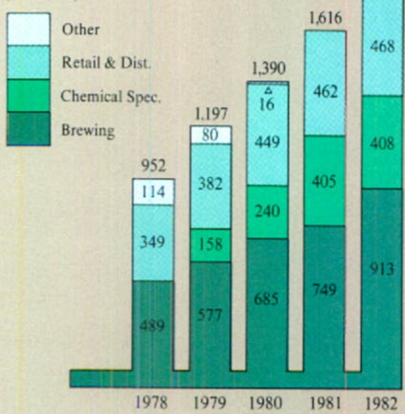




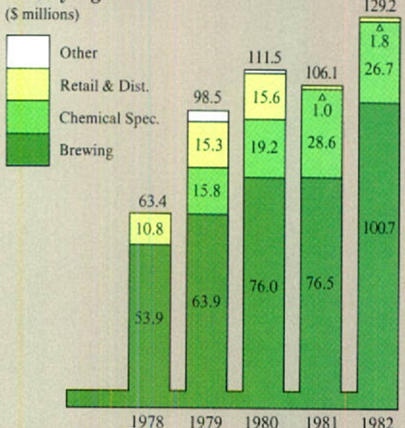


Financial Review
(continued)

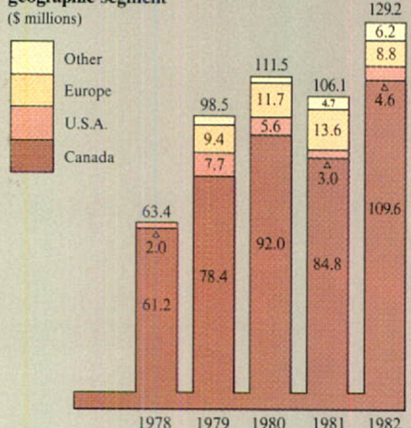
Sales revenues by industry segment
($ millions)



Operating profit by industry segment
($ millions)



Operating profit by geographic segment
($ millions)



Segmented Financial Information

Financial information which analyzes the Corporation's activities by both industry and geographic segments is presented on pages 28 and 29 of this Annual Report.

Industry Segments

The industry segment data shows significant increases in sales revenues and operating profit in Brewing compared to last year, when results were adversely affected by work stoppages. Brewing's operating profit increased to $100.7 million from last year's $76.5 million and profit margins returned to the level achieved in fiscal year 1980. Capital employed in the Brewing business segment increased to $292.6 million from $264.3 million last year, due to capital spending of $43.3 million during the year.

Chemical Specialties sales revenues of $408.3 million showed little growth in 1982 and operating profit declined to $26.7 million from $28.6 million last year. Chemical Specialties sales and profits in 1982 were affected by the negative foreign exchange impact referred to earlier in this review. Chemical Specialties year-end capital employed, at $192.0 million, increased by only 5% over the previous year, due to a combination of more effective asset management and a stronger Canadian dollar. While Chemical Specialties reported a lower return on capital employed in 1982, had it not been for the foreign exchange effect, the return would have improved slightly.

In Retail and Distribution, increased operating profit from Willson Office Specialty was partially offset by lower profit from Beaver. During the year, capital employed in this segment was reduced by $17.3 million to $156.3 million.

Geographic Segments

Operating profit of $109.6 million from Canadian operations showed significant improvement over last year due to an increased contribution from Brewing. Total identifiable assets in Canada increased by only 1% to $634.7 million from last year's $625.6 million, with additional capital spending in Brewing being partially offset by a reduction in capital employed in the Retail and Distribution businesses.

The U.S.A. segment includes the operations of Diversey Wyandotte Corporation and Martlet Importing Co., which distributes Molson beer and ale in the United States. Sales revenues in the U.S.A. of $225.8 million increased by 10.5%, and operating profit of $4.6 million showed some improvement over last year. Both sales revenues and operating profits in the U.S.A. benefited from a stronger U.S. dollar during the fiscal year.

It should be noted that the economic benefit to Molson of U.S. beer sales is substantially greater than the amount included in the U.S.A. geographic segment. Operating profit in the U.S.A. is after charging a markup on beer exported by our breweries in Quebec, Ontario and British Columbia and a royalty of $4.8 million for the use of Molson trademarks, etc.

Segment results for Europe were affected by the significant declines in the value of all major European currencies against the Canadian dollar during the year. However, after adjusting for this exchange rate impact, sales revenues and operating profits from Europe would have been ahead of last year.

Operations in Latin America, the Far East, Africa and the Middle East have continued to grow satisfactorily with operating profit of $6.2 million increasing by 32% over the previous year.

Allocation of Revenues

The impact of Molson operations on the economies in which we operate around the world is broader than may be apparent from a review of the consolidated financial statements. The chart below and accompanying explanation illustrate how Molson revenues generated during the current fiscal year were distributed. This data includes some estimates and is unaudited.

Of the $1,799 million in total revenues in fiscal year 1982, approximately 96 per cent was returned to the various sectors of the economies in which Molson has business operations. The distribution of our businesses around the world can be seen from the data on the inside cover of this Annual Report and from the Segmented Financial Information on pages 28 and 29. The main items on which Molson revenues were spent in the 1982 fiscal year were as follows:

□ Companies and individuals which supplied Molson businesses with goods and services accounted for 56 per cent of total revenues, or approximately $1,017 million.

