

Intermetco Limited/Annual Report 1979



HOWARD ROSS LIBRARY
OF MANAGEMENT
FEB 6 1980
MCGILE UNIVERSITY



An architectural rendering of the planned ferrous and non-ferrous metals recycling facility on the harbour front in Toronto, Ontario.



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FINANCIAL HIGHLIGHTS

(in thousands of dollars—
except per share statistics)

Sales	1979	\$195,205
	1978	\$117,553
Net Income Before Extraordinary Gain	1979	\$4,196
	1978	\$3,023
Net Income Per Share Before Extraordinary Gain	1979	\$2.74
	1978	\$2.02
Net Income	1979	\$4,944
	1978	\$3,023
Net Income Per Share	1979	\$3.23
	1978	\$2.02
Cash Flow	1979	\$7,171
	1978	\$4,633
Cash Flow Per Share	1979	\$4.69
	1978	\$3.09
Working Capital	1979	\$14,689
	1978	\$11,297

DIRECTORS AND OFFICERS

Frank P. Goldblatt	Director and Chairman, Hamilton
Morley B. Goldblatt	Director and Vice-President, Hamilton
Marvin E. Goldblatt	Director and President, Hamilton
Abby M. Goldblatt	Director and Executive Vice-President, Hamilton
Cyrl H. Hollingshead, Q.C.	Director, Barrister and Solicitor, Toronto
Gerald O. Loach, P.Eng.	Director, Business Executive, Toronto
Albert A. Takefman	Director, Real Estate Broker, Hamilton
John J. Stortz, C.A.	Assistant to President, Burlington
Douglas L. Warner, C.A.	Secretary-Treasurer, Burlington
C. Claude Brannan	Director-Emeritus, Retired Business Executive, Burlington

Miscellaneous Corporate Information

Registrar & Transfer Agent	The Royal Trust Company, Toronto
Solicitors	Fraser & Beatty, Toronto
Bankers	The Bank of Nova Scotia
Auditors	Coopers & Lybrand
Stock Exchange Listing	Toronto Stock Exchange

ANNUAL MEETING

The annual meeting of shareholders of Intermetco Limited will be held in the Pavilion A Room at the Holiday Inn, 150 King Street East, Hamilton, Ontario on Thursday, the 14th day of February, 1980 at 4:00 p.m. E.S.T.



1979 was an exceptional year of achievement reflected by a 66% rise in sales and a 39% rise in earnings.

Financial results

Consolidated sales increased to \$195,205,000, from \$117,553,000 last year. Net earnings for 1979 of \$4,944,000 equal to \$3.23 per share, compare with earnings of \$3,023,000 or \$2.02 per share for the same period a year ago. Working capital rose to \$14,689,000 up \$3,392,000 from last year.

Included in 1979 earnings is an extraordinary gain of \$748,000 or 49¢ per share from the sale of the Waste Management Division. Over the years, our growth in waste management had become relatively static and we felt that the company's interest was better served in areas of greater potential.

Divisional review

Propelled by increased worldwide demand for recycled metals and correspondingly higher prices, sales and profits of our Metals Recycling Division made substantial gains in the first nine months of our fiscal year. Fourth quarter earnings were somewhat disappointing. The early buoyancy of the Canadian economy was overtaken by the negative factors of artificially high interest rates and a deepening U.S. recession.

In addition, in the latter part of the year we were hampered by

delays in shipping tonnages that were destined for the overseas market, but the profit on these shipments will manifest itself in our first quarter of 1980.

The long-term outlook for metals recycling is positive. We are currently on a multi-million dollar expansion in this division and over the next few years we expect to realize the benefits from these investments. Our company's network of processing and brokerage operations, strategically positioned throughout the industrial heartland of this continent, provides a firm foundation for continued growth.

Intermetco's second largest group, the Food Division, also enjoyed a healthy increase in sales and profits. In 1979, we purchased the remaining 10% ownership in the Canadian food companies, which is an indication of our confidence in the major marketing opportunities now opening up to this group.

Our Pipe Division has enjoyed one of its more profitable years. Contributing factors were the U.S. exchange rate and shortages of product in the industry. Looking ahead, this division will be penetrating new markets and areas, primarily in the United States where growth potential lies. To this end, we are looking to acquire new locations from which to distribute our products.

Our Commercial Refrigeration Division performed to expectations, and we anticipate further growth in this area in 1980.

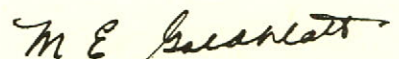


Forecast

Recent published reports indicate that there is a degree of uncertainty as we look forward to our 1980 business year. Current high interest rates and a general slow down in the economy in the first half of 1980 makes it difficult for us to forecast with any degree of accuracy. In spite of the predicted pessimism of 1980, we feel that our performance should be at least comparable to last year.

Appreciation

To each employee, and to our customers and suppliers, we express our sincere appreciation and gratitude for their help and support throughout this most satisfying year.



M.E. Goldblatt
President



The scope of a widely-diversified company such as Intermetco can be better understood by a review of each division. Markets, operations, and financial results for each division are outlined on the following pages. We trust you will find them helpful in broadening your knowledge of our Company.

