



**GSW INC.**  
**Annual Report 1981**

UNIVERSITY MICROFILMS  
SERIALS ACQUISITION  
APR 13 1982  
SERIALS ACQUISITION



GSW Inc.  
Executive Offices  
Royal Bank Plaza  
South Tower  
Suite 2270  
P.O. Box 157  
Toronto, Ontario, Canada  
M5J 2J4

## Facts in Brief



(\$000's except per share data)	1981	1980
Sales	<b>\$88,727</b>	\$69,710
Net Income	<b>3,820</b>	3,003
Earnings per common share	<b>.93</b>	.73
Annual dividend on common shares	<b>903</b>	820
Working Capital	<b>18,290</b>	17,108
Current ratio	<b>2.1 to 1</b>	2 to 1
Shareholders' equity	<b>26,521</b>	23,604

### Share Transfer Agent

Common Shares,  
National Trust  
Company Limited

### Bank

The Bank of Montreal

### Audit

Clarkson Gordon

### Annual Shareholders Meeting

April 29, 1982  
Royal York Hotel  
Algonquin Room  
100 Front Street West  
Toronto, Ontario  
at 11:00 A.M.

Ce Rapport Annuel est  
disponible en français, sur  
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demandes à:

GSW Inc.  
Royal Bank Plaza  
P.O. Box 157  
Toronto, Ontario, Canada  
M5J 2J4  
Attention: Treasurer

### Board of Directors

H. A. Arrell  
R. M. Barford  
A. H. Crockett  
H. B. Davis  
G. M. Farquharson, Q.C.  
G. A. Jones  
D. S. R. Leighton  
R. A. Stevens  
Ben Wosk CM

### Directors Emeritus

Miss M. P. Hyndman, Q.C.  
Mr. W. J. Bushnell  
Mr. J. K. Loudon

### Officers

R. M. Barford,  
*Chairman*  
R. A. Stevens,  
*President*  
W. R. Arbuthnot,  
*Vice-President*  
G. S. Dickson,  
*Sr. Vice-President,*  
*International*  
W. A. Farnell,  
*Sr. Vice-President,*  
*Water Products Group*  
D. G. Fixter,  
*Sr. Vice-President,*  
*Administration and*  
*Acquisitions*  
M. O. Hickman,  
*Vice-President,*  
*Research and*  
*Development*  
F. O. Price,  
*Vice-President,*  
*Corporate*  
D. G. Woodrow,  
*Sr. Vice-President,*  
*Building Products*  
*Group*  
D. A. Barnes,  
*Treasurer*  
G. M. Farquharson, Q.C.,  
*Secretary*  
W. D. Campbell,  
*Assistant Vice-President*



## Report of the Board of Directors

GSW

To the Shareholders:

**N**et income in 1981 was \$3,820,000 or \$.93 per share compared to \$3,003,000 or \$.73 per share in 1980. The increase in earnings was derived from the company's equity interest in Camco Inc., which improved its profits from the 1980 level. Income from GSW operations was comparable to last year despite the accelerating economic recession in the last half of the year.

Since expiration on June 30th, 1981 of the agreement to sell GSW's interest in Camco to Canadian General Electric Company Limited, the parties have been working to achieve a satisfactory resolution of the Camco relationship and these efforts are continuing.

### GSW Operations

Sales in 1981 of \$88,727,000 were 27% higher than 1980, due in part to the inclusion of the Jackes-Evans sales for a full year in 1981 compared to the part year in 1980 following acquisition on October 1st. Current year sales also reflect the new Class "A" insulated chimney line acquired in July. Our domestic markets showed little growth, however, market share was maintained or improved in all major lines. The United States, South America, and European economic recessions all served to slow sales growth.

Net income for the year from GSW operations was \$2,422,000 or \$.59 per share, the same as 1980. Operating income from our U.S. subsidiary, Jackes-Evans, in its first full year was below plan, however the changes in organization and the increased marketing emphasis in 1981 will provide a strong foundation for growing and profitable U.S. operations.

### Camco Inc. Operations

Camco sales in 1981 were \$329,332,000 up 6% from 1980 sales of \$309,228,000. The deepening recession in the last half of the year weakened consumer demand for appliances limiting sales to a modest increase over the previous year. Net income was \$3,605,000 compared to \$1,581,000 in 1980.

GSW's portion of Camco's net income was \$1,398,000 or \$.34 per GSW share after amortization of acquisition costs, compared to \$586,000 or \$.14 per share in 1980.