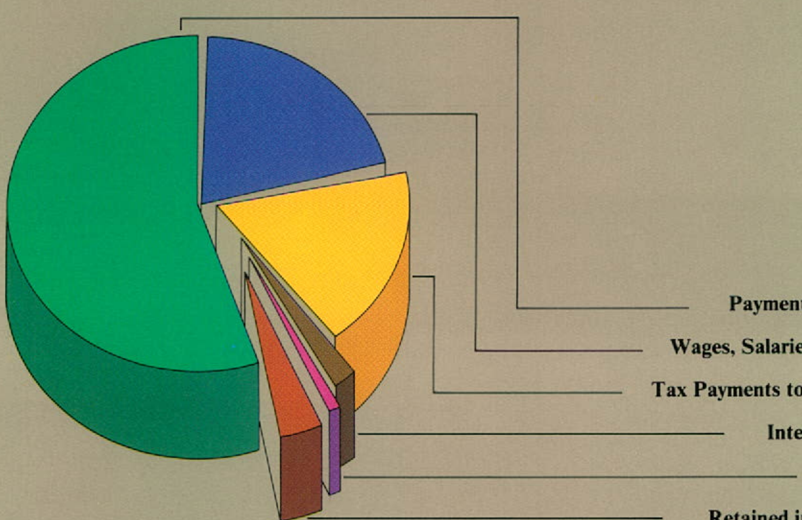
□ Molson's over 12,500 employees across Canada and around the world received $372 million, or 21 per cent of total revenues in wages, salaries and benefits.

□ Governments at all levels received tax payments from Molson totalling $283 million, or 16 per cent of total revenues.

□ Interest payments on monies borrowed to finance our businesses were $39 million, or 2 per cent of total revenues.

□ Shareholders received $20 million, or 1 per cent of total revenues in dividend payments as a return on their investments in the Corporation. The rate of dividend remained at $1.44 per share this year.

As a result of these expenditures, $68 million, or 4 per cent of total revenues was retained in the business, to maintain and expand the productive assets of the Corporation, thus strengthening the base for future sales and earnings growth. The revenue retained in the business consists of the funds provided from business operations, as shown in the Consolidated Statement of Changes in Financial Position on page 23 of this Annual Report, less dividends paid to shareholders.



	1982	
	$ Millions	%
Payments to Suppliers	1,017	56
Wages, Salaries and Benefits	372	21
Tax Payments to Governments	283	16
Interest Payments	39	2
Dividends	20	1
Retained in the Business	68	4
Total Revenues	1,799	100

Responsibilities for Financial Statements

The accompanying consolidated financial statements have been prepared by management and approved by the Board of Directors of the Corporation. Management is responsible for the information and representations contained in these financial statements and other sections of this Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles in Canada. The major accounting policies followed by the Corporation are set out on page 24 of this Annual Report.

To assist management in discharging these responsibilities, the Corporation maintains an effective system of internal control which is designed to provide reasonable assurance that its assets are safeguarded; that transactions are executed in accordance with management's authorization; and that the financial records form a reliable base for the preparation of accurate and timely financial information. In addition, the Corporation's Internal Audit function regularly performs audits of the internal control system, the findings and recommendations of which are acted upon by management.

Coopers & Lybrand, the Corporation's external auditors, are appointed by the shareholders. They independently review the Corporation's system of internal control and perform the necessary tests of accounting records and procedures to enable them to report their opinion as to the fairness of the consolidated financial statements and their conformity with generally accepted accounting principles.

The Board of Directors ensures that management fulfills its responsibilities for financial reporting and internal control. The Board exercises this responsibility through an Audit Committee composed of five Directors. The Audit Committee meets periodically with management and with the external and internal auditors, to review audit recommendations and any matters which the auditors believe should be brought to the attention of the Board of Directors. The Audit Committee also reviews the consolidated financial statements and recommends their approval to the Board of Directors for issuance to the shareholders.

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of The Molson Companies Limited as at March 31, 1982 and the consolidated statements of earnings, retained earnings 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 at March 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

May 25, 1982

Coopers & Lybrand

Chartered Accountants

Consolidated Statement of Earnings

(Dollars in thousands, except for per share amounts)

Year ended March 31	1982	1981
Revenues		
Sales revenues	**$1,789,372**	$1,616,401
Other income	**9,161**	7,108
	1,798,533	1,623,509
Costs and expenses		
Cost of sales, selling and administrative costs	**1,388,289**	1,284,127
Brewing excise and sales taxes	**251,150**	206,658
Depreciation	**31,401**	27,708
Interest on long-term debt	**26,074**	20,609
Other interest	**13,284**	11,270
Unrealized foreign exchange losses	**2,684**	1,559
	1,712,882	1,551,931
Earnings before income taxes	**85,651**	71,578
Income taxes	**31,500**	30,100
	54,151	41,478
Minority interest	**1,304**	1,622
Earnings before extraordinary item	**52,847**	39,856
Extraordinary item	**–**	2,000
Net earnings	**$ 52,847**	$ 37,856
Earnings per share		
Before extraordinary item		
Basic	**$3.75**	$2.84
Fully diluted	**$3.53**	$2.76
After extraordinary item		
Basic	**$3.75**	$2.70
Fully diluted	**$3.53**	$2.62

Consolidated Statement of Retained Earnings

(Dollars in thousands)

Year ended March 31	1982	1981
Retained earnings – beginning of year	**$ 236,497**	$ 218,849
Net earnings	**52,847**	37,856
	289,344	256,705
Dividends		
Cash	**18,899**	18,869
Stock	**1,398**	1,339
	20,297	20,208
Retained earnings – end of year	**$ 269,047**	$ 236,497

(see Notes to Consolidated Financial Statements)

Consolidated Balance Sheet

As at March 31	1982	(Dollars in thousands) 1981
Assets		
Current assets		
Cash and short-term investments	**$ 7,537**	$ 22,798
Accounts receivable	**178,372**	179,116
Inventories	**220,617**	225,849
Prepaid expenses	**19,501**	17,172
	426,027	444,935
Investments	**41,503**	40,327
Fixed assets	**359,703**	324,769
Other assets — less amortization		
Intangible assets	**50,903**	51,236
Debenture discount and expenses	**2,139**	2,305
	53,042	53,541
	$880,275	$863,572
Liabilities		
Current liabilities		
Bank indebtedness and short-term notes	**$ 49,694**	$ 62,873
Accounts payable	**167,935**	178,960
Taxes payable	**43,825**	37,389
Dividends payable	**5,080**	5,058
Current instalments on long-term debt	**6,150**	5,780
	272,684	290,060
Long-term debt	**218,793**	221,710
Deferred income taxes	**49,447**	44,340
Deferred liabilities	**6,177**	7,619
Minority interest	**5,625**	6,425
	552,726	570,154
Shareholders' equity		
Capital stock	**58,502**	56,921
Retained earnings	**269,047**	236,497
	327,549	293,418
	$880,275	$863,572