A.M. Goldblatt

A.M. Goldblatt
Executive Vice-President



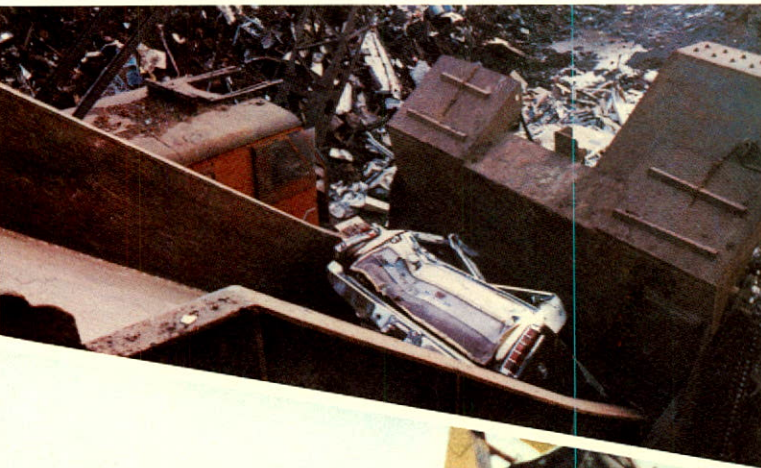
Intermetco is Canada's largest metals recycler, with operations in Ontario, Quebec and the United States. The company's twelve processing plants supply recycled ferrous and non-ferrous metals to major steel mills, foundries and smelters in the industrial heartland of North America. Our broad scope permits us to participate in worldwide markets.

1979 Results

A strong upsurge in demand and corresponding price increases characterized both the ferrous and non-ferrous scrap metal markets in 1979. This enabled the Metals Recycling Division to achieve major increases in tonnage, sales and profits.

Stronger demand and higher margins provided us the opportunity to trade in a wider geographical area. Increased participation in the U.S. market and to some extent in the over-seas market, was the direct result.

Intermetco's production facilities adapted well to the market conditions of 1979. Our auto metals reclamation centre in Montreal performed above expectations in recovering various non-ferrous metals from shredder residue. Our non-ferrous facility in Toronto successfully completed its first full year of operations. By combining brokerage and production facilities, we were able to process and market these metals at optimum levels.



A strong effort by operating personnel throughout our processing network resulted in production records at most plants. Increased efficiencies also played an important role in achieving these record volume levels.

1979 Reorganization

Two significant structural changes occurred in 1979. Advance Metals Recycling, Inc. of Buffalo, became a wholly owned subsidiary. Production

capacity at Advance Metals will be increased in 1980 with the installation of additional processing equipment. This plant expansion, will enable us to increase our participation in the eastern United States market.

The second major change, was the formation of Intermetal U.S., Inc. This brokerage operation is a new subsidiary created to further develop our participation in other areas of the United States and Canada.

The company has experienced trading personnel operating in Buffalo, Cleveland, Pittsburgh and Sharon, Pennsylvania.

1980 Expansion

1980 will bring more significant changes. Approximately ten million dollars will be invested in two major projects in Ontario. Production capacity will be greatly enhanced giving further indication of our confidence in the steel and foundry industry.



A new 1335 Harris hydraulic shear, the largest in Canada, will double Intermetco's present shearing capacity in Hamilton.

A completely new metals recycling facility at the Toronto harbour front is the second major change for 1980. Construction is currently underway. The operation will include a non-ferrous metals processing plant, office and warehouse covering 60,000 square feet and, in addition,

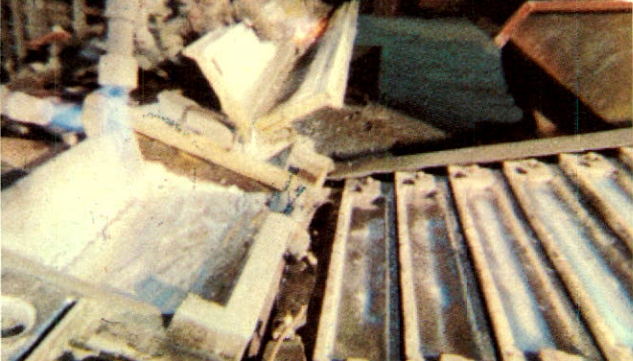
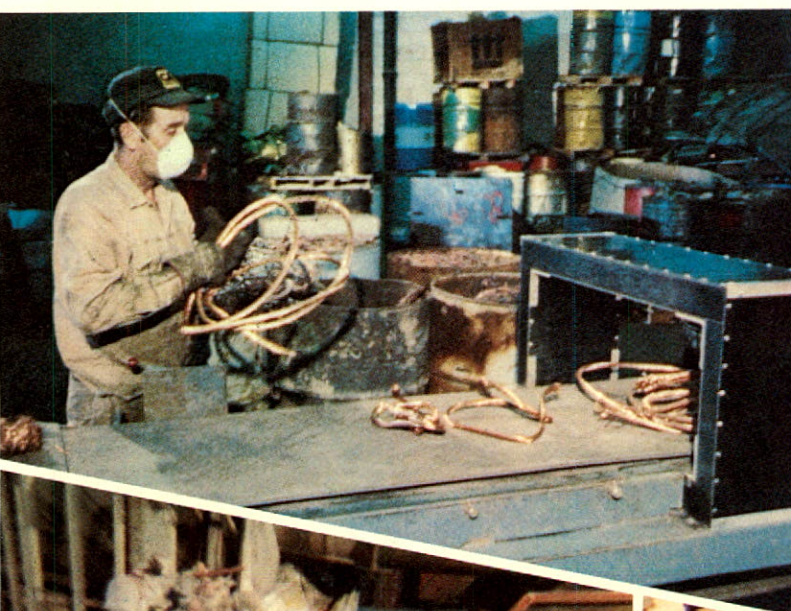
ferrous processing equipment, including a baling press, shear and shredder. Excellent water, rail and highway transportation from the Toronto harbour location will provide the new plant with ready access to North American and overseas markets. Both capital projects will be operational in the first half of 1980.

