

The reshaping of John Labatt Limited

Brewing

into a company of fewer, stronger

Dairy

businesses resulted in

Entertainment

a year of significant achievements.

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*Brewing
Dairy
Entertainment*

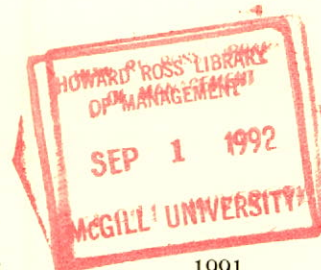
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FINANCIAL HIGHLIGHTS



Consolidated Highlights

(\$ millions, except per share)

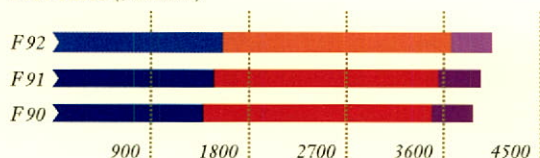
	1992	1991	1990
Operating Results			
Net sales	\$3,837	\$3,598	\$3,504
Earnings before interest, non-recurring charges and income taxes	297	211	218
Net earnings, after non-recurring charges and discontinued operations	101	109	169
Funds from operations	233	236	224
Acquisitions, capital expenditures and other investments	296	278	251
Common share dividends	62	59	55
Cash from discontinued operations	562	(15)	13
Financial Position			
Working capital	\$ 798	\$ 169	\$ 427
Net assets employed	1,495	1,368	1,350
Non-convertible long-term debt	646	415	544
Convertible debentures and shareholders' equity	1,748	1,676	1,644
Per Common Share Information			
Fully diluted net earnings, continuing, before non-recurring charges	\$ 1.82	\$ 1.41	\$ 1.60
Fully diluted net earnings	0.98	1.03	1.78
Common share dividends	0.795	0.77	0.73
Convertible debentures and common shareholders' equity	15.75	15.07	14.81

In 1992 JLFoods, Everfresh, Miracle Feeds and Ogilvie Mills are reported as discontinued operations. Unless otherwise noted, operating financial information is shown only for continuing operations. Certain comparative information has been restated to conform with this presentation.

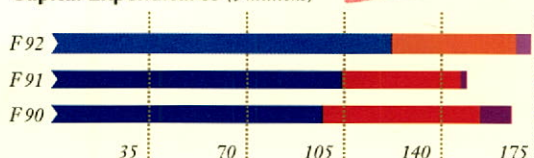
Segmented Highlights

■ Brewing ■ Dairy ■ Entertainment

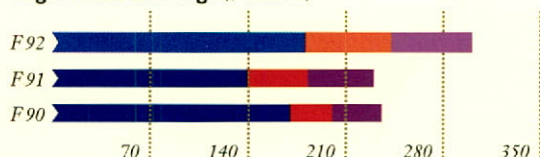
Net Sales (\$ millions)



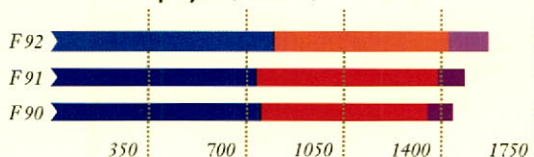
Capital Expenditures (\$ millions)



Segmented Earnings (\$ millions)



Net Assets Employed (\$ millions)



Note: These charts depict continuing operations only. Financial information for partly owned businesses is included in the proportion of John Labatt ownership.

Brewing

Labatt Breweries of Canada

National: Labatt Blue, Labatt 50, Labatt Genuine Draft, Budweiser, Bud Light, Labatt Lite, Labatt Extra Dry, John Labatt Classic, Carlsberg, Carlsberg Light, Labatt .5 **Regional:** Blue Star, Keith's, Schooner, Oland's Export, Légère, Labatt Blue Light, Crystal, Club, Kokanee, Lucky Lager **Specialty:** Labatt's IPA, Guinness, Twistsbandy **Import:** Michelob, Tuborg, Birra Moretti, Steinlager, Castlemaine

Labatt's USA

Domestic: Rolling Rock, Rolling Rock Light **Import:** Labatt's Blue, Labatt's Blue Light, Labatt's 50, Labatt's Dry, Moretti, Red Stripe, Dragon Stout, Clausthaler

Labatt Breweries of Europe

Domestic: Labatt's Canadian Lager, Labatt's Strong Canadian Lager, Moretti, Sans Souci, Prinz Pils, Baffo D'oro **Import:** Rolling Rock, John Labatt Classic

Dairy

Ault

Sealtest, Parlour, Häagen-Dazs, Light n' Lively, Dallaire, Royal Oak, Copper Cliff, Lactantia, Balderson, Black Diamond

Johanna Dairies

Johanna, Tuscan, Abbotts, Lehigh, Green Spring, Ssips, La Yogurt

Entertainment

JLL Broadcast Group

The Sports Network (TSN), Le Réseau des sports (RDS), TSN Enterprises, Dome Productions, Skyvision Entertainment

The Toronto Blue Jays Baseball Club

John Labatt Entertainment Group

Supercorp Entertainment, BCL Entertainment

Labatt Breweries of Canada is the only national brewer that is wholly Canadian-owned. The division operates 12 breweries across the country, producing 34 different brands of ale and lager. Eleven brands are marketed nationally while the others are sold on a regional basis.

Through Labatt International Brands, the division also markets specialty and import brands of beer and wines to both the Canadian and international markets.

Labatt's USA operates in the high-quality segment of the U.S. beer business. The division produces and markets the *Rolling Rock* brands from its Latrobe Brewing operation. Through

Labatt Importers, the division also imports and markets selected Labatt brands from Canada, the Birra Moretti brands from Labatt's Italian breweries, and other international brands.

Labatt Breweries of Europe has two operating components – Labatt Brewing UK and Birra Moretti. The former maintains trading relationships with seven regional partners in the United Kingdom for the brewing and distribution of *Labatt's Canadian Lager*. Birra Moretti is Italy's fourth-largest brewing operation.

Ault Foods is one of Canada's largest integrated dairy operations. Ault produces and markets a full line of dairy and industrial milk products, primarily in Ontario and Quebec. Certain of its products are also marketed in the Atlantic provinces, western Canada and internationally.

Johanna Dairies is the largest table milk processor in the north-eastern United States. Johanna's broad customer base includes supermarket and convenience store chains, wholesalers, dairy distributors, independent grocery stores and many foodservice accounts. The primary distribution areas are Metropolitan New York City, New Jersey, Pennsylvania, Maryland and the District of Columbia.

The JLL Broadcast Group includes a number of television broadcasting and production businesses. TSN is an English language, all-sports television service, RDS is a French language counterpart to TSN, and TSN Enterprises is a supplier of broadcast support and ancillary services. Dome Productions is a television production and video post-production facility, and Skyvision Entertainment is a producer of television programming.

The Toronto Blue Jays are an American League East Division baseball club based in the SkyDome.

Supercorp Entertainment provides services to the advertising industry, primarily in the areas of commercial film production, media planning and buying, animation, and audio recording and post-production. BCL Entertainment is a leading live-event promoter and a merchandiser of related apparel.



Samuel Pollock

Sidney M. Oland

The reshaping of John Labatt Limited into a company of fewer, stronger businesses resulted in a year of significant achievements. The Brewing, Dairy and Entertainment businesses each delivered higher segmented earnings and increased market share. Our program of selling non-strategic businesses was completed. In addition, we made capital investments of \$172 million and committed \$145 million to activities that will help ensure sustainable, long-term earnings.

Net sales increased 7% to \$3.8 billion for the year ended April 30, 1992. Initiatives taken last year to improve profitability had an immediate impact in fiscal 1992. Segmented earnings – earnings from continuing operations before interest, non-recurring charges and income taxes – rose 41% to \$297 million. Recognizing the costs of restructuring activities during the year, and the net gain on operations and dispositions of the discontinued businesses, resulted in net earnings of \$101 million, 7% lower than last year.

During fiscal 1992 we sold JLFoods, Everfresh and Miracle Feeds, and reached an agreement in principle to sell Ogilvie Mills. We also aggressively reduced the cost base of our brewing and dairy businesses to improve their competitiveness. As a result of these actions, John Labatt now has three strong core businesses and a very healthy balance sheet.

An Exceptional Year for Canadian Brewing

We are very pleased with the progress of our Brewing divisions. Segmented earnings rose to \$181 million, up 30% over last year. Canadian brewing operations again increased Labatt's national market share to record levels – up 0.5% to 42.3% for the year. In the final quarter of the year our national market share pushed through 43%, driven by the very successful introduction of *Labatt Genuine Draft* in three provinces. Total volume was essentially equal to the previous year. Market share gains were offset by a 1.7% decline in industry volume that resulted from the combined effects of cross-border shopping, higher taxes and the recession.

In April 1992 the governments of Canada and the United States made progress on resolving the trade issues that have overshadowed the Canadian brewing industry for several years. Under the agreement in principle, the provinces will bring their regulatory practices related to beer distribution, listings and pricing into compliance with the General Agreement on Tariffs and Trade (GATT). This will occur through a series of changes, some effective June 30, 1992, others by September 30, 1993.

We welcome the agreement between Canada and the United States as it provides more certainty about the future regulatory environment. More importantly, it provides a period during which we can continue to take those actions necessary to ensure that our brewing operations are competitive with new entrants to the marketplace.