The 1981 annual report of Camco Inc. has been mailed to GSW shareholders.

### Corporate Developments

*(a) Board of Directors:*

On June 25, 1981 Mr. Arthur H. Crockett was elected director of GSW Inc. Mr. Crockett is deputy Chairman of the Board and a Director of the Bank of Nova Scotia and his broad business experience will



*Top: New water heaters designed to save energy and provide greater capacity.*

*Middle: Accurate inventory procedures contribute to overall manufacturing efficiency at GSW.*

*Bottom: Sturdy and attractive GSW Lockers stand up to tough use in sports and recreational facilities.*

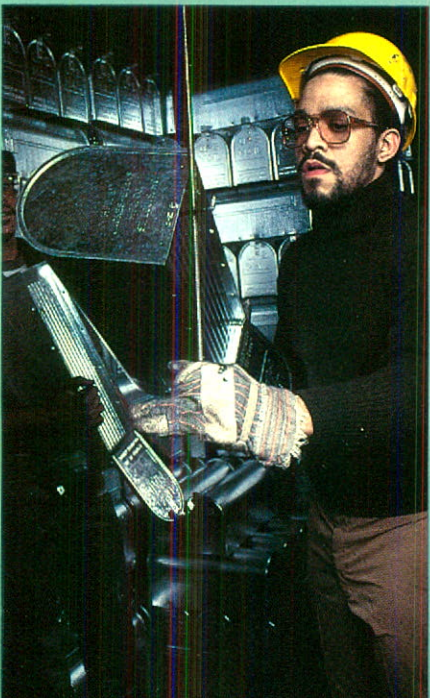






Top: Increased productivity is achieved by investment in automated equipment.

Middle: Mailboxes manufactured to U.S. postmaster specifications.



enable him to make a valuable contribution to the company.  
*(b) Organization and Personnel:*

During 1981 a major evaluation of the company's human resources was initiated with the objective of strengthening the organization and ensuring the development of personnel for future management requirements. Following this analysis, organization changes were implemented to better utilize senior management talents for the attainment of growth objectives. Mr. G. S. Dickson was appointed Senior Vice-President, International, with primary responsibility for operation of the Industrial Division and continued responsibility for development of international markets for all products. Mr. D. G. Fixter was appointed Senior Vice-President, Administration and Acquisitions; Mr. W. A. Farnell was appointed Senior Vice-President, Water Products Group with responsibility for both the Pump and Water Heater Divisions; Mr. D. G. Woodrow was appointed Senior Vice-President, Building Products Group with responsibility for both the Canadian Building Products Division and the U.S. subsidiary, Jackes-Evans Manufacturing Company. In January 1982 Mr. R. L. Stewart was appointed General Manager of Jackes-Evans Manufacturing Company and Mr. T. L. Smith was appointed General Manager of the GSW Building Products Division. Both Mr. Stewart and Mr. Smith report to Mr. Woodrow.

*(c) Acquisitions*

On July 3, 1981 another important step was taken in achieving the long-term growth of the Building Products Group. Purchase of the Parry Sound opera-

tions of Belvent Limited added a line of insulated metal chimneys to our wood burning heating products. GSW is now able to offer a broad range of wood burning products and accessories to the North American market, through its Building Products Division in Canada and its Jackes-Evans subsidiary in St. Louis, Missouri.

Other acquisition opportunities are being evaluated in accordance with our long-term growth strategy.

*(d) Dividends*

The annual dividend paid October 1, 1981 was increased to \$.22 per share from \$.20 per share.

**Outlook**

The recession under way in North America combined with the political unrest in some of our export markets makes it difficult to predict 1982 results. We began the year with operating expenses under good control and are positioned to react quickly to market improvements. A modest recovery in the second half of 1982, as currently anticipated, would provide an opportunity to realize improved profitability from the many operating efficiencies implemented during the current recession.

The Board would like to take this opportunity to thank all employees for their continued dedication and contribution to the company's success.

On behalf of the board:

R. A. Stevens  
 President

Chairman  
 R. M. Barford

February 25, 1982



## Management Review of 1981 Operations



In recognition of the growing marketing synergy and manufacturing interdependency of various divisions in GSW an organization change was implemented in 1981. Operating divisions were segregated into two major groups, Building Products and Water Products. In addition the International Division which provided a central export marketing function was integrated into the respective product divisions to provide a closer link between manufacturing divisions and their ultimate customers.