Market Trends

One of the significant trends affecting the metals recycling industry is the continuing increase in electric furnaces in

steel making. In the making of steel, the use of high quality recycled metal instead of iron ore results in a 74% energy savings. When 1,000 tons of steel are produced with recycled metal, instead of virgin iron ore, the energy saved is equivalent to 140,000 gallons of gasoline.

Our existing capacities, plus our current expansion programs, will enable us to participate in the increased demands of the '80's.



Launched in 1977, Intermetco's Food Division has established itself as our second largest division.

The five companies comprising the division are: David Ashley And Company Limited, importer and marketer of internationally-known specialty and ethnic foods and beverages; Krispak Limited, processor and distributor of nuts and snack foods; C. & J. Willenborg, Inc., the U.S. counterpart to Ashley; Western Creamery Company Limited; and Bird's Hill Dairy Products Limited, both specialty dairies.

Intermetco purchased the remaining 10% interest in Ashley, Krispak, and the dairy companies in 1979. All the Canadian food companies are now wholly-owned subsidiaries, while Willenborg is 90% owned.

Marketing of Imported Foods in North America

Operating under the theme "A World of Good Taste", Ashley enjoyed a highly successful year in 1979. The company strengthened its national capabilities by hiring new personnel, accenting the marketing function across Canada. The company will

continue this emphasis in the months and years ahead in order to provide its suppliers with consistently aggressive representation throughout the complete Canadian market.

C. & J. Willenborg markets a broad selection of internationally-known foods throughout United States. Building on its long-established base in the eastern seaboard region, Willenborg distributes nationally and, in fact, provides direct container delivery.

Willenborg and Ashley operate independently, but as sister



companies serving similar markets, they share ideas, expertise, and buying strength. Their continuing growth program is reflected in exceptional distribution and marketing strength throughout North America.

Krispak Expansion Continues

Krispak currently markets nationally a broad selection of nuts, seeds, candies, and meat snacks. In addition to marketing under our own brand name, Krispak supplies private label requirements for many large companies.

Despite the increasing cost of raw materials and the devaluation of the Canadian dollar, volume and profits grew throughout 1979 as a result of an ever increasing marketing thrust and broad consumer acceptance of the full Krispak line.

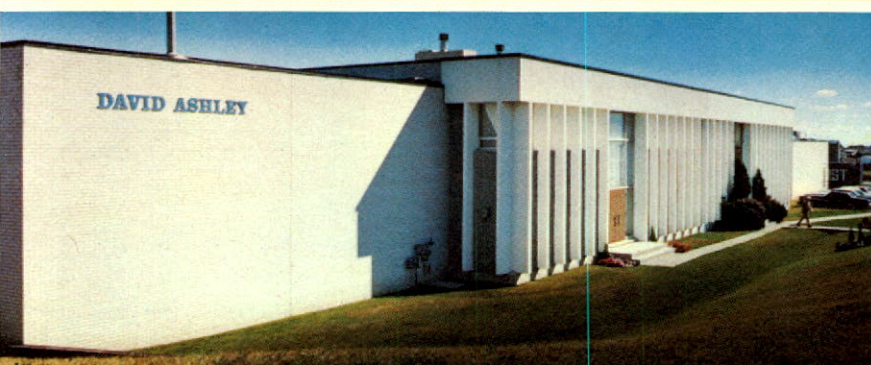
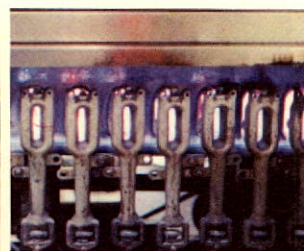
Krispak's on-going policy of upgrading its processing operations, facilities and packaging systems allows the company to continue expanding product lines.

Solid Results From Dairy Companies

For 1979, our dairies performed satisfactorily. These dairies, serving the southern Ontario market, produce quality lines of pressed cottage cheeses, cream cheese and sour cream products that are marketed through chain stores and independent retail outlets.

Our Future In Food

Overall, growth prospects appear excellent. The markets served along with our specialty product lines provide ample opportunities for expansion.



PIPE PILING AND STRUCTURAL STEEL PIPE

Intermetco's Pipe Division markets structural steel and secondary tubing in the United States, and pipe piling on both sides of the border.