Signed on Behalf of the Board: Director

Director

(see Notes to Consolidated Financial Statements)

Consolidated Statement of Changes in Financial Position

Year ended March 31	1982	(Dollars in thousands) 1981
Source of Funds		
Earnings before extraordinary item	**$ 52,847**	$ 39,856
Items not affecting funds –		
Depreciation and amortization	**34,491**	30,003
Deferred income taxes	**5,539**	9,458
Gain on sale of fixed assets	**(5,015)**	(3,737)
Other	**803**	(311)
Total funds provided from business operations	**88,665**	75,269
Proceeds from –		
Sale of fixed assets	**10,540**	6,909
Sale of businesses	**529**	4,384
Disposal of investments	**2,759**	3,170
Issue of capital stock	**183**	440
Total source of funds	**102,676**	90,172
Use of Funds		
Cash dividends	**18,899**	18,869
Investment in fixed assets	**64,956**	70,659
Additions to properties under capital leases	**4,454**	5,978
Purchase of investments	**5,952**	20,780
Business acquisitions	**4,684**	31,780
Working capital excluding cash items	**431**	18,771
Reduction of minority interest	**2,835**	994
Debenture issue expense	**–**	1,773
Total use of funds	**102,211**	169,604
Net Borrowings (Note 10)		
Increase (decrease) in year	**(465)**	79,432
At beginning of year	**267,565**	188,133
Net Borrowings at end of year	**$267,100**	$267,565

(see Notes to Consolidated Financial Statements)

Notes to Consolidated Financial Statements

1. ACCOUNTING POLICIES

Consolidation

The accounts of all subsidiaries are consolidated.

Foreign exchange

Earnings of foreign operations are translated to Canadian dollars at the average rate of exchange during the year. Current assets and current liabilities are translated at the March 31 rate. Other balance sheet accounts and related depreciation are translated at the rate of exchange on the date of acquisition.

Inventories

Inventories are valued at the lower of cost and net realizable value except for retail lumber inventories, which are valued at the lower of cost and replacement cost, and returnable bottles, which are valued at the lower of deposit value and replacement cost. Cost is determined on a first-in, first-out basis.

Investments

Investments in companies over which the Corporation exercises significant influence are carried on the equity method. Other investments are carried on the cost basis.

Fixed assets

Fixed assets are carried at cost. Depreciation is provided from the date assets are put into service on the straight-line method over their estimated useful lives, principally at annual rates of 2½% for buildings and from 10% to 20% for equipment.

Capital leases

Leases entered into after March 31, 1979 that transfer substantially all of the benefits and risks of ownership of property are classified as capital leases and are recorded as if fixed assets had been purchased and an equivalent debt obligation incurred. The assets so recorded, are included in fixed assets and are depreciated on a straight-line basis. The debt obligations are included in long-term debt and are reduced by rental payments net of imputed interest. All other leases are accounted for as operating leases and the rental costs are expensed as incurred.

Intangible assets

Intangible assets include principally goodwill and hockey franchises. Goodwill is amortized on a straight-line basis over periods not exceeding forty years. Hockey franchises are not amortized as the Corporation believes there has been no decrease in their value.

Income taxes

Deferred income taxes represent amounts deferred to future years due to the earlier deduction of certain expenses, principally depreciation, for tax purposes. Investment tax credits are reflected in earnings in the year they are claimed for tax purposes.

2. EARNINGS PER SHARE

Earnings per share are calculated based on the weighted average number of shares outstanding during the year (1982 – 14,091,000 shares; 1981 – 14,032,000 shares). Earnings per share on a fully diluted basis are calculated by increasing the number of issued shares as if all the Convertible Subordinated Debentures had been converted to Class "A" shares on September 4, 1980, the date of issuance, and by adjusting reported net earnings to remove the after tax effect of the 8½% interest payable on the Convertible Subordinated Debentures.

3. INVENTORIES

(Dollars in thousands)	**1982**	1981
Finished goods	**$153,975**	$166,028
Work in process	**9,587**	8,273
Raw materials and supplies	**47,222**	42,542
Returnable bottles	**9,833**	9,006
	$220,617	$225,849

Notes to Consolidated Financial Statements

4. INVESTMENTS

(Dollars in thousands)	1982	1981
Mortgages and loans, at cost	$ 14,433	$ 16,441
Investments, on equity method	10,769	9,980
Other investments, at cost	16,301	13,906
	$ 41,503	$ 40,327

5. FIXED ASSETS

(Dollars in thousands)	1982	1981
Land	$ 29,836	$ 28,448
Buildings	206,414	192,472
Equipment	349,451	306,098
	585,701	527,018
Accumulated depreciation	225,998	202,249
	$359,703	$324,769

Properties under capital leases

Properties under capital leases entered into after March 31, 1979 are included in fixed assets above and comprise the following:

(Dollars in thousands)	1982	1981
Land	$ 180	$ 180
Buildings	503	573
Vehicles and equipment	16,425	12,678
	17,108	13,431
Accumulated depreciation	5,423	3,164
	$ 11,685	$ 10,267

The capitalized value of buildings and equipment leases is depreciated on the straight-line method using the rates of depreciation applied to fixed assets.