Such actions have been underway for two years. In 1992, we made key additional decisions to strengthen our competitive position in Canadian brewing by aggressively lowering our costs of production and marketing. Labatt Breweries of Canada introduced a common bottle and rationalized its brewing capacity in Ontario. These initiatives, while costly in 1992, will build on the advantages already being achieved through the previously announced restructuring of the company's marketing and sales departments.

Strong Momentum in International Brewing

As in Canada, our brewing operations in the United States, Italy and the United Kingdom performed extremely well. Operating losses were substantially reduced and we expect all operations to be profitable in the coming year.

Labatt's USA competes in the 17-million-barrel, high-quality segment, which is made up of domestic super-premium beers, imports and specialty products. Within this segment – equal in size to the entire Canadian domestic beer industry – Labatt's USA is the fourth-largest and fastest-growing company. Currently, imports are declining within the high-quality segment, and though Labatt's brands are having mixed results, they continue to gain market share. In the domestic super-premium market, *Rolling Rock* continued its strong record of volume growth, posting a 15% increase in 1992.

Our investments in building brand awareness at Birra Moretti are producing excellent gains. Despite a no-growth environment in the Italian industry, the company built on the large gains made last year by posting a 21% increase in volume in fiscal 1992.

In the United Kingdom, national consumption of lager declined 8% last year. Nevertheless, Labatt maintained its volume of *Labatt's Canadian Lager* and now sells more than 90% of all Canadian beer bought in the United Kingdom. *Rolling Rock*, building on one of the most successful lager launches ever in Britain, doubled its volume last year to become the best-selling American imported brand.

As broader distribution is the key to our continued success in the United Kingdom, subsequent to year end we agreed in principle to establish a joint venture with Pubmaster, an independent pub retailer. The new company will acquire and operate pubs in the U.K. The agreement provides for Labatt products to be sold in these pubs, as well as in the 2,000 establishments in Pubmaster's existing network.

Excellent Improvement in Dairy

Segmented earnings from Dairy operations increased dramatically to \$62 million in fiscal 1992, up 41% despite poor economic conditions and highly-competitive markets. A number of key factors drove the increase in Dairy's segmented earnings: improved production efficiencies across all parts of the business; a full year of earnings from the *Häagen-Dazs* and *Black Diamond* brands acquired in fiscal 1991; and greater concentration on more-profitable product lines.

Initiatives leading to significant non-recurring charges were taken within the Dairy businesses to provide a stronger base for future earnings growth. Ault rationalized facilities in south-western Ontario, while Johanna proposed a plant closure in the north-eastern United States.

Ault's research and development team has become a leader in the application of milk-processing technology to the development of value-added food products. Ault continued its ground-breaking research into low-fat alternatives for health-conscious consumers. The company conducted a highly successful launch of *Parlour 1%* low-fat ice cream. With its national distribution and immediate acceptance, *Parlour 1%* quickly became Canada's second-largest seller in the entire ice cream category, behind only the regular *Parlour* line. Ault expects to sign an agreement during the first half of fiscal 1993 to license the low-fat technology used in *Parlour 1%* to an international food processor. The company also developed and successfully introduced *Première Quark*, an entirely new, low-fat product for the North American dairy case.

Good Contribution from Entertainment

Strong results from the JLL Broadcast Group, and an increase in our ownership in the Toronto Blue Jays from 45% to 90%, boosted Entertainment segmented earnings by 23% to \$58 million.

TSN was again a major contributor to the Broadcast Group, increasing its overall level of subscribers and attracting additional advertising revenue in poor economic conditions. The Blue Jays won their third American League East pennant in seven seasons. In a very significant breakthrough, the club became the first franchise in baseball history to draw more than four million fans in a single season.

Supercorp's segmented earnings improved over last year, in spite of reduced advertising expenditures by customers. With lower demand for live entertainment events and a lack of high-quality touring talent in fiscal 1992, BCL recorded lower earnings from its touring and merchandising operations. A much more active touring season is already in place for fiscal 1993.

Looking Ahead with Confidence

The long-term outlook for John Labatt Limited is very exciting. With effective cost-cutting programs underway and a clearer beer-trading environment in Canada – as well as market momentum domestically and internationally – our Brewing divisions are well positioned for increased profitability. Effective rationalization in milk operations and market-leading brands will result in better operating earnings from Dairy. Our Broadcast businesses will build on their position as the most successful group of broadcast companies in Canada. Naturally, we have high hopes for the Blue Jays' chances this season.

The restructuring of John Labatt has resulted in a company that is strategically focussed and financially healthy. We will continue to keep a sharp focus on improving the competitiveness of each of our business segments by reducing expenses and encouraging production efficiencies. We will also seek out appropriate opportunities to build our core businesses through acquisitions or strategic alliances which can improve returns to shareholders.

Special Thanks to Employees

We recognize that seemingly abstract terms such as “restructuring” and “cost reduction” often have a very tangible meaning for those who are affected by their implementation. To those employees who have lived with the uncertainty of the past few years and have not only persevered but also made significant contributions to our achievements, the Board, Management and shareholders extend their gratitude. The excellent operating results of the past year are a direct measure of their loyalty and their work on behalf of the Company.

We also owe special thanks to the employees of those businesses we have sold in recent years. Their commitment to making those companies among the best in their respective industries was a key factor in the value realized by John Labatt on its investments. We offer thanks as well to employees who have left us due to initiatives we have taken to improve our businesses in a world that becomes more competitive each day. We sincerely appreciate the collective influence of their individual efforts on our behalf, and wish them a bright future.

Board Changes

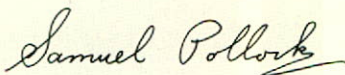
During the year three long-serving Directors stepped down from the Board. Alexander J. MacIntosh, first elected a Director in 1967, was invaluable in providing extensive guidance on the rapid growth of John Labatt during his years on the Board. The commitment to John Labatt exemplified by Alex MacIntosh will be very difficult to replace.

For more than a decade, Jaime Ortiz-Patiño offered perspective from his base in Europe as the Company grew internationally. We will sincerely miss his counsel.

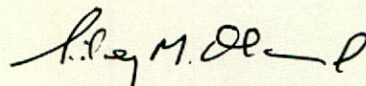
In December Peter N.T. Widdrington resigned as Chairman. Samuel Pollock, a Director since 1981, was elected to serve as the new Chairman.

Peter N.T. Widdrington

The Board of Directors, on behalf of John Labatt Management, employees and shareholders, extends special appreciation to Peter Widdrington. His tremendous dedication to the Company never faltered during a 37-year career that began in sales at Labatt Breweries and culminated in the offices of President and Chairman. Those of us who have had the opportunity to work shoulder-to-shoulder with Peter can attest to his boundless energy in advancing the growth of John Labatt. During Peter Widdrington’s tenure as Chief Executive Officer between 1973 and 1990, John Labatt’s sales, profits and assets grew at a compound annual rate of 15% – a remarkable achievement. We are very pleased that Peter will stay with us as an Honorary Director of the Company.



Samuel Pollock
Chairman of the Board



Sidney M. Oland
President and Chief Executive Officer

June 18, 1992

BREWING

The restructuring activities undertaken in 1992 were essential to strengthen Brewing's position in Canada's new competitive environment.



The Blue family is being revitalized with a new, long-necked bottle and contemporary graphics. Blue's new advertising campaign, "You Bet It's Blue", will identify the brand with the growing interest in blues music.

Labatt Genuine Draft enjoyed a very successful introduction in three provinces late in the fiscal year, exceeding market-share expectations and boosting the company's overall share of the Canadian beer market.



Labatt Blue continues to be Canada's most popular beer. New graphics, packaging and advertising will give a boost to Blue's momentum in the coming year. A national campaign of in-store merchandising called "Labatt – Where It's At", as well as additional sports sponsorship, will also increase the brand's visibility.

Like Blue, Blue Light is being given a more contemporary look and new bottle. Its innovative "Imagine" advertising platform, to be launched during the summer of 1992, is designed to appeal to the better-informed and more discerning light-beer drinker. Taken as a family of brands, Labatt's light beers are the leading light brands in Canada.

The aggressive launch of Labatt Genuine Draft in three provinces exceeded expectations for market share growth – the majority of which has been taken from competitors' brands. The very smooth taste that results from Genuine Draft's cold-filtering process has proven to be popular with the brand's primary target market, under-30-year-olds.



John Labatt Classic



Labatt 50



Labatt Lite



Labatt 5



Budweiser

National Brands



Precedent-setting research and taste tests with more than 3,500 consumers led to the introduction of Labatt's Extra Dry in Ontario. Double chilling gives this premium-quality product a uniquely fresh, clean taste.

Labatt's IPA



Steinlager



Following a very successful introduction in British Columbia, Bud Light will be aggressively expanded in Manitoba, Ontario, New Brunswick and Prince Edward Island in the coming year.