Sales and profits increased in 1979 significantly with all product lines contributing to this achievement.

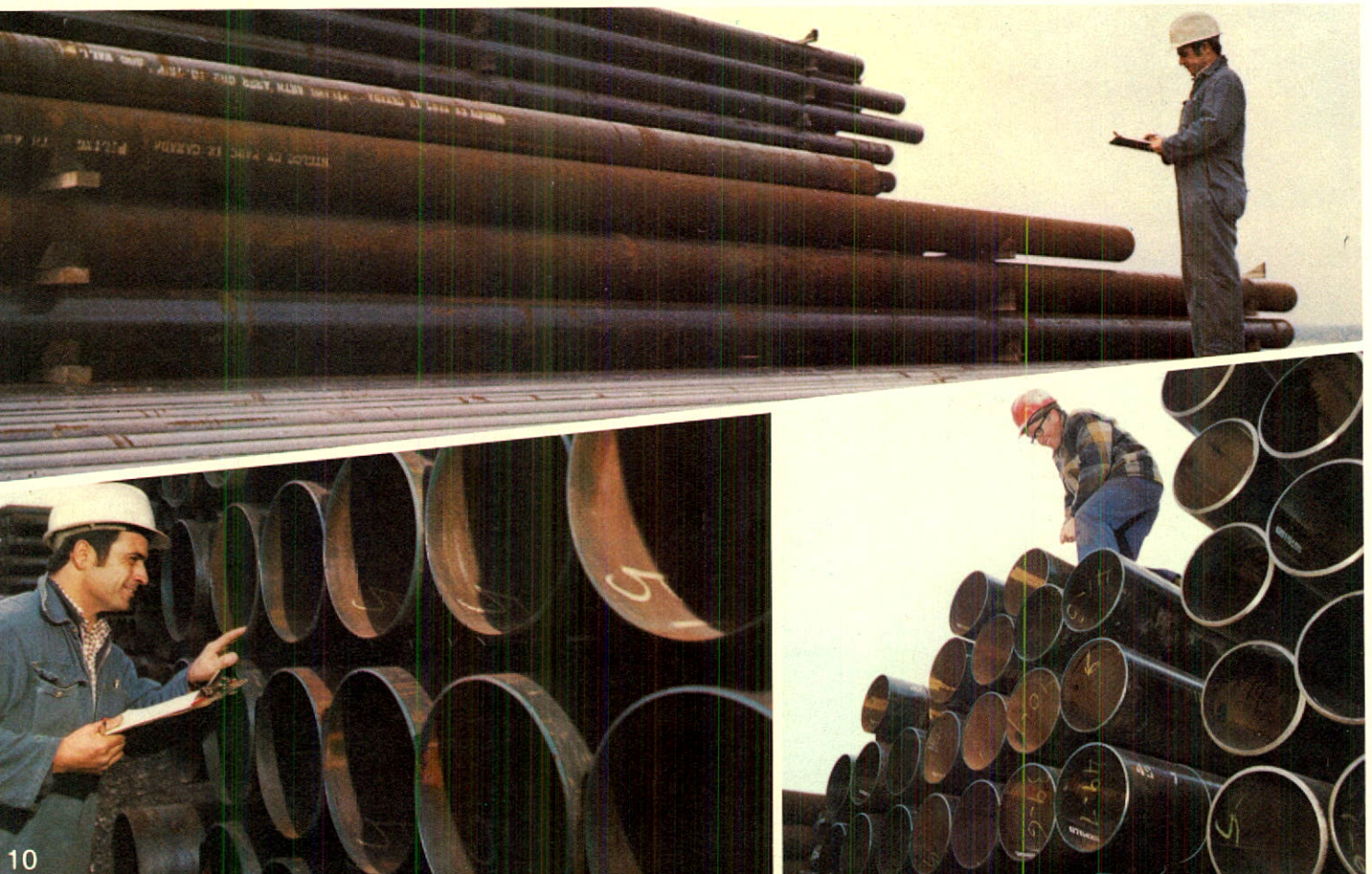
Prices increased dramatically because of soaring production costs. Profit margins remained steady, but sales were somewhat restricted by limited availability.

The low Canadian dollar served as an effective counterbalance to the high freight costs incurred in shipping products out of Canada. U.S. demand was high, spurred on by industrial construction activity that was stronger than expected. Structural steel sales were also heightened by good demand from original equipment manufacturers.

In Canada, pipe piling markets shifted their focus from the east to the west. Traditional Ontario

and Quebec markets continued to remain fairly soft, while the booming western construction market accounted for the major share of our piling sales. This trend will undoubtedly continue in 1980, although large volume increases are unlikely, because the current high prices for steel piling are allowing competitive materials such as concrete to make inroads.

In summary, our 1979 performance was most favourable. We hope to duplicate these results in 1980.



General Refrigeration of Canada Limited is the manufacturing division of Intermetco. General is the largest Canadian-owned commercial refrigeration manufacturer and offers the industry's most varied line of products. These products include refrigerated display cases, walk-in coolers, freezers and steel shelving.