Capital leases entered into prior to April 1, 1979

Certain leases entered into prior to April 1, 1979 and accounted for as operating leases, have the characteristics of capital leases. If these leases had been accounted for as capital leases, fixed assets less depreciation, and long-term debt at March 31, 1982 would have increased by $63,238,000 (1981–$67,837,000) and $69,185,000 (1981–$72,482,000) respectively and net earnings would have been reduced by $372,000 (1981–$545,000).

6. LONG-TERM DEBT

(Dollars in thousands)	1982		1981	
	Current	Total	Current	Total
Sinking Fund Debentures:				
8¼% maturing in 1991	$ –	$ 32,782	$ –	$ 33,806
8¼% maturing in 1995	900	25,500	900	26,400
8½% Convertible Subordinated Debentures maturing in 2000 (1)	–	75,000	–	75,000
9% Note payable, maturing in 1989	1,536	12,291	1,536	13,825
Term loan maturing December 31, 1986, bearing interest at London Inter-bank Offered Rate plus ⅜% (2)	–	61,050	–	61,050
Other	797	6,009	1,072	6,680
Obligations under capital leases (Note 7)	2,917	12,311	2,272	10,729
	$ 6,150	224,943	$ 5,780	227,490
Current instalments		6,150		5,780
		$218,793		$221,710

(1) The 8½% Convertible Subordinated Debentures are convertible at the holder's option into Class "A" shares until September 30, 1990, at a price of $38.125 per share, subject to adjustments in certain events.

(2) The term loan is repayable in four equal annual instalments commencing December 31, 1983 totalling U.S. $51,674, which at the rate of exchange on March 31, 1982 would amount to Canadian $63,404.

Sinking fund requirements and principal payments during the next five years are: 1983–$3,233; 1984–$19,809; 1985–$19,951; 1986–$19,778; 1987–$19,660.

The change during the year in long-term debt, including current instalments, was as follows:

(Dollars in thousands)	1982	1981
Balance at beginning of year	$227,490	$112,553
Net borrowings	5,025	122,332
Repayments	(7,572)	(7,395)
Balance at end of year	$224,943	$227,490

7. LEASE OBLIGATIONS

The following table discloses minimum rental payments due after March 31, 1982 under all lease commitments together with the present value of the obligations under those capital leases entered into after March 31, 1979. Properties leased include warehouses, retail stores and sports arenas.

Notes to Consolidated Financial Statements

Fiscal year	Capital leases entered into after March 31, 1979	Other leases	Total
(Dollars in thousands)			
1983	$ 4,640	$ 16,788	$ 21,428
1984	3,991	15,704	19,695
1985	3,139	15,180	18,319
1986	2,521	14,172	16,693
1987	1,847	13,529	15,376
Thereafter to 2014	2,410	108,641	111,051
Total minimum rental payments	18,548	$184,014	$202,562
Less: Imputed interest	6,237		
Obligations under capital leases (1)	$12,311		

(1) Obligations under capital leases are included with long-term debt (Note 6).

8. CAPITAL STOCK

Authorized

The Corporation is authorized to issue:

(a) an unlimited number of Class "A" non-voting shares without nominal or par value (the "Class "A" shares");

(b) an unlimited number of Class "B" common shares without nominal or par value (the "Class "B" shares");

(c) an unlimited number of preference shares without nominal or par value, which shall rank in priority to the Class "A" and Class "B" shares and may be issued from time to time in series with the designation, rights, privileges, restrictions and conditions attaching to each series as and in the manner set out in its Articles.

The holders of the Class "A" shares are entitled, voting separately as a class on the basis of one vote per share, to elect annually three members of the Board of Directors of the Corporation. Subject to applicable law, the holders of the Class "A" shares do not otherwise have a right to vote at meetings of shareholders but are entitled to notice of and to attend all shareholders' meetings except class meetings of the holders of another class of shares. The holders of the Class "B" shares are entitled to one vote per share at all meetings of shareholders.

In each fiscal year, the holders of the Class "A" shares are entitled to receive non-cumulative dividends aggregating $0.20 per share before any dividends may be paid on the Class "B" shares, no further dividends can be paid to the holders of the Class "A" shares until dividends aggregating $0.20 per share have been declared or paid on the Class "B" shares, and thereafter the Class "A" shares and the Class "B" shares participate equally as to all dividends declared.

In the event of the liquidation, dissolution or winding-up of the Corporation, the holders of the Class "A" shares and the holders of the Class "B" shares would be entitled to share equally, share for share, in all distributions of the assets of the Corporation.

Issued and outstanding

At March 31, the following shares were issued and outstanding:

	1982		1981	
	Shares	**Amount**	Shares	Amount
Class "A"	**9,018,619**	**$49,286,000**	8,959,259	$47,705,000
Class "B"	**5,091,269**	**9,216,000**	5,091,269	9,216,000
	14,109,888	**$58,502,000**	14,050,528	$56,921,000

During the year, the following shares were issued:

	1982		1981	
	Shares	**Amount**	Shares	Amount
Class "A"				
Employee stock option purchases	**7,500**	**$ 183,000**	18,100	$ 430,000
Stock dividends (1)	**51,860**	**1,398,000**	43,601	1,339,000
	59,360	**$ 1,581,000**	61,701	$ 1,769,000
Class "B"				
Employee stock option purchases	–	–	600	$ 10,000

(1) Issued in payment of dividends under Shareholders' Optional Stock Dividend Plan.

Stock options

At March 31, 1982 the following options to employees to purchase Class "A" shares were outstanding:

Expiry date	Option price	Shares
November 27, 1983	$23.75	9,000
April 27, 1986	$26.10	66,000
February 22, 1987	$24.75	21,000
		96,000

Shares reserved at March 31, 1982:

For Employee stock options	– Class "A"	247,400
	– Class "B"	5,400
For Optional stock dividends	– Class "A"	152,964

Notes to Consolidated Financial Statements

9. SEGMENTED FINANCIAL INFORMATION

Segmented Financial Information which analyzes the operations of the Corporation by industry and geographic segments, is provided on pages 28 and 29 of this report. A description of the products and services from which each industry segment derives its revenues is included on page 5.