Regional Brands

Kokanee



Keith's Dry



Crystal



Lucky Lager



Club



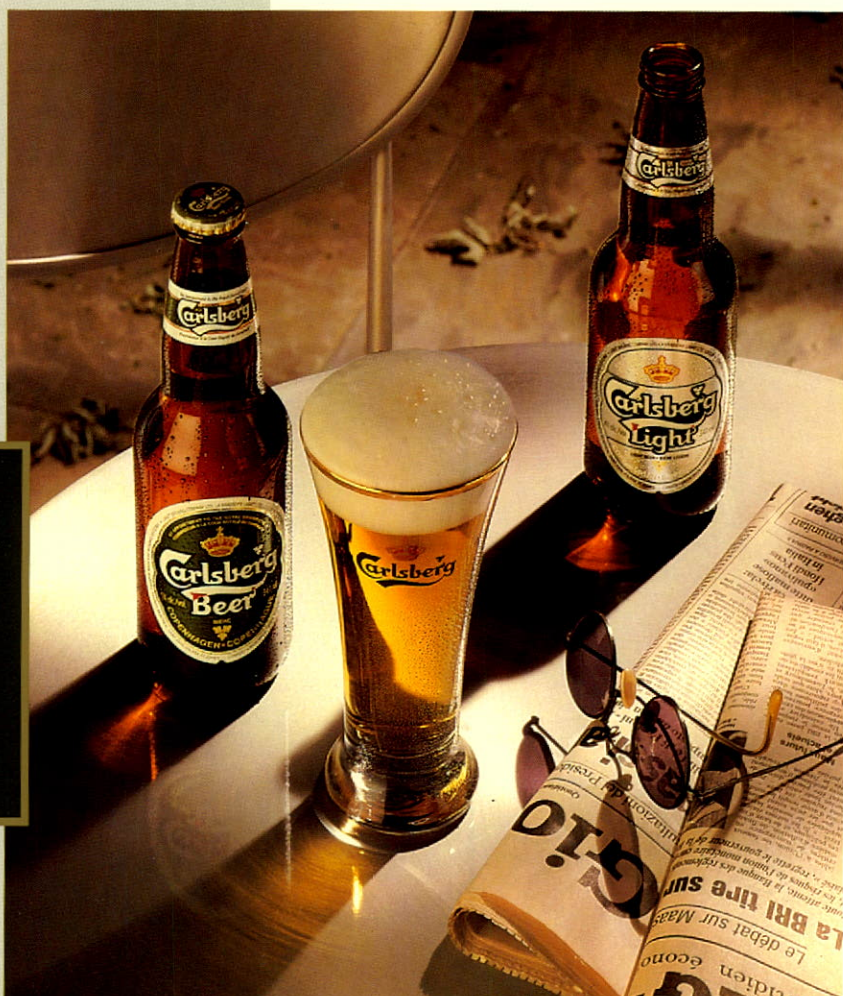


*Specialty and
Import Brands*

Budweiser, one of the fastest-growing brands in Canada, made major market-share gains last year. Its consistent creative positioning – the “Bud Man” theme – communicates the image of confidence and genuineness that is important to the 19-to-24-year-olds segment which is the brand’s primary target group.

During fiscal 1993 Labatt will reposition the *Carlsberg* family to reinforce the brand’s strong international heritage and reputation for quality. New, distinctive packaging and an advertising platform based on the “Possibly the Best Beer in the World” concept will help *Carlsberg* – and Labatt – compete against the expected influx of foreign competitors in a more open Canadian marketplace.

The Carlsberg family of products will be a key portfolio in helping Labatt compete against the expected influx of foreign brands. New positioning will build on Carlsberg’s international heritage.





Labatt's USA introduced striking new graphics and packaging for the Labatt's brand family. This new look reinforces the high-quality position that the brand enjoys in the United States.

The Labatt's USA brands, *Labatt's* and *Rolling Rock*, outperformed both the import and domestic market segments during fiscal 1992.

Latrobe Brewing's nationally distributed *Rolling Rock* brands continued their exciting performance. *Rolling Rock's* distinctive packaging, innovative promotions and award-winning advertising drove a 15% volume increase over last year. *Rock Light's* long-neck, painted-label bottle and creative advertising helped to nearly double that brand's volume in fiscal 1992.

The Labatt's family had mixed results within the declining import segment, but continued to gain in overall market share. *Labatt's Blue* maintained its position as the fifth-largest-selling imported beer in the United States. *Blue Light*, one of the fastest-growing, imported light beers, increased its consumer sales by 8%.

The Specialty Import division of Labatt Importers also grew during fiscal 1992. Key brands – *Moretti* from Italy, *Clausthaler* non-alcoholic beer from Germany and *Red Stripe* and *Dragon Stout* from Jamaica – were all top performers in their respective import categories.

Dragon Stout, Jamaica



Red Stripe, Jamaica



Clausthaler, Germany



Moretti, Italy



U.S.A. Imports



Rolling Rock is one of the fastest-growing brands in the U.S. beer business. A high-quality image, distinctive, long-neck painted-label bottle and creative advertising have all played important roles in Rolling Rock's success.



A new joint venture is expected to expand the number of pubs in which Labatt products are sold from 7,000 to nearly 10,000, increasing Labatt Brewing UK's current annual volume by an estimated 25 percent.

Europe

Moretti, Italy



Rolling Rock, U.S.A.



Labatt's Strong Canadian Lager, U.K.



Labatt's Canadian Lager, U.K.



Brand awareness of *Labatt's Canadian Lager* increased dramatically in the United Kingdom through innovative sponsorships, promotions and joint ventures. As well, *Labatt's* and *Labatt's Strong* continue to be key brands in the standard and premium segments of the U.K. market, with *Labatt's* maintaining its position as Britain's best-selling Canadian lager. A 100% increase in on- and off-premise sales catapulted *Rolling Rock* to a new position as the top-selling, American import. *Rolling Rock's* U.K. advertising campaign won nine awards, including first place in the "Drinks" category of the Campaign Press Awards. *Moretti* also continued to make strong gains with Italian-style restaurant, pizza and pasta chains in the U.K.

In Italy, Birra Moretti's *Sans Souci* brand built on its strong positioning as the country's youth-oriented, "rock and roll" brand. Sales increased 25%, driven by the promotion of more than 100 major rock concerts during the summer of 1991 and the ongoing endorsement of a number of top Italian rock acts. *Moretti*, the company's mainstream brand, enjoyed a sales increase of 24% despite flat industry volume.

Sales of Sans Souci, Birra Moretti's premium-priced youth brand, grew by an impressive 25% in 1992. The brand is endorsed by Zucchero Fornaciari, Italy's leading rock star.





*Ongoing rationalization
and cost reductions
have positioned our*

dairy

*Dairy businesses to
deliver a much better
overall return.*

Ault Foods is a leading processor of fluid milk in Canada and provides consumers with a broad range of milk-based products.

Last year Ault's frozen-foods division launched its most-successful product ever – Parlour 1%, a low-fat, frozen dairy dessert developed with proprietary technology. With national distribution and immediate



acceptance by consumers and key accounts, Parlour 1% quickly became the second-largest seller in the entire ice cream category, behind only the regular Parlour product line.

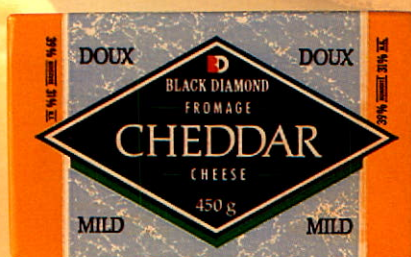


Ault also introduced Première dairy snacks, an entirely new category for the dairy case. Première is



a quark-based dairy snack with fruit, which tastes like dessert yet is low in fat and calories. Première Quark's launch in the key Ontario and Quebec markets exceeded expectations.

Early in fiscal 1992 Ault introduced another innovative product called Cheestrings. A convenient and nutritious snack, Cheestrings are individually wrapped sticks of 100%-mozzarella cheese that peel into thin strips for eating. The product, known as Ficello in Quebec, has already gained a significant share of the fast-growing snack-cheese segment.



Fiscal 1992 was also the first full year of Ault's ownership of Black Diamond cheese following the acquisition

of the brand in February 1991. In addition to Cheestrings in Ontario, the Black Diamond line-up consists of a full line of natural cut cheeses, processed slices and sauces sold under the company's high-quality label or produced for private-label customers.

Johanna Dairies processes, markets and distributes a range of retail dairy products in the north-eastern United States. The company's high-quality table milk





enjoys strong brand identity in the markets it serves, including the Johanna, Tuscan, Lehigh Valley and Green Spring labels. During fiscal 1992 Johanna's Lehigh Valley Dairies division acquired a milk distributor in order to enhance service to customers in the Greater Philadelphia area.



Johanna's Ssips fruit drinks made good volume gains despite the poor economy that prevailed in the north-eastern U.S. during the year. Ssips now holds a 23% share of the aseptic drinks market in the area.

Competitive markets prevailed for both aseptic drinks and juices in fiscal 1992, as large competitors fought to gain a larger share of markets. Extensive consumer research led to a new package design that was introduced late in the year.

The La Yogurt brand offers consumers an extensive product line of flavours and sizes, including stirred yogourts and diet products.



Johanna is a major supplier of private-label cream products in the growing ultra-high-temperature-pasteurized segment. The longer shelf life of these products enables Johanna to transcend its traditional market area to serve a broader base of customers.



Our Broadcast and Entertainment businesses are continuing to build on their leadership positions in specialty services.