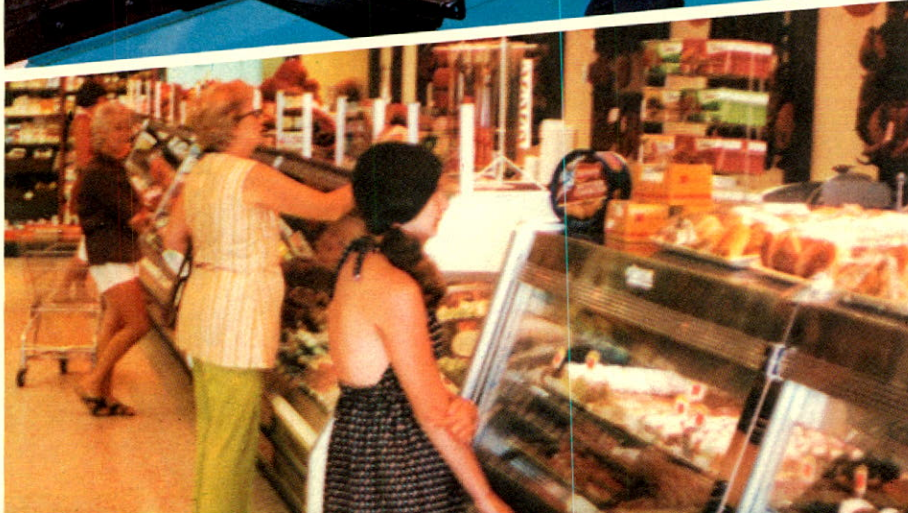
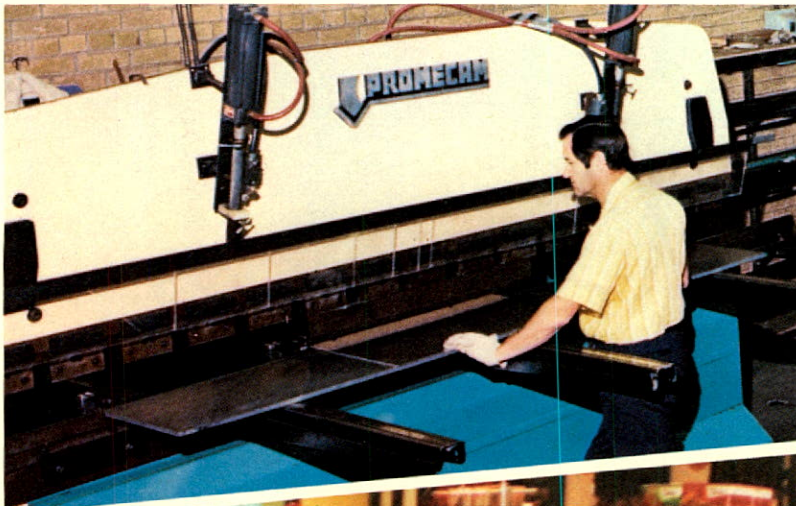
Our sales strengthened in 1979. Most of the major food chains increased the tempo of their new

store construction programs and General's solid representation among distributors in every major Canadian city resulted in improved sales throughout the total product line.

Profits, while satisfactory, did not grow with the increased volume. Manufacturing costs, particularly raw materials, increased relentlessly throughout the year, while the commercial refrigeration market could not support these rising costs.

In September, General strengthened its foundations for future growth by acquiring an additional 55,000 square foot facility. This will accommodate assembly and warehousing operations, as well as sales and accounting offices.

General faces the future with confidence. The division is poised to deal effectively with short and long-term economic and market conditions in the commercial refrigeration industry.



INTERMETCO LIMITED
CONSOLIDATED STATEMENT OF
INCOME AND RETAINED EARNINGS

for the year ended

October 31, 1979

(in thousands of dollars)

	1979 \$	1978 \$
Sales (Note 8)	195,205	117,553
Cost of sales and operating expenses (Note 8)	187,517	112,607
	7,688	4,946
Other income	–	289
Income before the following	7,688	5,235
Provision for income taxes	3,430	2,187
	4,258	3,048
Minority interest	(62)	(25)
	4,196	3,023
Extraordinary item (Note 9)		
Profit on disposal of a division (net of income taxes of \$176,000)	748	–
	4,944	3,023
Net income for the year (Note 9)		
Retained earnings – beginning of year	14,503	12,041
	19,447	15,064
Appraisal increment realized on sale of real estate	–	39
	19,447	15,103
Dividends paid	919	600
	18,528	14,503
Retained earnings – end of year		

INTERMETCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended
October 31, 1979

(in thousands of dollars)

	1979 \$	1978 \$
Funds provided		
Net income	4,944	3,023
Depreciation	2,460	1,894
Amortization of goodwill	187	90
Gain on sale of assets	(66)	(501)
Gain on disposal of a division	(924)	—
Deferred income taxes	508	102
Minority interest	62	25
	7,171	4,633
Proceeds on sale of a division	949	—
Proceeds on sale of fixed assets	831	923
Increase in long-term debt	6,523	3,224
Capital stock issued	338	379
Total funds provided	15,812	9,159
Funds applied		
Minority interest acquired	140	—
Dividends paid	919	600
Purchase of fixed assets	8,339	2,262
Excess of long-term assets acquired over long-term liabilities assumed and minority interest on acquisition of subsidiary companies	1,008	2,243
Debentures purchased for cancellation or converted to capital stock	243	5
Repayment of long-term debt	1,584	1,326
Increase in sundry assets	187	453
Total funds applied	12,420	6,889
Increase in working capital	3,392	2,270
Working capital—beginning of year	11,297	9,027
Working capital—end of year	14,689	11,297