### Building Products

The Building Products Group initiated a series of programs to maximize the efficient use of available manpower, facilities and marketing capability.

Most significant was the increased rationalization of production between Canadian plants and the newly-acquired Jackes-Evans plant in St. Louis, Missouri. Black stove pipe for distribution throughout North America is being produced in GSW's Hamilton plant where there is an efficient assembly and paint line. On the other hand all stove boards for North American markets are being manufactured in St. Louis where a highly efficient press was recently installed.

A number of Jackes-Evans products such as wood circulators, airtight heaters and mailboxes were introduced to the Canadian market in 1981, while the U.S. marketing network of Jackes-Evans introduced or expanded its distribution of vinyl and metal guttering as well as galvanized ware.

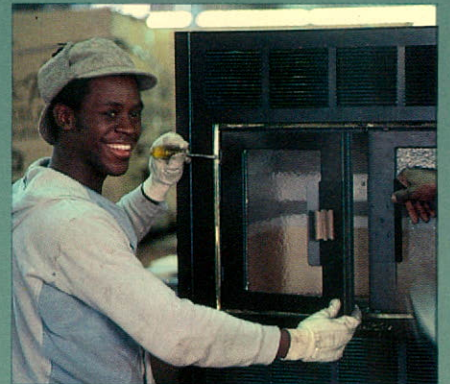
In order to move Jackes-Evans towards its planned profitability major overhead reductions were implemented during 1981 while selling and marketing efforts were intensified. Product managers and three regional sales managers have been appointed to provide better service to our customers in the U.S.A. and enable our field agents to develop the vast sales potential which is available in that market.



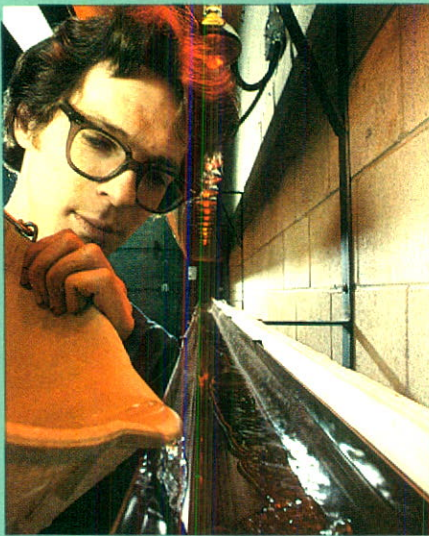
*Top: A display of new brown vinyl rainware.*

*Middle: GSW's improved line of wood circulators being assembled in the St. Louis plant.*

*Bottom: A new line of insulated metal chimneys broadened the woodburning product line.*







*Top: Brown vinyl resin is poured into an extrusion form in the manufacture of vinyl rainware.*

*Bottom: A new 200-ton blanking and forming press installed recently in the St. Louis plant.*



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Both Canadian and United States selling organizations added the line of Class "A" factory built chimneys acquired late in 1981 when the company purchased the operating assets of Belvent Limited in Parry Sound, Ontario. This product line enables GSW to provide a full range of wood burning products and accessories throughout North America.

### **Water Products**

For the Water Products Group 1981 was a year of new product development and product diversification in the face of depressed world markets and uncertain product demand.

This past year saw the first production runs of commercial water heaters introduced late in 1980. This new product line is applicable to industrial sites, retail and business complexes, hotels and motels, and multiple-unit residences. Customer response to this product has been encouraging.

GSW also designed and developed in 1981 the low-profile "Stubby" domestic water heater; a fifty gallon capacity unit that requires no more space than the traditional forty gallon capacity unit. This new product satisfies a unique requirement in the home building market where space is at a premium due to building costs. Customer demand has exceeded our expectations.

A new automated drilling centre went into operation early in the year in the Fergus plant and is greatly increasing productivity in the manufacture of pumps.

During the year GSW continued its efforts to expand the total number of countries to which it exports. We began shipping wringers and transmissions for wringer washers to a major new components account in South America. The sale of kits and components continues to be a viable alternative to selling complete machines in those countries where a degree of local manufacturing is sought. Our efforts to sell water heaters in Europe have had limited success, however we are continuing to



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develop this market.

With the decline in the market for domestic water systems the distribution, sales and service network which handles GSW's varied line of pumps came under extensive review. Economies of operation were realized by eliminating or combining sales and distribution centres. The result has been improved customer service and better response time with lower costs.