Entertainment

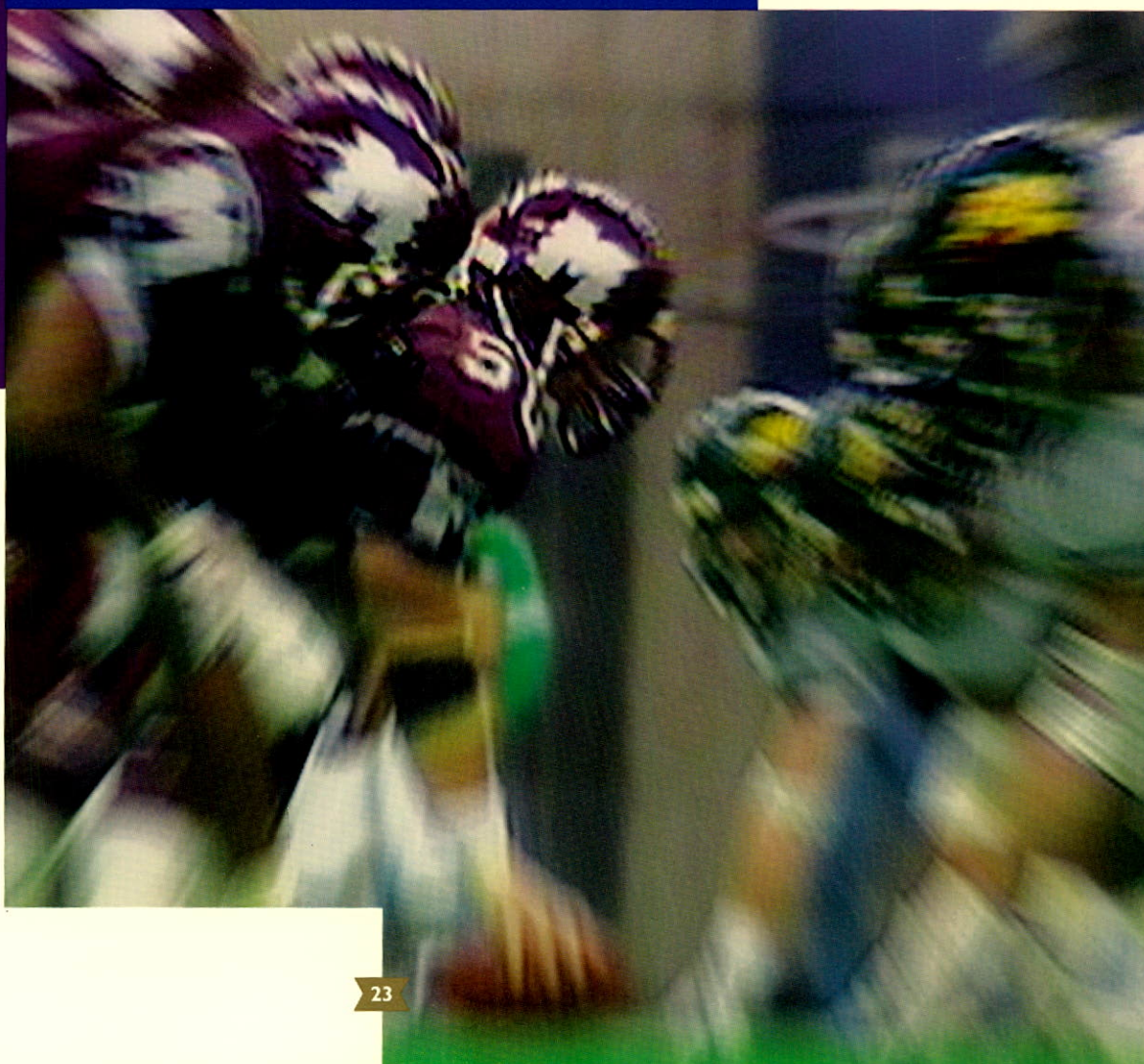


The Sports Network

TSN is a leader in television sports coverage, delivering the most-watched sports programming in Canada to a national base of more than six million subscribers. During 1992 TSN expanded Blue Jays coverage to 75 games and signed a new, three-year rights deal with the Canadian Football League. "For the Love of the Game", a ten-episode, behind-the-scenes look at sports, is planned for fiscal 1993.

RDS is the world's only francophone, all-sports television service. Its specialty programming is now distributed to 1.7 million cable subscribers or 99% of cable-equipped homes in Quebec. RDS offers a broad spectrum of national and regional sporting events targetted to the specific interests of Quebec subscribers.

Le Réseau des sports



The Toronto Blue Jays closed their 15th regular season by winning their third American League East Division championship by a margin of seven games. For the second consecutive year the club led all major league teams in attendance, and became the first franchise in baseball history to draw more than four million fans in a single season.

Toronto Blue Jays





Supercorp is one of the world's largest commercial production companies. The group offers comprehensive services encompassing commercial film production, media planning and buying, and audio recording and post-production. Revenues exceeded \$100 million for the first time in 1992, with significant increases in market share.

Supercorp Entertainment



Dome Productions is a television production and video post-production facility. The company has established a reputation for providing the highest quality of live-event, post-production and computer-graphics services to major commercial and broadcast clients throughout North America. In 1991 Dome Productions was awarded top honours by the Canadian Computer Graphics Association in its Electronic Animation category.

Dome Productions



BCL Entertainment

Driven by BCL's innovative marketing, "At the Max", the first-ever, full-length IMAX® film, has quickly become one of the highest-grossing concert documentaries. BCL's CPI concert division is among the largest live-event promoters in the world. The company will stage more than 600 shows during the much more active concert season that is already underway for fiscal 1993. BCL's Brockum division, which markets concert-related merchandise, also anticipates growth in revenue.

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Introduction

The following discussion and analysis provides a review of the activities, results of operations and financial condition of John Labatt Limited (the "Company") for the year ended April 30, 1992 in comparison with those for fiscal 1991. This discussion and analysis should be read in conjunction with the Consolidated Financial Statements and accompanying Notes.

The presentation of information in this discussion and analysis has changed from last year in order to appropriately reflect the sale during the year of the JLFoods frozen soup and pizza business, the Everfresh juice business and the Miracle Feeds livestock feeds business, as well as the planned sale of the Ogilvie Mills flour and starch business. The results of operations, financial position, and changes in financial position of these businesses are reported as "Discontinued Operations" in the Consolidated Financial Statements.

Overview

Earnings per share from continuing operations before non-recurring charges increased by 29% over fiscal 1991 to \$1.82. This substantial increase reflects improved operating results from each of the three business segments. Financial highlights and a review of the individual operations within the three segments follow this overview.

Fully diluted earnings per share for the year ended April 30, 1992 were \$0.98 compared to \$1.03 a year ago. This decrease resulted from an increase to \$1.01 per share in provisions for non-recurring charges, which more than offset the improved operating earnings from continuing operations and increased earnings from discontinued operations. Included in non-recurring charges per share are Labatt's proportion of non-recurring charges at BCL Entertainment and the Toronto Blue Jays in the relevant years.

Fully Diluted Earnings per Share

	1992	1991
Continuing operations, before	\$1.82	\$ 1.41
Non-recurring charges	(1.01)	(0.43)
Discontinued operations	0.17	0.05
	\$0.98	\$ 1.03

Provisions for non-recurring charges were taken in fiscal 1992 as the Company reorganized its operations to succeed in a changing and increasingly competitive environment. The largest portion of these charges was in the Canadian Brewing division, where provisions were made for the cost of converting to a common beer bottle, staffing reductions and the closure of the Kitchener-Waterloo Brewery in November 1992. In the Dairy segment provisions were made for completed and proposed plant closures that will enable both Ault Foods and Johanna Dairies to enhance their competitive positions.

In fiscal 1991 the Company provided for non-recurring charges of \$0.43 per share, primarily for the management restructuring of Labatt Breweries of Canada and for unusually-high bad debts and restructuring at Johanna as it ceased to operate in certain New York markets.

The strategic initiatives which have resulted in non-recurring charges in the past two fiscal years will reduce excess capacity within Labatt's businesses, thereby lowering the Company's overall costs of production and distribution. Management anticipates that reduced expenses will enable Labatt to be more competitive in the businesses in which it operates and, in doing so, improve the future earnings potential of the entire enterprise.

Earnings from discontinued operations in 1992 were higher than last year due to a net gain from the businesses that were sold – JLFoods, Everfresh and Miracle Feeds. Earnings from discontinued operations comprise the operating results of these operations to the date of sale, the gains or losses on the sale of the businesses and provisions for the disposition of Ogilvie Mills, which is expected to take place early in fiscal 1993.

John Labatt Limited competes in the international marketplace in the Brewing, Dairy and Entertainment industries.

In the following discussion of the Results of Operations of the Company, Entertainment businesses are reported for the first time as a separate segment. In addition, JLFoods, Everfresh, Miracle Feeds and Ogilvie Mills, which are reported as discontinued operations in 1992, are excluded from the segment discussion and financial highlights. Similarly, Catelli and Ridout Wines, which were sold in 1989, are excluded from the historical information presented. Financial information for the partly owned, non-consolidated businesses associated with continuing operations is included in the proportion of John Labatt ownership. Certain comparative information has been restated to conform with this presentation.

In the following discussion of Labatt's Results of Operations, earnings before interest, non-recurring charges and income taxes are referred to as "segmented earnings".

(\$ millions)	1992	1991	1990	1989	1988	1987	1986
Net sales	\$1,564	\$1,474	\$1,376	\$1,229	\$1,117	\$1,001	\$897
Depreciation and amortization	64	59	52	42	37	32	27
Segmented earnings	181	139	170	145	134	115	90
Capital expenditures	122	104	97	75	75	54	52
Net assets employed	799	733	752	552	483	408	352
Labatt's domestic volume – millions of hl	8.3	8.3	8.5	8.5	8.4	8.4	8.1
Labatt's worldwide volume – millions of hl	11.7	11.5	11.2	10.3	9.4	8.9	8.5

The Brewing segment comprises three divisions:

Labatt Breweries of Canada, Labatt's USA and Labatt Breweries of Europe.