INTERMETCO LIMITED CONSOLIDATED BALANCE SHEET

as at October 31, 1979

(in thousands of dollars)

	1979 \$	1978 \$
Assets		
Current assets		
Cash	955	865
Accounts receivable (Note 3)	26,676	20,463
Loans receivable	112	64
Inventories	25,858	18,418
Deferred income taxes	155	140
Prepaid expenses	940	689
	54,696	40,639
Fixed assets (Note 2)	17,779	12,665
Other assets		
Excess of cost of subsidiaries over net book value of assets acquired, less amortization	4,677	3,856
Sundry	966	804
	5,643	4,660
	78,118	57,964

Signed on behalf of the Board

M.E. Goldblatt

Director

A.M. Goldblatt

Director

	1979 \$	1978 \$
Liabilities		
Current liabilities		
Bank advances (Note 3)	17,599	11,654
Accounts payable and accrued liabilities	19,623	15,099
Income and other taxes payable	1,128	1,292
Current portion of long-term debt (Note 4)	1,657	1,297
	40,007	29,342
Long-term debt (Note 4)	11,512	6,816
Deferred income taxes	2,402	1,894
Minority interest	58	136
	53,979	38,188
Shareholders' Equity		
Capital stock (Notes 4 and 5)		
Authorized 3,000,000 shares of no par value		
Issued and fully paid 1,542,036 shares	4,816	4,478
Retained earnings	18,528	14,503
Contributed surplus	51	51
Excess of appraised values of land and buildings over depreciated cost	744	744
	24,139	19,776
	78,118	57,964

INTERMETCO LIMITED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended
October 31, 1979

1. Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include:

- (i) The accounts of Intermetco Limited and its subsidiary companies,
- (ii) The accounts of all incorporated and unincorporated joint ventures to the extent of the company's interest in their respective assets, liabilities, revenues and expenses.

(b) Inventories

The majority of ferrous secondary metals are valued using the base stock method whereby the lower of the quantity of materials established as a base inventory and those at October 31, 1979 are valued at the lower of the cost prevailing at November 1, 1972 and the most recent moving average cost or market. Quantities in excess of the base levels and all other metals inventories are valued at the lower of the most recent moving average cost or market. Market has been determined as net realizable value less normal profit margin, or as replacement cost. All other inventories are valued at the lower of cost, determined on a first-in, first-out basis or replacement cost.

(c) Fixed Assets

Property, buildings and equipment are stated at cost with the exception of certain property and buildings which are stated at appraised values.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to income. When assets are sold, their cost or appraised value as the case may be, and accumulated depreciation or amortization are removed from the accounts and any gain or loss resulting from their disposal is included in income.

(d) Depreciation

Depreciation is calculated at rates which will reduce the original cost of buildings and equipment to estimated residual values over the useful life of each asset on either the diminishing balance or straight-line basis.

(e) Goodwill Amortization

The excess of cost of subsidiaries over net book value of assets acquired is amortized at the rate of 2½% per annum on the straight-line basis.

(f) Foreign Exchange

Foreign currency balances included in assets and liabilities, excluding long-term investments and fixed assets, have been expressed in Canadian dollars at the rate of exchange prevailing at the balance sheet date. Transactions entered into during the year have been translated to Canadian dollars at the rate of exchange prevailing at the dates of the transactions.

(g) Earnings per Share

Basic earnings per share have been calculated on the basis of the weighted average number of shares outstanding during the year.

Fully diluted earnings per share assumes the exercise of stock options and conversion of sinking fund debentures at the beginning of the year and the restatement of earnings to reflect interest savings.

INTERMETCO LIMITED
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS (contd.)

for the year ended
 October 31, 1979

2. Fixed Assets

(in thousands of dollars)

	1979		1978	
	Cost or Appraised Value \$	Accumulated Depreciation \$	Net \$	Net \$
Land—at appraised values	464	—	464	464
Land—at cost	1,631	—	1,631	1,174
	2,095	—	2,095	1,638
Buildings—at appraised value	1,537	785	752	819
Buildings and equipment—at cost	27,226	12,294	14,932	10,208
	28,763	13,079	15,684	11,027
	30,858	13,079	17,779	12,665

3. Bank Advances

Bank advances are secured by a general assignment of book debts.