### **Research & Development**

Meeting the need for new or improved products for Canadian, United States and International markets provides R & D with many challenging opportunities.

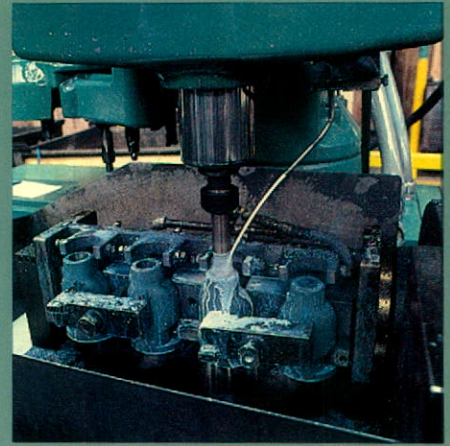
During 1981 major design improvements based on the latest wood burning technology were incorporated in a new line of wood burning circulators to meet the market needs of the Building Products Group. The result is a much smaller and more efficient unit which is now in the final stages of regulatory approval and will be ready for market in the coming year.

All of the product divisions have projects under way at the R & D Centre which will broaden and strengthen their product lines to ensure future market leadership and continued growth.

In addition R & D is making a major contribution to increasing productivity at company manufacturing locations in Canada and the United States.

### **Summary**

This new company structure enables senior management to focus more attention on the marketing and manufacturing rationalization opportunities available. Amplified by strong R & D support this organization greatly improves the company's ability to maintain profitability levels in a very unsettled economic period and to significantly improve its performance when the economy returns to normal.



*Top: Automated drilling equipment at the Fergus pump plant.*

*Middle: Seam-welding insulated chimney pipe at GSW's new facilities in Parry Sound.*

*Bottom: Research and development technician at the Sheridan Park Research Centre.*



# Consolidated Balance Sheet

GSW

December 31, 1981 (with comparative figures at December 31, 1980)

(\$000's)		1981	1980
<b>Assets</b>	Current:		
	Cash and short-term deposits:	\$ 1,369	\$ 4,690
	Accounts receivable	9,829	10,430
	Inventories —		
	Finished goods	8,164	6,488
	Raw materials and work in process	14,246	11,124
	Prepaid expenses	737	636
	Total current assets	34,345	33,368
	Investment in Camco Inc (note 5)	11,174	9,790
	Fixed:		
	Land, buildings and equipment	14,369	13,653
	Less accumulated depreciation	9,711	8,982
	Total fixed assets	4,658	4,671
	<b>Total assets</b>	<b>\$50,177</b>	<b>\$47,829</b>

(See accompanying notes)

On behalf of the Board:



R. A. Stevens, President



R. M. Barford, Chairman



		1981	1980	
<b>Liabilities</b>	Current:			
	Accounts payable and accrued liabilities	<b>\$14,841</b>	\$15,615	
	Income and other taxes payable	<b>1,214</b>	645	
	<hr/>			
	Total current liabilities	<b>16,055</b>	16,260	
	<hr/>			
	Long-term:			
	Bank loans (note 7)	<b>3,912</b>	4,180	
	Note payable (note 8)	<b>1,778</b>	1,795	
	Other	<b>1,598</b>	1,594	
<hr/>				
Total long-term liabilities	<b>7,288</b>	7,569		
<hr/>				
Deferred income taxes	<b>313</b>	396		
<hr/>				
<b>Shareholders' equity:</b>				
<hr/>				
Share capital (note 2)	<b>2,537</b>	2,537		
Contributed surplus		427		
Retained earnings	<b>23,984</b>	20,640		
<hr/>				
Total shareholders' equity	<b>26,521</b>	23,604		
<hr/>				
<b>Total liabilities and shareholders' equity</b>	<b>\$50,117</b>	\$47,829		

(See accompanying notes)

## Auditors' Report

To the Shareholders of GSW Inc.:

We have examined the consolidated balance sheet of GSW Inc. as at December 31, 1981 and the consolidated statements of income, 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 company as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
February 22, 1982.