Each of the Brewing operations experienced revenue growth in fiscal 1992, resulting in an overall sales increase of 6%. This increase was achieved despite flat or lower industry volumes in the markets within which Labatt operates. Labatt's national market share increased as company brands outperformed industry averages.

Segmented earnings increased by 30% due to revenue growth and aggressive expense-reduction programs.

Brewing invested \$122 million in capital expenditures during the year. Notable expenditures included major upgrades to facilities in the United States and Italy and the equipment and processes required to brew a new product in Canada, *Labatt Genuine Draft*.

Labatt Breweries of Canada

Labatt Breweries of Canada ("Labatt Canada") is the only national brewer that is wholly Canadian-owned. The company produces and markets 34 national and regional brands for sale in Canada, and exports products for sale in 20 other countries.

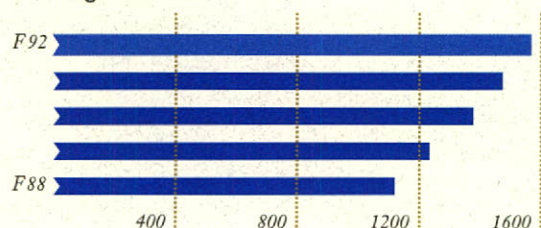
Segmented earnings were significantly higher than last year. This was due primarily to cost-reduction initiatives and to revenue growth. Labatt Canada's average national market share increased from 41.8% last year to 42.3% for fiscal 1992. Labatt Canada's total sales volume was down 0.5% on a year-over-year basis, however, due to a 1.7% decline in industry volume. Increasing cross-border purchases by Canadian consumers, the high taxation of beer and a poor economy, particularly in central Canada, were prominent factors in the decline. Domestic industry volume in British Columbia ran counter to this trend due to anti-dumping duties imposed last summer on exports by certain U.S. brewers to British Columbia.

Labatt Blue maintained its position as Canada's most popular beer. In the coming year both *Blue* and *Blue Light* will be supported by a new blues music advertising campaign. *Budweiser* sales were up significantly, as the brand maintained its leadership as Canada's best-selling licensed beer. *Bud Light*, which was successfully launched in British Columbia last year, will be introduced in most provinces in fiscal 1993 in order to take advantage of the growing market for light beers. *Budweiser* and *Bud Light* are brewed under license from Anheuser-Busch.

Labatt Canada introduced a cold-filtered draft beer in bottles and cans. The new product, *Labatt Genuine Draft*, is made without preservatives and bottled after cold filtering, replacing the traditional heat-pasteurization process. It was launched in Ontario, Alberta and British Columbia during the fourth quarter and is exceeding expectations in all markets. *Labatt .5*, a low-alcohol beer, was also launched in several provinces last fall and is performing to expectations in this small, but growing, market segment.

As previously noted, during fiscal 1992 Labatt Canada took a number of steps to reduce costs. Provisions were taken for the costs of converting to a common bottle, for reductions in staffing levels and for the planned closure of the Kitchener-Waterloo brewery. These measures are intended to lower Labatt Canada's per-hectolitre cost of beer production and thereby improve the company's competitive position in the increasingly open marketplace in Canada.

Brewing Net Sales (\$ millions)



During fiscal 1992 trade disputes between Canada and the United States over measures governing the pricing, listing and distribution of beer in both countries gained considerable prominence. In October a panel report was issued by the General Agreement on Tariffs and Trade ("GATT"), as requested by the United States. The report stated that certain provincial practices contravened

Canada's obligations under the GATT. The Federal government and the provinces undertook to bring all of their regulations into line with the panel report. When this is achieved, United States-brewed products will be afforded equal opportunity with Canada-brewed products in the areas of access to points of sale, taxation, markups and listings.

An agreement in principle was reached between the Canadian and U.S. governments in late April 1992 that calls for these changes to be implemented in two phases. The first phase was completed in June 1992, and dealt with pricing, markups and listings. The second phase deals with the issues of delivery and access to points of sale; this transition is expected to be completed by September 30, 1993.

An important related issue is the removal of interprovincial barriers to trade in Canada. Following a commitment reached between Ottawa and the provinces late in fiscal 1992, interprovincial barriers to trade in beer are to be eliminated. This is a significant agreement, as it will provide Labatt Canada with greater production flexibility.

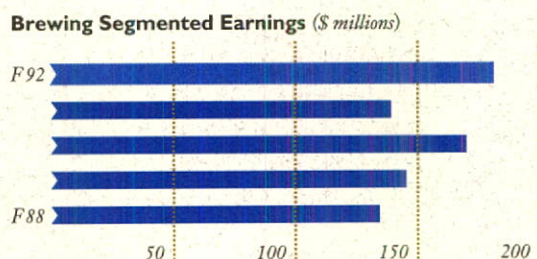
During the implementation period leading up to September 30, 1993, Labatt Canada will be preparing for the additional competitive pressure it anticipates from U.S.-brewed products. Its efforts will centre on lowering costs of production and distribution, while focussing on the distinctiveness of its brands.

During the year the Canadian International Trade Tribunal ruled that certain U.S. brewers were dumping in British Columbia, causing injury to B.C. brewers. This decision means that anti-dumping duties will remain in place for up to five years. At this time, the decision is being appealed under the Canada-United States Free Trade Agreement and at the GATT.

In February 1992 a GATT panel issued a report which had been requested by Canada to examine U.S. federal and state practices relating to beer. The GATT panel found that a large number of federal and state practices discriminated against non-U.S. brewers. The United States has indicated its intention to correct these measures and remove the discriminatory practices.

In summary, the regulatory environment in Canada for the brewing industry continued to undergo considerable change during fiscal 1992.

The Company now has a clearer understanding of what the new regulations will be. While additional competitive pressures will occur, Labatt is confident that it will be well-positioned to retain its national market share and continue to achieve sustainable earnings growth.



In the coming year Labatt Canada will continue to focus its efforts on reducing costs and aligning its operations to take advantage of the changing environment for trade in beer in Canada. National brands will be supported with new marketing campaigns and packaging to secure further gains in market share. The company anticipates that the productivity gains resulting from its strategic re-alignment during the past two years will yield sustainable improvements in margins and earnings in the coming years.

Labatt's USA

Labatt's USA operates in the high-quality segment of the U.S. beer business. The division produces and markets the *Rolling Rock* brands from its Latrobe Brewing operation. The division also imports and markets selected Labatt brands from Canada, the Birra Moretti brands from Labatt's Italian breweries and other international brands.

In fiscal 1992 sales volume at Labatt's USA increased by 9%. This was a particularly strong performance in light of the 8% decline in imports and flat total beer consumption in the United States.

Rolling Rock brands grew in all markets, enjoying an exceptional 15% overall increase in volume. To support the continued development of *Rolling Rock*, an expansion of the brewing capacity of Latrobe Brewing Company is underway and will be completed by the spring of 1993.

With a declining import segment, the Labatt's brand family had mixed results but continued to gain in overall market share. Labatt's *Blue's* share of the total import category rose, though sales were down slightly from fiscal 1991. Labatt's *Blue* maintained its position as the fifth-largest-selling imported beer in the United States. Labatt's *Blue Light* performed well, experiencing increased volume over last year. During the year, *Red Stripe* and *Dragon Stout*, imported from Jamaica, were added to the Specialty Import Division's brand portfolio of *Clausthaler*, imported from Germany, and *Moretti*, imported from Italy.

Overall, Labatt's USA performed well in a challenging marketplace. Along with volume growth, operating results improved in the United States over the previous year. In addition, the division makes a significant contribution to the earnings of Labatt's Canadian brewing operations by its purchases of Labatt Canada products.

Labatt's USA expects that volume in the high-quality segment, which declined in fiscal 1992, should begin to level off during the next few years. The outlook for Labatt's USA for fiscal 1993 is for continued volume growth which, coupled with margin improvement, will produce positive operating results in fiscal 1993.

In the long term, Labatt's USA is strategically positioned for growth in the high-margin, high-quality segment of the U.S. beer business.

Labatt Breweries of Europe

Labatt Breweries of Europe consists of two operating components: Labatt Brewing UK ("Labatt UK"), which operates in the United Kingdom, and Birra Moretti ("Moretti"), which is based in Italy. Labatt UK distributes the *Labatt's Canadian Lager* and *Rolling Rock* brands within the United Kingdom and continental Europe. Birra Moretti brews several beer brands for sale in Italy and for export to other countries.

Total Labatt volume in Europe increased 9% in fiscal 1992. The division continued to build its business and brands in its two major markets, the United Kingdom and Italy. It also expanded export sales by starting to sell the *Labatt's Canadian Lager* and *Rolling Rock* brands in a number of continental European countries.

Within the United Kingdom, Labatt's Canadian Lager distribution network increased in fiscal 1992, with 400 additional on-trade sites and 200 more retail locations. An extremely poor economy depressed industry lager volume by 8%, however Labatt UK's total brand market-share grew by nearly 4%. In particular, *Rolling Rock* experienced rapid growth to become the best-selling American import brand.