10. ADDITIONAL INFORMATION

Pension plans

The funding requirements for current service pension costs, based on actuarial determinations, are charged to earnings. Past service costs are being charged to earnings and funded over periods not exceeding 15 years.

The Corporation has updated the actuarial assumptions with respect to certain of its Canadian pension plans. A combination of these revised actuarial assumptions and favourable fund performance, partially offset by plan improvements implemented during the year, reduced the unrecorded unfunded pension liability for past service pension costs to $13.5 million as at March 31, 1982 (1981—$23.5 million).

Related party transactions

The Corporation purchases malt from Canada Malting Co., Limited in which it held a 14% interest at March 31, 1982. These malt purchases are made in the normal course of business and on terms and conditions applicable to unrelated parties. In 1982, such malt purchases amounted to $50,781,000 (1981—$40,460,000). The amount payable to Canada Malting Co., Limited as at March 31, 1982 was $1,825,000 (1981—$1,937,000).

Net borrowings

Net borrowings include bank indebtedness and short-term notes, long-term debt (including current instalments), less cash and short-term investments.

Segmented Financial Information and Inflation Accounting

The Financial Information by Industry and Geographic Segments which follows provides certain basic data about our business segments, and forms part of our audited consolidated financial statements.

The Additional Financial Information by Industry Segment on page 29 relates the net operating income of each segment to capital employed stated at net book value and at estimated replacement cost. This additional information does not form part of the financial statements and has not been audited.

Commentary on segmented information can be found in the Financial Review on page 18 of this Annual Report.

Replacement Cost Data

There have been many studies of the effects of inflation on business results and the methods whereby businesses could report the impact of changing prices and cost levels on their operations. A re-exposure draft entitled "Reporting The Effects of Changing Prices" has been issued by the Canadian Institute of Chartered Accountants. As the proposals are still at a discussion stage, we have not implemented them in this Annual Report. Replacement cost information should be used with caution, since the data is by nature subjective and methods can and do vary from one corporation to another.

In computing return on average capital employed at estimated replacement cost, net operating income has not been adjusted for inflationary effects. The use of current cost accounting instead of historic values could be expected to have a negative effect on income measurement, in addition to the impact on capital employed of the Corporation illustrated in the Additional Financial Information on page 29.

The data for capital employed at estimated replacement cost was developed on a basis consistent with prior years. Fixed assets (other than land) and the related depreciation are stated at estimated replacement cost. Land, working capital and other assets are stated at their historic costs as shown on the Consolidated Balance Sheet.

Segmented Financial Information (Audited)

(Dollars in millions)

INDUSTRY SEGMENTS	Consolidated		Brewing		Chemical Specialties		Retail & Distribution	
	1982	1981	**1982**	1981	**1982**	1981	**1982**	1981
Sales to Customers	**1,789.4**	1,616.4	**913.3**	749.5	**408.3**	405.1	**467.8**	461.8
Inter-Segment Sales	**–**	–	**–**	–	**2.1**	1.3	**–**	–
	1,789.4	1,616.4	**913.3**	749.5	**410.4**	406.4	**467.8**	461.8
Segment Operating Profit (1)	**129.2**	106.1	**100.7**	76.5	**26.7**	28.6	**1.8**	1.0
Identifiable Assets	**849.0**	831.7	**390.4**	352.4	**251.5**	241.7	**207.1**	237.6
Corporate Assets	**31.3**	31.9						
Total Assets	**880.3**	863.6						
Capital Expenditures	**65.0**	70.7	**43.3**	46.8	**16.4**	17.2	**2.6**	6.7
Capital Leases	**4.5**	5.9	**1.9**	3.9	**1.9**	0.1	**0.7**	1.9
Depreciation	**31.4**	27.7	**16.7**	13.6	**9.1**	8.6	**5.6**	5.5

GEOGRAPHIC SEGMENTS	Consolidated		Canada		U.S.A. (6)		Europe		Other	
	1982	1981	**1982**	1981	**1982**	1981	**1982**	1981	**1982**	1981
Sales to Customers	**1,789.4**	1,616.4	**1,340.9**	1,181.7	**225.8**	204.4	**157.8**	175.5	**64.9**	54.8
Inter-Segment Sales	**–**	–	**76.0**	62.2	**1.1**	–	**1.1**	–	**–**	–
	1,789.4	1,616.4	**1,416.9**	1,243.9	**226.9**	204.4	**158.9**	175.5	**64.9**	54.8
Segment Operating Profit (1)	**129.2**	106.1	**109.6**	84.8	**4.6**	3.0	**8.8**	13.6	**6.2**	4.7
Identifiable Assets	**849.0**	831.7	**634.7**	625.6	**56.2**	55.6	**108.7**	111.8	**49.4**	38.7

Additional Financial Information by Industry (Unaudited)

(Dollars in millions)

	Consolidated		Brewing		Chemical Specialties		Retail & Distribution	
	1982	1981	**1982**	1981	**1982**	1981	**1982**	1981
Sales Revenues	**1,789.4**	1,616.4	**913.3**	749.5	**408.3**	405.1	**467.8**	461.8
Operating profit before exchange (2)	**131.9**	107.7	**100.6**	76.3	**29.5**	30.4	**1.8**	1.0
Unrealized foreign exchange gains (losses) (2)	**(2.7)**	(1.6)	**0.1**	0.2	**(2.8)**	(1.8)	**–**	–
Segment Operating Profit (1)	**129.2**	106.1	**100.7**	76.5	**26.7**	28.6	**1.8**	1.0
Corporate Expenses (net)	**(4.2)**	(2.6)	**(2.1)**	(1.2)	**(1.0)**	(0.7)	**(1.1)**	(0.7)
Income Taxes (3)	**(51.3)**	(44.8)	**(41.0)**	(33.3)	**(12.6)**	(13.7)	**2.3**	2.2
Net Operating Income (4)	**73.7**	58.7	**57.6**	42.0	**13.1**	14.2	**3.0**	2.5
Capital Employed at Net Book Values (5)	**640.9**	620.5	**292.6**	264.3	**192.0**	182.6	**156.3**	173.6
Return on Average Capital Employed	**11.7**	10.4	**20.7**	17.5	**7.0**	9.1	**1.8**	1.5
Capital Employed at Estimated Replacement Cost	**909.9**	873.4	**544.6**	476.6	**192.7**	201.8	**172.6**	195.0
Return on Average Capital Employed	**8.3**	7.3	**11.3**	9.5	**6.6**	8.2	**1.6**	1.3

Notes

1. Segment Operating Profit is segment sales revenues less expenses which are directly attributable to each segment. Segment expenses do not include general corporate expenses, interest expense and income taxes.