**Clarkson Gordon**  
Chartered  
Accountants



# Consolidated Statement of Income

GSW

Year ended December 31, 1981 (with comparative figures for 1980)

(\$000's)

1981

1980

<b>Sales</b>	<b>\$88,727</b>	\$69,710
Operating costs:		
Employee compensation including benefits	<b>23,281</b>	17,507
Materials, supplies, services and other costs	<b>58,907</b>	46,812
Depreciation	<b>914</b>	748
Total operating costs	<b>83,102</b>	65,067
Income from operations	<b>5,625</b>	4,643
Interest expense:		
Long-term	<b>1,015</b>	230
Other, net	<b>435</b>	328
	<b>1,450</b>	558
Income before income taxes	<b>4,175</b>	4,085
Income taxes – current	<b>1,854</b>	1,448
– deferred	<b>(101)</b>	220
	<b>1,753</b>	1,668
Income before equity interest in Camco Inc	<b>2,422</b>	2,417
Share of net income in Camco Inc (note 5)	<b>1,398</b>	586
<b>Net income for the year</b>	<b>\$ 3,820</b>	\$ 3,003
<b>Earning per common share</b>	<b>\$ .93</b>	\$ .73

(See accompanying notes)



## Consolidated Statement of Retained Earnings

Year ended December 31, 1981 (with comparative figures for 1980)

(\$000's)	1981	1980
Balance, beginning of year	<b>\$20,640</b>	\$18,457
Add: Transfer of contributed surplus	<b>427</b>	
Net income for the year	<b>3,820</b>	3,003
	<b>24,887</b>	21,460
Deduct dividends of \$.22 per share (\$.20 in 1980)	<b>903</b>	820
Balance, end of year	<b>\$23,984</b>	\$20,640

(See accompanying notes)

## Consolidated Statement of Changes in Financial Position

Year ended December 31, 1981 (with comparative figures for 1980)

(\$000's)	1981	1980
<b>Funds were derived from:</b>		
Operations —		
Income before equity interest in Camco Inc	<b>\$ 2,422</b>	\$ 2,417
Add charges (credits) not requiring funds:		
Depreciation	<b>914</b>	748
Other	<b>(427)</b>	(168)
Total funds from operations	<b>2,909</b>	2,997
Term bank loans		4,180
Note payable on acquisition of subsidiary		1,795
Increase in other long-term liabilities	<b>300</b>	
Total funds provided	<b>3,209</b>	8,972
<b>Funds were applied to:</b>		
Acquisition of business, net of working capital of \$337 (7,831 in 1980)	<b>450</b>	672
Dividends	<b>903</b>	820
Purchase of fixed assets	<b>437</b>	723
Decrease in term bank loans	<b>237</b>	
Total funds applied	<b>2,027</b>	2,215
Increase in working capital for the year	<b>\$ 1,182</b>	\$ 6,757



December 31, 1981.

## 1. Summary of significant accounting policies

The following is a summary of the significant accounting policies followed in the preparation of the consolidated financial statements:

### (a) Inventory valuation —

Inventories are valued at the lower of cost and market. Cost is determined principally on a first-in, first-out basis. Cost includes material, labour and variable and fixed manufacturing overhead costs. No fixed manufacturing overhead costs are included in inventory valuation on quantities judged to be in excess of normal minimum inventory levels. Market value is net realizable value for finished goods and work in process, and replacement cost for raw materials.

### (b) Fixed assets and depreciation —

Fixed assets are stated at acquisition cost, including transportation and installation charges.

Generally, depreciation is determined using the declining balance method. This results in accumulated depreciation of approximately two-thirds of the cost of an asset during the first half of its estimated useful life.

### (c) Product warranty costs —

Anticipated costs related to product warranty are recorded in the year in which the product is sold.

### (d) Pension plan costs (see also note 3) —

Costs relating to improvements in pension benefits granted by the company for employment in prior periods are amortized over

fifteen years from the date such costs are established.

### (e) Income taxes —

The company follows the tax allocation method of accounting for income taxes. Under this method, timing differences between reported and taxable income (which occur when revenues and expenses recognized in the accounts in one year are taxed or claimed for tax purposes in another year) result in deferred or prepaid taxes. Investment tax credits related to fixed asset expenditures reduce current income tax expense.

### (f) Investment in Camco Inc —

The investment in Camco Inc is reflected on the equity method by which 40% of its net income is included in the income of the company.

### (g) Other significant policies —

Continuing research and development costs have been recognized as expenses when incurred. Engineering, tooling and patent costs have been treated in the same manner.

### (h) Foreign currency translation —

The basis of translation is the current rate method which translates all assets and liabilities at the rate in effect at the balance sheet date. For revenues and expenses, the current rate used is the rate which approximates the exchange rate in effect when the transaction occurred. Exchange and translation gains and losses are included in income currently.