Mergers and Monopolies Commission requirements continue to affect the industry.

The government requirement that major brewers divest approximately 10,000 pubs where formerly only their brands were offered has provided Labatt UK with an opportunity to broaden its distribution base. Labatt UK invested in a small number of pubs during the year through joint ventures, and in June 1992 created a new joint-venture company in partnership with Pubmaster Limited, a large pub retailer. The newly formed company, Maple Leaf Inns Limited, intends to acquire a significant number of pubs through

purchase or lease. This would give the U.K. operation a substantial increase in brand distribution through the joint-venture pubs and through Pubmaster's 2,000 existing pubs. Labatt UK would also participate in retail profits from the acquired pubs.

Birra Moretti, the Italian division, increased sales volume by 21% compared to flat industry volume in Italy. Moretti is now one of the fastest-growing major brewers in Europe. The company completed a significant upgrade and expansion of its San Giorgio brewery during the year to support this growth. Improved planning and support systems are also helping Moretti become more efficient and reduce costs. During the year Labatt acquired the 22.5% minority interest to achieve full ownership.

Labatt Breweries of Europe continues to implement major marketing initiatives to maintain the momentum of its brand development and to expand market penetration. As planned, these programs have incurred large costs that have generated operating losses. Nevertheless, the losses were reduced in fiscal 1992 from the previous year, and the company expects that volume gains related to its business development will generate operating earnings in the coming year.

(\$ millions)	1992	1991	1990	1989	1988	1987	1986
Net sales	\$2,110	\$2,080	\$2,115	\$2,216	\$2,130	\$1,712	\$1,312
Depreciation and amortization	50	43	40	40	37	29	23
Segmented earnings	62	44	31	33	56	61	66
Capital expenditures	45	43	57	82	48	49	19
Net assets employed	629	656	600	486	545	559	301
Labatt North American milk processed – billions of l.	2.5	2.5	2.5	2.6	2.6	2.0	1.5

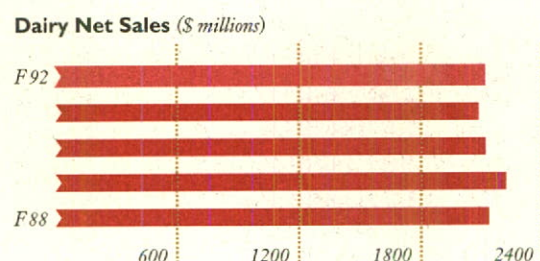
Dairy operations comprise two divisions:

Ault Foods and Johanna Dairies.

Dairy segment net sales increased by 1% in fiscal

1992. However, the impact of a full year of revenues from acquisitions made in fiscal 1991 was substantially offset by very competitive pricing. Despite the moderate sales increase, segmented earnings improved by 41% over those posted by Dairy in fiscal 1991. This strong performance, which occurred in a recessionary environment, resulted mainly from cost reductions.

Capital expenditures totalling \$45 million were made during fiscal 1992 to upgrade and restructure Dairy operations for improved operating efficiency.



Ault Foods

Ault Foods ("Ault") is one of Canada's largest integrated dairy operations. Ault produces and markets a full line of dairy and industrial milk products, primarily in Ontario and Quebec. Certain of its products are also marketed in the Atlantic provinces, western Canada and internationally.

Ault's sales and segmented earnings grew in fiscal 1992 despite market conditions that were extremely difficult. Recessionary conditions depressed demand throughout the country, and cross-border shopping continued to reduce sales

levels in markets such as southern Ontario. The already highly competitive marketplace was characterized by severe price-cutting of fluid and refrigerated dairy products by the major food retailers, which in turn put pressure on the selling margins of dairy suppliers.

During the year Ault implemented programs to reduce its production, distribution, sales and administrative costs as part of a continuing effort to improve its competitiveness. Ault rationalized its fluid-milk production facilities in south-western Ontario by closing two plants and expanding and upgrading a third. In addition, the distribution and sales functions for Ault's dairy operations were reorganized to better focus on the different service requirements of the major retail and foodservice/confectionery segments; this strategy will maintain a high standard of quality while reducing the cost of servicing each of these markets.

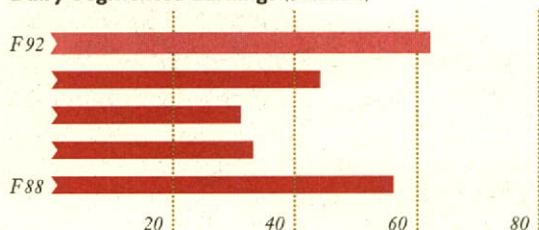
Ault's frozen products division completed the full integration of the Neilson Dairy ice cream product line into its processing facilities. This product line, acquired during fiscal 1991, strengthened Ault's distribution network for its national brands and resulted in a substantial increase in its share of the Canadian ice cream market.

Fiscal 1992 also saw the successful national introduction of Parlour 1%, a low-fat, dairy dessert made with proprietary, fat-substitution technology developed by Ault's research and development group. The refrigerated products division introduced *Première Quark*, a dairy snack product with European origins, under the well-regarded *Lactantia* brand name.

The results of Ault's industrial division, which makes cheese, butter, whey powder and skim milk powder products, were affected during the year by

shortages of industrial milk. The division continued to implement its strategy of placing a greater emphasis on value-added products rather than on commodity-type products, the latter being more sensitive to price fluctuations. This strategy encompassed the development of a strong, consumer-oriented cheese franchise in which considerable emphasis was placed on the retail expansion of the *Black Diamond* brand acquired during fiscal 1991. The industrial division also entered into a joint-venture agreement to produce lactulose, an ingredient used by the pharmaceutical industry, at Ault's Victoriaville, Quebec plant.

Dairy Segmented Earnings (\$ millions)



Ault established an international division during 1992 to advance a strategy of international growth by licensing its proprietary dairy technology and increasing export product sales. The new division is also making limited investments in foreign ventures.

Uncertainty surrounding international trade issues for Canadian dairy processors was not alleviated during fiscal 1992 as the Uruguay Round of GATT negotiations continued. The possible replacement of Canada's supply-management systems with an import tariff system is being vigorously opposed by the Canadian dairy-farming industry. The risk to dairy processors continues to be the possible importation of U.S. yogurt and ice cream products without adequate measures to equalize the raw-milk costs between the two countries. Ault is committed to further reduce its processing, distribution and marketing costs to levels that will make the company more competitive internationally.

Ault expects the market conditions that dominated fiscal 1992 – sluggish demand and aggressive competition – to continue into fiscal 1993. In spite of this, the division believes it is

well positioned to provide continued earnings growth not only from its portfolio of strong brands but also from its ability to create value-added products through technological innovation.

Johanna Dairies

Johanna Dairies ("Johanna") is the largest table milk processor in the north-eastern United States. Johanna's broad customer base includes supermarket and convenience store chains, wholesalers, dairy distributors, independent grocery stores and many foodservice accounts. The primary distribution areas are Metropolitan New York, New Jersey, Pennsylvania, Maryland and the District of Columbia.

Johanna's fiscal 1992 segmented earnings were equal to those of a year ago. Further rationalization of the business continued in fiscal 1992 as planned, with the disposition of certain products and ongoing facility rationalization. In addition, the company has proposed to close its Flemington milk plant. Such actions are consistent with Johanna's long-term strategy to strengthen its core fluid milk business.

During fiscal 1992, volumes were down in Johanna's fluid milk business, largely due to the loss of one major contract. This lost volume has been substantially replaced by new contracts, and sales volume of other products increased. Margins improved over fiscal 1991, but were under pressure during the second half of the year due to the weak economic situation in all major markets and continued competitive pressures. Cost-control programs in production and distribution were effective, particularly in the fluid milk businesses.

The weak economic environment in the north-eastern United States in fiscal 1992 is expected to continue in the coming year. Strong cost-control measures, combined with ongoing growth in branded businesses and further rationalization of the core milk business, will provide a solid base for an increased contribution in fiscal 1993. Johanna has also instituted Total Quality Management programs throughout its operations to strengthen its competitive position and help the company deliver longer-term earnings improvement.

Entertainment

(\$ millions)	1992	1991	1990	1989	1988	1987	1986
Total net sales	\$ 494	666	698	332	163	58	48
Labatt share of net sales	374	387	369	177	93	37	29
Depreciation and amortization	11	5	6	2	1	1	1
Segmented earnings	58	47	35	17	6	(5)	(10)
Capital expenditures	5	2	11	13	1	1	1
Net assets employed	140	96	89	59	26	4	8

The Entertainment segment comprises three divisions: the JLL Broadcast Group, the Toronto Blue Jays Baseball Club and the John Labatt Entertainment Group.

Segmented Entertainment sales, which include John Labatt's proportionate share of the sales of non-consolidated, partly owned businesses, fell by 3% in fiscal 1992. The decrease was caused by lower revenues at BCL Entertainment, which experienced a major decline in concert touring activity this year. The Company's share of sales from other Entertainment businesses increased during the year, both as a result of higher revenues within individual businesses and from the Company's increased ownership interests in the Toronto Blue Jays and Supercorp Entertainment.

Segmented earnings increased 23% due mainly to continuing profit growth for the JLL Broadcast Group and to increased ownership of the Toronto Blue Jays.