Segment Operating Profit is reconciled to earnings before extraordinary item, through the table of Additional Financial Information by Industry and the "Reconciliation of net operating income and earnings".

2. Operating profit before exchange is segment operating profit adjusted for unrealized foreign exchange gains (losses).

3. Income Taxes in the consolidated statement of earnings of $31.5 million (1981–$30.1 million) includes income taxes applicable to the industry segments of $51.3 million (1981–$44.8 million) less amounts applicable to interest expense of $19.8 million (1981–$14.7 million).

4. Net Operating Income is after allocating to segments, corporate expenses (net) on the basis of sales revenues, income taxes at the rate applicable to each segment, and is before charging interest expense and minority interest.

5. Capital Employed at Net Book Values of each segment consists of directly identifiable assets less current liabilities, exclusive of short-term borrowings and corporate items.

6. U.S.A. Segment Operating Profit is after charging both a markup on beer imported from Canada and a royalty of $4.8 million (1981–$3.8 million) for the use of Molson trade marks, etc., pursuant to existing contractual agreements.

Reconciliation of net operating income and earnings

(Dollars in millions)	**1982**	1981
Net operating income (4)	**73.7**	58.7
Interest expense	**(39.4)**	(31.9)
Income tax on interest expense (3)	**19.8**	14.7
Minority interest	**(1.3)**	(1.6)
Earnings before extraordinary item	**52.8**	39.9

Reconciliation of capital employed and total assets

(Dollars in millions)	**1982**	1981
Capital employed at net book values (5)	**640.9**	620.5
Corporate items	**22.5**	21.7
Total capital employed	**663.4**	642.2
Current liabilities	**272.7**	290.1
Short-term borrowings	**(55.8)**	(68.7)
Total assets	**880.3**	863.6

Operating and Financial Record

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
Operations ($ millions)										
Sales Revenues										
Brewing	**913.3**	749.5	685.2	577.0	489.3	442.2	408.1	357.1	296.2	260.5
Chemical Specialties	**408.3**	405.1	239.7	157.8	–	–	–	–	–	–
Retail and Distribution	**467.8**	461.8	448.8	381.7	349.1	336.9	300.2	279.6	228.3	174.6
Other	**–**	–	16.8	80.4	113.5	109.9	103.1	103.6	91.6	87.1
Total Sales Revenues	**1,789.4**	1,616.4	1,390.5	1,196.9	951.9	889.0	811.4	740.3	616.1	522.2
Depreciation	**31.4**	27.7	22.7	20.8	18.2	16.7	15.2	13.3	11.5	9.9
Earnings before income taxes	**85.7**	71.6	87.3	77.2	49.1	44.5	40.0	33.8	37.7	42.9
Income taxes	**31.5**	30.1	34.6	31.9	17.9	18.2	16.2	13.8	15.6	20.6
Net Earnings										
Before extraordinary item	**52.8**	39.9	50.9	44.1	30.9	26.0	23.5	19.6	21.8	22.0
After extraordinary item	**52.8**	37.9	50.9	44.1	33.0	26.0	23.6	18.6	21.9	22.0
Funds provided from business operations	**88.7**	75.3	75.7	64.9	50.2	43.3	43.1	35.9	37.6	33.2
Financial ($ millions)										
Working capital	**153.3**	154.9	89.1	97.2	119.1	102.8	98.9	92.4	104.2	72.3
Current ratio (current assets: current liabilities)	**1.6:1**	1.5:1	1.3:1	1.4:1	1.8:1	1.8:1	1.8:1	1.7:1	2.1:1	1.9:1
Investment in fixed assets	**65.0**	70.7	53.5	40.8	28.6	24.9	22.9	35.0	32.8	24.2
Total assets	**880.3**	863.6	706.1	630.1	462.4	437.8	421.3	407.0	345.3	285.1
Long-term debt	**218.8**	221.7	107.7	113.1	88.0	94.0	98.1	100.3	79.6	51.2
Shareholders' equity	**327.5**	293.4	274.0	237.9	204.3	183.6	168.9	156.3	150.0	138.9
Return on shareholders' equity (average)	**17.0%**	14.0%	19.9%	19.9%	15.9%	14.8%	14.5%	12.8%	15.1%	16.6%
Total debt: equity ratio	**46:54**	50:50	42:58	45:55	40:60	45:55	47:53	51:49	42:58	34:66
Per share ($)										
Earnings										
Before extraordinary item										
–Basic	**3.75**	2.84	3.65	3.20	2.25	1.90	1.72	1.43	1.60	1.62
–Fully Diluted	**3.53**	2.76	–	–	–	–	–	–	–	–
After extraordinary item										
–Basic	**3.75**	2.70	3.65	3.20	2.41	1.90	1.72	1.36	1.60	1.62
–Fully Diluted	**3.53**	2.62	–	–	–	–	–	–	–	–
Dividends	**1.44**	1.44	1.26	1.056	.888	.832	.80	.80	.80	.80
Shareholders' equity	**23.21**	20.88	19.59	17.15	14.92	13.41	12.34	11.41	10.98	10.18
Other										
Number of shares outstanding (thousands)	**14,110**	14,051	13,988	13,871	13,692	13,692	13,692	13,690	13,667	13,637
Number of shareholders	**9,471**	9,823	10,394	11,151	11,819	12,457	13,199	13,656	14,134	13,988
Number of employees	**12,500**	13,200	12,500	12,300	10,300	10,800	11,000	11,200	10,900	10,500

Directors

Directors

W. R. Allen, Toronto
Barrister and Solicitor

Dr. L. I. Barber, Regina
President and Vice Chancellor, University of Regina

R. M. Barford, Toronto
President, Valleydene Corporation Limited

Jean Béliveau, Montreal
Senior Vice President, Corporate Affairs, Club de Hockey Canadien, Inc.