4. Long-term Debt

(in thousands of dollars)

	1979 \$	1978 \$
Mortgages payable at varying interest rates not exceeding 10%, maturing up to 1985.	126	160
7½% Convertible sinking fund debentures series A, reduced by debentures purchased for cancellation to date totalling \$723,000 and debentures converted to capital stock totalling \$243,000 (1978-\$3,000). Sinking fund requirements to date have been met.	531	774
Notes payable not exceeding 1% above bank prime, maturing up to 1986.	4,568	3,063
Bank loans secured by a general assignment of book debts and first floating charge to the limit of \$250,000 on assets of certain subsidiaries. Interest rates do not exceed 1% above bank prime and maturities vary up to 1987.	7,909	3,638
Sundry loans and lease contracts payable.	35	478
	13,169	8,113
Less: Current portion.	1,657	1,297
	11,512	6,816
		\$
Repayment schedule for the next five years is as follows:	1980	1,657
	1981	1,289
	1982	1,930
	1983	2,164
	1984	2,387

INTERMETCO LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the year ended
October 31, 1979

7½% Convertible Sinking Fund Debentures Series A

The debentures are secured by a first floating charge on all assets of the company subject to prior security on mortgages and bank borrowings and are redeemable at 102% of the principal to May 1, 1980, reducing one-half of one percent in each year thereafter.

Each \$1,000 of debenture principal can be converted into one hundred fully paid shares at the holder's option at any time until April 28, 1984 or on the third business day immediately preceding the date fixed for redemption, whichever is earlier.

5. Stock Options

Outstanding options have been granted to senior employees of the company for the purchase of shares.

Number of Shares Subject to Option	Exercise Price Per Share \$	Option Expiry Date
6,600	5.40	July 31, 1980
2,000	5.65	January 31, 1982
10,000	6.45	January 31, 1983
10,000	12.50	March 31, 1984
42,500	13.50	July 31, 1984

During the year, options on 17,400 shares were exercised at a price of \$5.40 per share for 14,400 shares and \$5.65 per share for 3,000 shares. Options to purchase 10,000 shares at \$12.50 per share and 42,500 shares at \$13.50 per share were granted.

6. Long-term Lease Commitments

(in thousands of dollars)

Obligations under certain leases to pay aggregate minimum annual rentals are as follows:

	\$
1980	665
1981	661
1982	639
1983	579
1984	563

7. Pension Plan

(in thousands of dollars)

The amount of past service costs remaining to be charged to future operations is approximately \$639,000. Based on actuarial advice, this liability will be satisfied through annual payments as follows:

	\$
1980-1987	97
1987-1988	81
1989-1990	38

8. Statutory Information

(in thousands of dollars)

(a) Expenses for the year include the following:	1979 \$	1978 \$
Depreciation	2,460	1,894
Interest on long-term debt	999	661
Remuneration of directors and senior officers	488	488

INTERMETCO LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the year ended
October 31, 1979

	1979	1978
(b) Allocation of sales by class of business:	\$	\$
Metals recycling division	142,553	77,299
Pipe piling and structural steel division	13,665	9,797
Food division	30,645	22,508
Other divisions	8,342	7,949
	195,205	117,553

9. Earnings per Share

	1979	1978
Basic	\$	\$
Income before extraordinary item	2.74	2.02
Net income for the year	3.23	2.02
Fully diluted		
Income before extraordinary item	2.58	1.90
Net income for the year	3.07	1.90

10. Acquisitions

Effective June 30, 1979 the company acquired the remaining ten percent of the outstanding shares of David Ashley And Company Limited, Krispak Limited, Western Creamery Limited and Bird's Hill Dairy Products Limited. These companies are engaged in the processing and distribution of food products.

Effective May 1, 1979 the company acquired the remaining fifty percent of the outstanding shares of Advance Metals Recycling, Inc., a ferrous metals processor in the United States.

On March 29, 1979 the company acquired seventy percent of the outstanding common shares of the newly formed Intermetal U.S. Inc. (a United States company). Effective June 7, 1979 the company acquired the remaining thirty percent of the outstanding shares of Intermetal U.S. Inc., a broker of ferrous and non-ferrous material.

	Ashley Krispak Western Bird's Hill \$	Advance Metals Recycling \$	Intermetal U.S. Inc. \$
Assets acquired			
Net book value of assets acquired less liabilities assumed	165	(147)	1
Excess of purchase price of shares over net book value	282	681	44
	447	534	45
Consideration			
Cash	447	534	1
Notes payable	—	—	44
	447	534	45

11. Future Commitment

The company has undertaken a capital expansion of production facilities at a new Toronto location for an estimated total cost of \$5,100,000. As at October 31, 1979, approximately \$790,000 of this amount has been capitalized. The project is expected to be financed by long-term debt.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Intermetco Limited as at October 31, 1979 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of Intermetco Limited, and those subsidiaries of which we are the auditors was made in accordance with generally accepted auditing standards, and accordingly

included such tests and other procedures as we considered necessary in the circumstances.

We have relied on the reports of the auditors who have examined the financial statements of a subsidiary and the joint ventures.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at October 31, 1979 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.