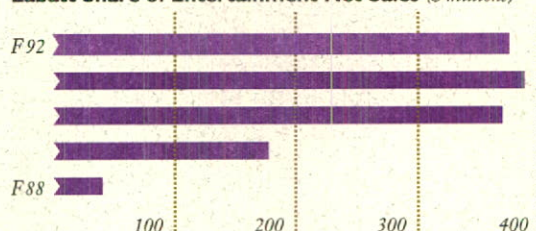
JLL Broadcast Group

The JLL Broadcast Group is a television broadcasting and production operation. Its businesses include The Sports Network (TSN), an all-sports television service; Le Réseau des sports (RDS), a French-language counterpart to TSN; TSN Enterprises (TSNE), a supplier of broadcast support and ancillary services; Dome Productions (Dome), a television production and video post-production facility; and Skyvision Entertainment (Skyvision), a television program producer.

JLL Broadcast Group segmented earnings were higher in fiscal 1992 as a result of increased revenues.

TSN, which is delivered to consumers across the country primarily via cable, has a paid subscriber base of 6.1 million and is available to 98% of all cable households in English Canada as part of the basic cable service or on a low-cost, discretionary tier. TSN is the most-watched specialty television service in Canada, and expects continued success as viewers and advertisers continue to demand targeted programming.

Labatt Share of Entertainment Net Sales (\$ millions)



In its second full year of operations, RDS continued to attract more viewers by providing a comprehensive schedule of national and regional sporting events. The company now has 1.7 million subscribers, and is available to virtually all subscribers of basic cable service in the province of Quebec. Subsequent to year end, Labatt acquired the remaining 30% minority interest in RDS to achieve full ownership.

Over the last few years the range of broadcast, cable and other video options available to the Canadian television viewer has increased significantly. The dramatic increase in program choice has resulted in a shift in viewing patterns away from the general interest programming of conventional networks to more targeted offerings such as specialty and pay-television services. The JLL Broadcast Group has benefitted from this trend, which is expected to continue.

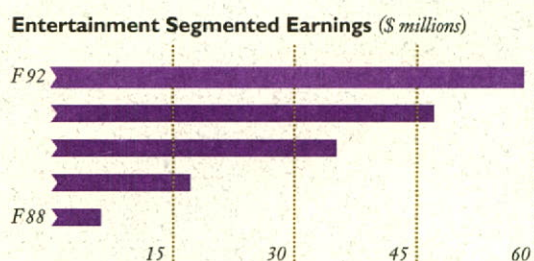
The Broadcast businesses expect to post solid growth in fiscal 1993. In the coming year plans will be finalized for a move to a new broadcast facility to consolidate operating divisions and to provide the facilities required for new business ventures. At the same time, equipment will be upgraded to keep pace with changing needs and emerging new technologies.

Toronto Blue Jays Baseball Club

The Toronto Blue Jays are an American League baseball club.

Effective the beginning of the fiscal year, the Company acquired an additional 45% interest in the Toronto Blue Jays, bringing its ownership to 90%. Earnings recorded from the Club increased in fiscal 1992, reflecting this higher ownership level and the results of an excellent season.

The Blue Jays captured their third American League East Division title in 1991 with 91 wins and 71 losses, and led the second-place team by seven games at season-end. The year was an overwhelming success for the organization. The Club hosted the 62nd annual Major League All-Star game, led major league baseball in attendance for the second consecutive year, and became the first team in baseball history to draw four million fans in one season.



John Labatt Entertainment Group

The John Labatt Entertainment Group comprises entertainment and marketing services businesses.

Supercorp Entertainment ("Supercorp") provides services to the advertising industry, primarily in the areas of commercial film production, media planning and buying, animation, audio recording and post-production. Advertising spending and commercial production, which are highly dependent on economic activity, declined sharply in fiscal 1992. Despite reduced industry activity, Supercorp's segmented earnings improved compared to last year.

Supercorp anticipates that there will be a slow recovery of advertising spending in fiscal 1993. The company has the facilities and personnel to take advantage of this recovery. Upgrades made to its studios in fiscal 1992, as well as its breadth of services, make Supercorp one of the most comprehensive production operations in the world.

During the year, the Company increased its ownership interest in Supercorp from 69% to 80%. Supercorp's results are now consolidated in the Labatt financial statements.

BCL Entertainment ("BCL"), through its Concert Productions International ("CPI") and Brockum divisions, is a leading live-event promoter and a merchandiser of related apparel. BCL is also a producer of the Rolling Stones' IMAX® film, *At the Max*.

The demand for live events declined sharply in 1992 due to the recession. There was also a decreased supply of "superstar" and high-quality touring talent, as well as new competitors in the concert promotion and merchandising businesses. As a result, BCL recorded lower earnings from its touring and merchandising operations in fiscal 1992. In addition, BCL set up provisions relating to the uncertainty, in the present recessionary climate, of realization of certain assets, resulting in an operating loss for the year.

BCL expects touring activity to increase in fiscal 1993. The number of artists who have announced tours, including stadium-type shows, is increasing, and CPI and Brockum should benefit from an increase in the number of performances.

Consolidated Financial Results

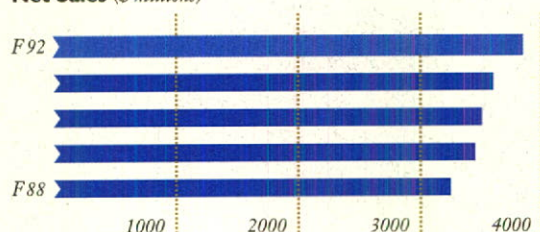
The following discussion and analysis addresses the key items of the John Labatt Limited Consolidated Financial Statements.

In this discussion of Consolidated Financial Results, earnings before interest, non-recurring charges and income taxes are referred to as "segmented earnings". In the Consolidated Statements of Earnings, the Company's share of net losses in partly owned businesses is shown separately from the results of consolidated operations.

Consolidated net sales are not equal to the total of the segment net sales in the previous discussion of the Results of Operations as consolidated net sales do not include the Company's proportionate share of non-consolidated, partly owned businesses.

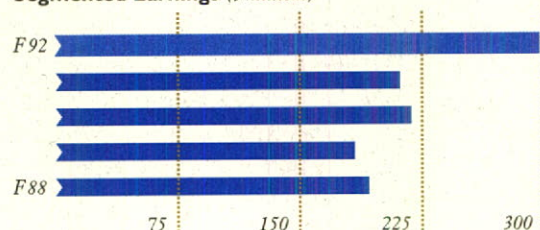
Consolidated net sales from continuing operations increased by 7% over last year, as all three segments exceeded their 1991 results.

Net Sales (\$ millions)



Consolidated segmented earnings of \$297 million were up 41% over those of a year ago. Again, each of the three segments contributed to the increase.

Segmented Earnings (\$ millions)



Brewing net sales increased by 7% over fiscal 1991, with all domestic and international operations reporting revenue growth. Sales volume was up for the international operations but domestic volume declined marginally due to lower demand for beer. National market share in Canada increased, however, as company brands performed better than industry averages. Domestic revenues increased despite the decline in volume.

Brewing segmented earnings rebounded in fiscal 1992, following a decline in 1991. Cost-reduction programs were a significant factor in this improvement. Increased revenues of the various brewing operations also contributed to the earnings improvement.

Net sales increased by 1% in the Dairy segment. Ault Foods' sales increased, due in part to the inclusion of a full year of sales of the ice cream and cheese businesses acquired in fiscal 1991. Sales for Johanna Dairies fell due to the loss of one major customer, as well as to poor economic conditions and declining consumption in the north-eastern United States. Dairy segment earnings growth is attributable to cost-reduction initiatives, including facilities rationalization, as well as to revenue growth.

The substantial increases in Entertainment sales and segmented earnings were driven by increased sales and earnings in the JLL Broadcast Group resulting from a broadened subscriber base and strong advertising revenues, as well as by the purchase of an additional interest in the Toronto Blue Jays and its resulting consolidation.

The \$15 million increase in net interest expense in fiscal 1992 was the result of two major factors. Interest on long-term debt was \$5 million higher than in 1991, due primarily to the issuance of \$250 million of debentures in the third quarter. Proceeds from this debenture issue were used to repay \$100 million of debentures which matured this year and to reduce short-term indebtedness.

In addition, the portion of the Company's interest expense allocated to discontinued operations decreased by \$13 million. Interest was allocated to these operations to their respective dates of sale, in order to reflect their financing costs. In fiscal 1991, when all of the businesses operated for a full year, \$34 million of interest was allocated, compared to \$21 million of interest in fiscal 1992.

Non-recurring charges of \$145 million in fiscal 1992 relate primarily to the Brewing and Dairy segments. The Canadian brewing operation made strategic decisions to restructure its operations to compete more effectively in a more open business environment. Labatt Canada returned to a common bottle – rendering the previous bottle inventory obsolete – reduced staffing levels and announced the closing of one brewery. Non-recurring charges taken during fiscal 1992 by Brewing totalled \$87 million.

Dairy operations are also being restructured. Johanna Dairies is proposing to close its Flemington milk facility as part of its strategy to eliminate excess capacity and focus on its core business, fluid milk. The restructuring provision for the Dairy segment totalled \$45 million, including Ault's rationalization and upgrading of its fluid milk facilities in south-western Ontario.

The remaining \$13 million in non-recurring charges arises from the elimination of certain promotion programs, as well as corporate restructuring charges.