J. T. Black, Toronto
President and Chief Executive Officer

J. P. Gordon, Toronto
Chairman and Chief Executive Officer, Stelco Inc.

Donald Harvie, Calgary
Chairman, The Devonian Group

T. E. Ladner, Vancouver
Partner, Ladner Downs, Barristers and Solicitors

A. G. McCaughey, Toronto
President and Chief Executive Officer, North American Life Assurance Company

E. H. Molson, Montreal
President, Molson Breweries of Canada Limited

Hon. H. deM. Molson, Montreal
Honorary Chairman of the Board

Charles Perrault, Montreal
President, Perconsult Ltd.

Gérard Plourde, Montreal
Chairman of the Board, UAP Inc.

J. D. Riley, Winnipeg
Director, United Canadian Shares Limited

P. B. Stewart, Toronto
Executive Vice President, Administration

R. D. Stuart, Chicago
Chairman of the Board, The Quaker Oats Company

D. G. Willmot, Toronto
Chairman of the Board

Honorary Directors

Frank M. Covert, Halifax
Roger Létourneau, Quebec
N. E. Whitmore, Regina

Board of Directors

There are presently 17 members of the Board, five of whom are officers of the Corporation or its subsidiaries and 12 of whom are outsiders. Each year seven regular meetings are scheduled and special meetings may be called from time to time. The activities of the Board are supported by four Committees, namely, the Executive Committee, Audit Committee, Management Resources and Compensation Committee, and Pension Fund Committee.

Committees of the Board

Executive Committee

The Executive Committee meets as necessary during intervals between Board meetings, at which time it has, with certain exceptions, all the powers vested in the Board. The members of this Committee are Mr. D. G. Willmot, Chairman, Messrs. J. T. Black, T. E. Ladner, E. H. Molson, the Hon. H. deM. Molson, Gérard Plourde and P. B. Stewart.

Audit Committee

The Audit Committee provides the Corporation's external auditors access to the Board, thereby preserving the external auditors' independence in their relationships with management. In addition to reviewing and recommending approval to the Board of the consolidated financial statements of the Corporation, the Committee meets at various times during the year with the external auditors and management to review the Corporation's financial reporting practices and procedures, its system of internal control, and the scope of examinations by both the external and internal auditors. The members of this Committee are Mr. J. D. Riley, Chairman, Dr. L. I. Barber, Messrs. T. E. Ladner, E. H. Molson and P. B. Stewart.

Management Resources and Compensation Committee

The Management Resources and Compensation Committee reviews and makes recommendations to the Board respecting the remuneration of senior executives of the Corporation, the organization structure of the Corporation and succession plans relating to its senior management. The members of this Committee are Mr. D. G. Willmot, Chairman, Messrs. R. M. Barford, J. T. Black, J. P. Gordon, the Hon. H. deM. Molson, and Gérard Plourde.

Pension Fund Committee

The Pension Fund Committee recommends to the Board the policies and strategies relative to the sound investment of the various pension funds of the Corporation and its subsidiaries, selects and appoints professional investment managers, establishes investment objectives, and reviews and reports to the Board on the performance of the Corporation's pension funds. The members of this Committee are Mr. Charles Perrault, Chairman, and Messrs. W. R. Allen, Jean Béliveau, Donald Harvie, A. G. McCaughey and P. B. Stewart.

Officers

Corporate Officers:

Hon H. deM. Molson
Honorary Chairman of the Board

D. G. Willmot
Chairman of the Board

J. T. Black
President and Chief Executive Officer

A. L. Keyworth
Executive Vice President,
Retail and Distribution Group

Morgan McCammon
Executive Vice President,
Brewing Group

L. R. Sinclair
Executive Vice President,
Chemical Specialties Group

P. B. Stewart
Executive Vice President,
Administration

S. L. Hartley
Senior Vice President, Finance

D. V. Pleshoyano
Senior Vice President, Planning
and Development

C. R. Cook
Vice President and Secretary

K. A. F. Gates
Vice President, General Counsel

W. J. Gluck
Vice President, Corporate Development

H. E. C. Stoneham
Vice President, Corporate and
Employee Relations

K. L. Merson
Treasurer

I. D. Fraser
Assistant Treasurer

D. V. M. Hull
Controller

Shirley A. Hoffman
Assistant Secretary

J. F. Osterman
Assistant Secretary

L. J. Régimbal
Assistant Secretary

Senior Operating Officers:

E. H. Molson
President, Molson Breweries of
Canada Limited

J. Perry
President, Diversey Corporation

N. M. Seagram
President, Seaway/Midwest Ltd.

L. Van Geest
Executive Vice President
and General Manager,
Beaver Lumber Company Limited

D. K. Wilson
President, Willson Office
Specialty Ltd.

Operating Management

BREWING GROUP
1555 Notre Dame Street East,
Montreal, Quebec
M. McCammon, Executive Vice President