Hamilton, Ontario
January 4, 1980

Coopers & Lybrand
CHARTERED ACCOUNTANTS

INTERMETCO LIMITED AND SUBSIDIARIES

Statistical Summary

(fully consolidated basis—
amounts in thousands,
except per share statistics)

Sales, earnings and dividends	1979	1978	1977	1976
Sales	\$195,205	\$117,553	\$67,083	\$76,681
Cost of sales	\$184,058	\$110,052	\$61,459	\$71,627
Depreciation	\$ 2,460	\$ 1,894	\$ 1,666	\$ 1,520
Interest on long-term debt	\$ 999	\$ 661	\$ 597	\$ 584
Income from sale of real estate	—	\$ 289	—	\$ 108
Minority interest	\$ 62	\$ 25	—	—
Income taxes	\$ 3,430	\$ 2,187	\$ 1,306	\$ 1,138
Net Income (Note 1)	\$ 4,196	\$ 3,023	\$ 2,055	\$ 1,920
Net income per share (Note 1)	\$ 2.74	\$ 2.02	\$ 1.43	\$ 1.34
Dividends paid per share	\$.60	\$.40	\$.40	\$.40
Other financial data				
Current assets	\$ 54,696	\$ 40,639	\$18,515	\$17,710
Current liabilities	\$ 40,007	\$ 29,342	\$ 9,488	\$ 9,797
Working capital	\$ 14,689	\$ 11,297	\$ 9,027	\$ 7,913
Capital expenditures during year	\$ 8,339	\$ 2,262	\$ 2,057	\$ 4,048
Net property and plant	\$ 17,779	\$ 12,665	\$12,719	\$13,219
Total assets	\$ 78,118	\$ 57,964	\$33,177	\$33,083
Long-term debt	\$ 11,512	\$ 6,816	\$ 4,923	\$ 6,151
Shareholders' equity	\$ 24,139	\$ 19,776	\$16,974	\$15,476
Number of shares outstanding	1,542	1,500	1,443	1,438
Shareholders' equity per share	\$ 15.65	\$ 13.19	\$ 11.76	\$ 10.76

NOTE 1: Net income and net income per share are presented before an extraordinary gain of \$748,000 or 49¢ per share in 1979.

INTERMETCO GROUP OF COMPANIES

Principal Subsidiaries, Divisions and Associates

(percentage of ownership in brackets)

Metals Recycling

International Iron & Metal
Company — Hamilton (100%)
Simkins Metals Limited
Toronto (100%)
Scarboro Iron & Metal Company
— Toronto (100%)
Compressed Metals Limited —
Toronto (100%)
Fers et Metaux Recyclés Ltée. —
LaPrairie, Quebec (50%)
Ferobec Ltée. — Montreal (50%)
Fercyco Inc. — London (50%)
Advance Metals Recycling, Inc.
— Buffalo, New York (100%)
Intermetal U.S., Inc.
— Buffalo, New York (100%)

J. Kovinsky & Sons Limited —
Windsor (25%)
Coretal Inc. — Quebec City (52%)

Food

David Ashley And Company
Limited — Toronto, Montreal
(100%)
Krispak Limited — Toronto (100%)
Western Creamery Company
Limited — Toronto (100%)
Bird's Hill Dairy Products
Limited — Toronto (100%)
C. & J. Willenborg Inc. —
Ramsey, New Jersey (90%)

Steel Pipe

Cappco Tubular Products
Limited — Hamilton (100%)

Commercial Refrigeration

General Refrigeration of Canada
Limited — Toronto (100%)

Head Office

Intermetco Limited

P.O. Box 70, Hamilton, Ontario,
Canada L8N 3B4

1975	1974	1973	1972	1971	1970
\$87,127	\$107,398	\$47,024	\$31,997	\$29,319	\$38,068
\$79,863	\$ 97,492	\$44,541	\$30,224	\$28,069	\$35,801
\$ 1,270	\$ 1,139	\$ 770	\$ 642	\$ 634	\$ 684
\$ 438	\$ 421	\$ 297	\$ 247	\$ 274	\$ 285
\$ 379	\$ 66	\$ 55	\$ 66	—	—
—	—	—	—	—	—
\$ 2,613	\$ 4,186	\$ 686	\$ 427	\$ 57	\$ 802
\$ 3,322	\$ 4,226	\$ 785	\$ 523	\$ 285	\$ 496
\$ 2.34	\$ 2.99	\$.56	\$.37	\$.20	\$.35
\$.30	\$.25	—	—	—	—
\$17,688	\$ 24,615	\$12,150	\$ 8,807	\$ 7,462	\$ 7,926
\$10,834	\$ 20,249	\$10,237	\$ 6,462	\$ 5,557	\$ 6,614
\$ 6,854	\$ 4,366	\$ 1,913	\$ 2,345	\$ 1,905	\$ 1,312
\$ 2,129	\$ 2,124	\$ 2,763	\$ 661	\$ 446	\$ 1,570
\$11,264	\$ 9,247	\$ 7,856	\$ 6,384	\$ 6,585	\$ 6,789
\$31,146	\$ 36,734	\$21,943	\$16,802	\$15,557	\$16,232
\$ 4,855	\$ 4,450	\$ 3,717	\$ 3,263	\$ 3,432	\$ 3,343
\$14,118	\$ 11,077	\$ 7,298	\$ 6,509	\$ 5,996	\$ 5,677
1,435	1,412	1,410	1,409	1,409	1,409
\$ 9.84	\$ 7.84	\$ 5.18	\$ 4.62	\$ 4.26	\$ 4.03