## 2. Share capital

The authorized capital of the Corporation consists of an unlimited number of Class "A" common shares without nominal or par value, an unlimited number of Class "B" common shares (restricted voting) without nominal or par value, and an unlimited number of preference shares without nominal or par value.

The details of issued share capital are as follows:

		Amount (\$000's)	
	Issued	1981	1980
Class "A" common	1,308,789	\$ 770	\$ 770
Class "B" common (restricted voting)	2,793,267	1,767	1,767
	4,102,056	\$2,537	\$2,537

Both classes of common shares are equal in every respect except that the Class "A" shares have 100 votes per share and the Class "B" shares have one vote per share. A holder of Class "A" shares may at any time convert them into an equal number of Class "B" shares.

During the year, 925 Class "A" shares were converted to Class "B" shares.



### 3. Pension plans

There are a number of pension plans for present and retired employees of the company. During the year the company granted increased pension benefits, the past service cost of which amounted to \$397,000. Based upon the most recent actuarial valuations, the total estimated unamortized obligations of these plans as at December 31, 1981 amounted to approximately \$640,000.

### 4. Lease commitments

The company leases premises and equipment over various lease terms, generally up to five years. The annual rental payments for these operating leases is approximately \$246,000.

### 5. Camco Inc (formerly Canadian Appliance Manufacturing Company Limited)

The company owns shares in Camco Inc having 50% of the total votes and 40% of the equity participation. Set forth below is a summary of the financial position of Camco Inc as at December 31, 1981 and a summary of the results of its operations for the year then ended.

#### A. Summary of financial position

December 31 (\$000's)	1981	1980
Cash and receivables	\$ 53,013	\$ 54,794
Inventories	76,675	74,801
Other current assets	2,349	3,362
Total current assets	132,037	132,957
Short-term bank borrowings	3,202	7,344
Other current liabilities	52,051	56,301
Total current liabilities	55,253	63,645
Working capital	76,784	69,312
Net fixed assets	21,975	22,423
Total fixed assets and working capital	98,759	91,735
Notes payable	8,982	8,982
Term bank borrowings	53,375	49,530
Other non-current liabilities	8,467	8,893
Total non-current liabilities	70,824	67,405
Net assets	\$ 27,935	\$ 24,330
GSW interest therein	\$ 11,174	\$ 9,731
Unamortized acquisition costs		59
Equity interest in Camco Inc	\$ 11,174	\$ 9,790

#### B. Summary of results of operations

Year ended December 31 (\$000's)	1981	1980
Sales of products and services	\$329,332	\$309,228
Operating costs:		
Employee compensation	102,978	97,520
Materials, supplies, services and other costs	205,143	198,428
Depreciation	2,591	2,573
Total operating costs	310,712	298,521
Income from operations	18,620	10,707
Financial expense, net	13,253	9,600
Income before income taxes	5,367	1,107
Income taxes	1,762	(474)
Net income for the year	\$ 3,605	\$ 1,581
GSW interest therein	\$ 1,442	\$ 632
Less amortization of acquisition costs	44	46
Equity interest included in statement of income	\$ 1,398	\$ 586

The agreement entered into on December 12, 1980 whereby GSW Inc. was to sell its shares and interest in Camco Inc to Canadian General Electric Company Limited (C.G.E.) expired on June 30, 1981, at which time C.G.E. had not been able to secure the approval of the Foreign Investment Review Agency.



## Notes to Consolidated Financial Statements

### 6. Segmented information

The company operates in primarily two industries — water products and building products. Water products operations comprise the production and sale of pumps, water heaters and wringer washer

machines. Building products operations comprise the production of metal and vinyl rain goods, lockers, waste disposal containers and wood burning stoves and accessories.