Molson Breweries of Canada Limited
Montreal, Quebec

E. H. Molson, President
J. P. Rogers, Executive Vice President
R. L. Bowman, Vice President & Counsel
C. Harari, Vice President,
Industrial Relations
A. L. Jones, Vice President & Director,
Production Services
J. L. Kappele, Vice President & Director,
Engineering Services
K. Laursen, Vice President, Personnel
J. F. Osterman, Vice President, Controller
D. R. Thompson, Vice President,
Marketing
Z. Valyi, Vice President, Production

Molson Newfoundland Brewery Limited
St. John's, Newfoundland

R. I. McKenzie, President

La Brasserie Molson du Québec Limitée
Montreal, Quebec

J. J. Allard, President
P. Falardeau, Vice President and
Director of Planning
L. J. Régimbal, Vice President,
Administration and Secretary
G. Richer, Vice President, Personnel
A. Tranchemontagne, Vice President,
Marketing
R. L. Weaver, Vice President, Production

Molson's Brewery (Ontario) Limited
Toronto and Barrie, Ontario

D. A. Barbour, President
G. A. Jupp, Vice President, Public Affairs
R. K. Kitamura, Vice President, Personnel
D. B. Macaskill, Vice President,
Administration and Secretary
F. C. Mann, Vice President, Operations

Molson's Western Breweries (1976) Limited
Calgary, Alberta

T. M. Sterling, President
J. G. Beach, Vice President, Marketing
W. J. Bradley, Vice President, Production
B. J. Lavell, Vice President, Administration
J. S. Martin, Vice President, Personnel
British Columbia: H. J. Moran, President
Alberta: T. C. Broden, President
Saskatchewan: H. R. Deeks, President
Manitoba: D. Henderson, President

Molson Breweries International
Montreal, Quebec

H. H. Brace, President/Senior Vice President, Business Development—Molson Breweries of Canada Limited

R. D. Guest, Vice President, Administration and Planning

G. Regan, Vice President and President, Martlet Importing Co. Inc., Great Neck, New York

J. P. Thomson, Vice President, International Marketing

Club de Hockey Canadien, Inc.
Montreal, Quebec

M. McCammon, President

I. Grundman, Executive Vice President and Managing Director

J. Béliveau, Senior Vice President, Corporate Affairs

A. Collinson, Vice President, Finance

G. Grundman, Vice President, Operations-Administration

Le Club de Soccer Manic de Montréal Inc.
Montreal, Quebec

M. McCammon, President

R. Samson, Executive Vice President and Managing Director

A. Bélanger, Vice President Business Operations

J. Burelle, Vice President Team Operations

CHEMICAL SPECIALTIES GROUP
201 City Centre Drive
Mississauga, Ontario

L. R. Sinclair, Executive Vice President

Diversey Corporation
Mississauga, Ontario

J. Perry, President

J. E. Ashley, Vice President, Planning

I. A. Cross, Vice President, Secretary

J. J. Nicholson, Vice President, Finance and Control

Dr. M. W. Pemberton, Vice President, Technology

D. H. Stanley, Vice President, Personnel

J. D. Taylor, Vice President, Marketing

Regional General Management

A. E. Preston, Senior Vice President, Europe, Africa and Middle East Region

J. L. Ruiz-Valeta, Group Vice President —France, Italy and Spain

S. Baliteau—France, Belgium, Portugal, Morocco, Ivory Coast, Senegal, Cameroon and Reunion

R. Bracco—Italy

A. Galsgaard—Denmark, Norway, Sweden and Finland

D. Obstoj—Germany, Netherlands and Austria

M. D. Steer—United Kingdom, Ireland, Kenya and Cyprus

J. C. Pick, Senior Vice President, North America Region

J. A. Jamer—Sanitary Products

J. Kirkham—United States

I. R. Newall—Canada

W. H. Paul—UBA Chemical Industries

N. A. Nuwar, Vice President, Latin America and Caribbean Region

K. R. Daniell—Trinidad

A. deMartino—Venezuela

R. Hill—Argentina

W. Kong—Wyandotte Jamaica

I. Lewis—Guatemala

J. E. Miller—Diversey Jamaica

O. Motta—Brazil

J. Kane, Vice President, Pacific and Far East Region

C. Chai—Singapore, Hong Kong and Thailand

R. H. Gardiner—Australia

B. G. Tuck—New Zealand and Fiji

RETAIL AND DISTRIBUTION GROUP
2 International Boulevard, Rexdale, Ontario

A. L. Keyworth, Executive Vice President

Beaver Lumber Company Limited
Willowdale, Ontario

L. Van Geest, Executive Vice President and General Manager

J. C. Bingleman, Vice President, Business Development

W. D. Darlington, Vice President, Distribution

R. G. Richter, Vice President, Personnel

W. J. Mann, Divisional Vice President, British Columbia

A. M. Sibbald, Divisional Vice President, Home Centres

J. W. Baird, Divisional Vice President, Ontario Building Centres

Y. Lamoureux, Divisional Vice President, Quebec

Willson Office Specialty Ltd.
Mississauga, Ontario

D. K. Wilson, President

P. E. Barron, Vice President, Administration

D. H. Kerry, Vice President, Personnel and Planning

G. E. Metcalfe, Vice President and General Manager, Willson Retail and Moyer Education

M. A. Risso, Vice President and General Manager, Willson Business Supplies

Seaway/Midwest Ltd.
Rexdale, Ontario

N. M. Seagram, President

D. H. MacKinnon, Executive Vice President, Operations

E. A. Backhouse, Vice President

J. E. Dawson, Vice President, Marketing

G. Redston, Vice President, Client Services

J. A. Thomson, Vice President, Personnel

CORPORATE INFORMATION

The Molson Companies Limited
Incorporated under the laws of Canada

Registered office: 1555 Notre Dame Street East,
Montreal, Quebec H2L 2R5

Executive office: 2 International Boulevard,
Rexdale, Ontario M9W 1A2

Registrar: National Trust Company, Limited,
Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver.

Transfer Agent: The Royal Trust Company,
Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver.

Auditors: Coopers & Lybrand

Printed in Canada