### A. Industry segments

(\$000's)	1981			1980		
	Water Products	Building Products	Total	Water Products	Building Products	Total
Sales	\$50,811	\$37,916	\$88,727	\$45,891	\$23,819	\$69,710
Segment operating profit	\$ 3,547	\$ 2,078	\$ 5,625	\$ 2,705	\$ 1,938	\$ 4,643
Interest expense, net			(1,450)			(558)
Income taxes			(1,753)			(1,668)
Equity in net income of Camco Inc			1,398			586
Net income for the year			\$ 3,820			\$ 3,003
Identifiable assets	\$19,706	\$17,630	\$37,336	\$17,160	\$15,775	\$32,935
Corporate assets			12,841			14,894
Total assets			\$50,177			\$47,829
Capital expenditures	\$ 310	\$ 577		\$ 321	\$ 1,890	
Depreciation and amortization	\$ 269	\$ 645		\$ 264	\$ 484	

### B. Geographical segments

(000's)	1981		Total
	Canadian operations	U.S.A. operations	
Sales to customers	\$72,606	\$16,121	\$88,727
Intercompany sales to other segments	902	375	
	\$73,508	\$16,496	
Segmented operating profit	\$ 5,572	\$ 53	\$ 5,625
Interest expense, net			(1,450)
Income taxes			(1,753)
Equity in net income of Camco Inc			1,398
Net income for the year			\$ 3,820
Identifiable assets	\$29,783	\$ 7,553	\$37,336
Corporate assets			12,841
Total assets			\$50,177

The U.S.A. subsidiary was acquired October 1, 1980 therefore comparative information is not presented.

The Canadian operations of the company include export sales of \$13,536,000 (1980 — \$13,142,000).

### 7. Term bank loans – U.S. \$3,300,000

Interest is payable at one-half of one percent above Bank of Montreal U.S. base rate. Repayment terms are as follows:

1983	\$ 298,000
1984	2,671,000
1985	943,000
	<u>\$3,912,000</u>

### 8. Note payable – U.S. \$1,500,000

Interest is payable at 10¾%. Due date is October 1, 1983.

### 9. Research and development

Operating costs include expenditures on research and development of \$465,000 in 1981 and \$638,000 in 1980.

### 10. Comparative figures

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



## Five Year Review

(in thousands except per share data)

<b>GSW Results for the Year</b>	<b>1981</b>	1980	1979	1978	1977
Net Sales	<b>\$88,727</b>	\$69,710	\$61,997	\$58,655	\$51,236
GSW Net Income					
– before extraordinary items & share of Camco	<b>2,422</b>	2,417	2,427	1,650	1,125
– after extraordinary items & before share of Camco	<b>2,422</b>	2,417	2,427	1,921	1,125
Share of net income in Camco Inc.	<b>1,398</b>	586	2,080	1,902	201
Net income for the year	<b>3,820</b>	3,003	4,507	3,823	1,326
Earnings per common shares					
– before extraordinary items	<b>.93</b>	.73	1.10	.86	.32
– after extraordinary items	<b>.93</b>	.73	1.10	.92	.32
Dividends paid on common shares	<b>903</b>	820	820	13,742	–

### GSW Financial Highlights at Year-End

Working Capital	<b>18,290</b>	17,108	10,351	9,901	18,214
Current Ratio	<b>2.1 to 1</b>	2 to 1	1.9 to 1	2.1 to 1	2.8 to 1
Fixed assets at net book value	<b>4,658</b>	4,671	3,208	2,992	4,095
Total assets	<b>50,177</b>	47,829	34,270	29,384	40,337
Long term debt	<b>5,690</b>	5,975	–	–	537
Shareholders' equity	<b>26,521</b>	23,604	21,421	18,338	28,005
Common Shares outstanding	<b>4,102</b>	4,102	4,102	4,102	4,102

#### GSW Manufacturing Locations

599 Hill Street West  
Fergus, Ontario  
N1M 2X1

281 Birch Avenue  
Hamilton, Ontario  
L8L 7X6

26 Lorena Street  
Barrie, Ontario  
L4N 4P4

2995 Page Street  
London, Ontario  
N6A 4L6

4427 Geraldine Avenue  
St. Louis, Missouri  
63115

#### Research and Development Centre

2275 Speakman Drive  
Mississauga, Ontario  
L5K 1B1

#### GSW Products

Galvanized Ware  
Dairy Pails  
Stove Pipe  
Waste Baskets  
Metal and Vinyl Roof Drainage  
Toilet Compartments  
Lockers and Gym Boxes  
Beatty, McDougall, Sta-Rite Domestic Water Pumps, Tanks and Accessories  
Barnes Sewage Pumps  
Effluent and General Purpose Pumps  
Engine Driven Contractor Pumps

Sta-Rite Swimming Pool Equipment  
Wringer Washers  
Wringers and Components  
Electric and Gas Water Heaters  
Glass Lined Range Boilers and Storage Vessels  
Wood Circulators  
Wood Heaters  
Stove Boards  
Stove Venting Equipment  
Mail Boxes