Tax expense as a percentage of pre-tax income declined in fiscal 1992. A greater proportion of this year's income was earned in Canadian jurisdictions with lower tax rates. The decline also reflects an increased federal manufacturing and processing deduction.

John Labatt incurred a loss from partly owned businesses this year. This was due to BCL Entertainment's unfavourable results and non-recurring asset writedown. As well, the Blue Jays' earnings, which were previously part of earnings from partly owned businesses, were included in consolidated earnings in fiscal 1992.

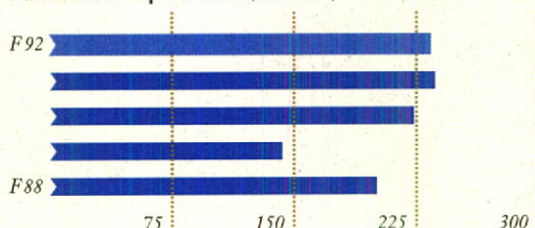
Earnings from discontinued operations totalled \$16 million in fiscal 1992 compared to \$5 million in the previous year. The 1992 figure is comprised of the net gain on sales achieved through the sales of JLFoods, Everfresh and Miracle Feeds; the results from operations prior to the dates of sale, including allocated interest; and provisions for losses on disposition and disposition expenses on discontinued operations not sold at year end. Prior to year end, the Company signed an agreement in principle to sell Ogilvie Mills. The transaction is expected to close in the first quarter of the new fiscal year.

Net earnings declined by 7% to \$101 million in fiscal 1992. Significant improvements in segmented earnings, and in earnings from discontinued operations, were more than offset by the increase in non-recurring charges.

The Company's liquidity is materially improved over last year, as the proceeds from dispositions have been invested in short-term securities. The debt-to-equity ratio, excluding cash, is a conservative 28:72 on a fully diluted basis. Calculated netting available cash, the Company is in a net equity position.

Funds provided from operations decreased by \$3 million in fiscal 1992. While increased depreciation and asset write-offs arising from non-recurring charges lowered earnings, they did not affect cash. Total cash from operations, which includes the changes in non-cash working capital, increased by \$198 million. The changes in non-cash working capital generated cash of \$162 million in fiscal 1992 compared to a use of cash of \$39 million in fiscal 1991.

Funds from Operations (\$ millions)



Accounts payable and accrued charges increased by \$331 million in fiscal 1992 as a result of two major factors. The first relates to reserves established to cover non-recurring charges that will be settled in future years. The second factor is the acquisition of the additional interests in the Toronto Blue Jays and Supercorp during the year, and their consequent consolidation into the balance sheet.

Current assets, excluding cash and securities, increased by \$177 million due mainly to the acquisition of the additional interest in Supercorp.

At year end the working capital ratio, excluding cash and securities, was 1.0:1, less liquid than last year's 1.5:1 due to accruals for the non-recurring charges discussed above. Excluding those accruals, the working capital ratio was 1.2:1.

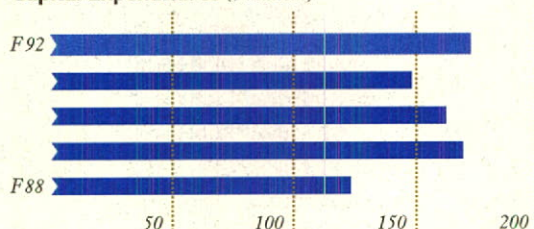
Purchases of fixed assets totalled \$172 million in fiscal 1992. The major portion of the capital spending occurred in the Brewing segment.

Expansion of brewing capacity in Italy and the United States, and the installation of cold-filtering process equipment for production of *Labatt Genuine Draft* in Canada, were the principal projects of the past year.

Funds expended on acquisitions totalled \$94 million in fiscal 1992. These acquisitions consisted of the purchase of additional ownership interests in three companies: the Toronto Blue Jays (45%), Supercorp (11%) and Birra Moretti (22.5%). The increase in other assets on the balance sheets is attributable mainly to goodwill purchased as part of the acquisition of the additional 45% interest in the Toronto Blue Jays.

Capital expenditures for fiscal 1993 are expected to exceed \$200 million. New projects include upgrades to brewery and fluid milk plants in Canada and the United States. Funding for the planned expenditures will be generated by operations.

Capital Expenditures (\$ millions)



Labatt has two short-term commercial paper programs in Canada and the United States of C\$200 million and US\$200 million, respectively. At year end the Company had only US\$3.1 million of commercial paper outstanding. In Canada, Labatt enjoys short-term commercial-paper ratings of R-1 (mid) from DBRS and A-1+ from CBRS. In the United States, Standard & Poor's rating is A-1; Moody's is P-1.

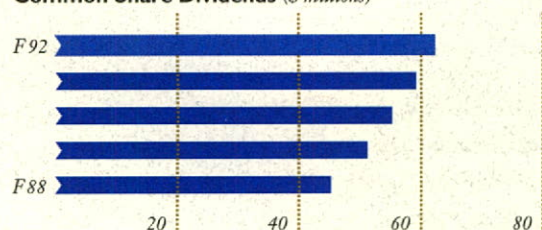
In May 1988 the Company entered into agreements to issue up to US\$50 million under a note issuance facility with a syndicate of financial institutions. The entire amount has been drawn under this facility since the inception of the program. During the year Labatt reissued the notes, which will mature on various dates in March and April 1997. The floating-rate notes are for terms of up to 90 days and had an average interest rate of 4.4% at year end. This facility serves to hedge some of the Company's U.S. assets.

During the year Labatt issued \$250 million in ten-year debentures to mature on March 6, 2002. These debentures carry a 9.25% interest rate. Part of the proceeds was used to repay the \$100 million 9.5% debentures which matured on January 21, 1992.

Dividends paid during fiscal 1992 totalled \$83 million, a 1% decrease from last year. Dividends paid to preferred shareholders declined in fiscal 1992, as the Series 2 preferred shares carry a dividend rate that varies with the movement in interest rates for Bankers' Acceptances. As those rates moved lower during the year, the rate paid to the holders of the Series 2 preferred shares fell from an average of 9.2% in fiscal 1991 to an average of 6.1% in 1992. The Series 1 preferred shares carry a fixed rate of 7.85%.

Dividends paid to common shareholders were increased in September 1991. Shareholders have participated in Labatt's growth and earnings with more than three decades of consecutive annual increases in the common dividend. Quarterly dividends rose from \$0.195 per share to \$0.20. This quarterly rate, when annualized, represents 78% of the Company's fiscal 1991 fully diluted earnings per common share. However, the dividends represent 57% of fiscal 1991 continuing per share earnings before non-recurring charges and earnings from discontinued operations, which is more in line with the Company's target payout ratio of 40% of the previous year's fully diluted earnings per common share.

Common Share Dividends (\$ millions)



The changes in values in net assets held in foreign countries due to changes in the value of various currencies do not affect the Company's earnings unless foreign operations are sold.

Each of the foreign operations is a self-sustaining operation, and consequently the change in the values of assets and liabilities denominated in foreign currencies is recorded in the cumulative translation adjustment in shareholders' equity. The effect of the past year's business dispositions and the change in the value of currencies relative to the Canadian dollar had a significant impact on the cumulative translation adjustment, which changed from a \$30 million reduction in shareholders' equity to a \$12 million increase.

Labatt hedges its foreign-currency-denominated investments with local currency borrowings and foreign-exchange swap contracts in the United States, Great Britain and Italy. The Company's practice will continue to be one of managing and hedging its foreign-currency exposures to the extent that it is practical to do so.

Inflation has fallen off significantly in Labatt's major trading jurisdictions and has not been a significant factor in the Company's businesses this year.

Corporate Financial Objectives

In fiscal 1992 the Company was successful in meeting both its long-term earnings per share growth objective based on earnings from continuing operations before non-recurring charges ("base" earnings) and its dividend

payout-ratio objective. Its base earnings return on shareholders' equity made significant improvement towards the Company's long-term objective from last year's equivalent return of 9%.

John Labatt's long-term financial objectives and progress towards those objectives in fiscal 1992

	Long-term Target	Fiscal 1992	
		Base*	Total**
Annual growth in fully diluted earnings per share	15%	29%	(5%)
Return on average common shareholders' equity, fully diluted	15%	12%	6%
Dividend payout, as a percentage of the prior year's fully diluted earnings per share	40%	56%	77%

* Calculated using net earnings from continuing operations before non-recurring charges and discontinued operations.

** Calculated using net earnings from continuing and discontinued operations.

Outlook

With the sale of the non-dairy Food businesses, the restructuring and downsizing of John Labatt Limited has been substantially completed. Efforts to improve the efficiency of the Company's core businesses have resulted in much stronger operating performance, particularly in Brewing and Dairy. Nevertheless, work remains to be done to reduce expenses in each of the Company's business segments so that they may continue to improve their competitive positions.

In the coming year Brewing will continue to focus its efforts on reducing costs and aligning operations to take advantage of the changing environment for trade in beer in Canada, the United States and Europe. A more robust economy may boost beer sales, and Labatt Canada is committed to strengthening its operating profitability. In international markets, the Company anticipates that a combination of expense reduction and increased volume due to aggressive marketing programs will help those brewing operations become profitable in fiscal 1993.

The Dairy segment will also concentrate on lowering per-unit costs as well as on more focussed distribution, particularly in core fluid-milk operations, a strategy which Management believes will improve operating earnings in markets that are increasingly competitive.

Entertainment is expected to increase its contribution in the coming year, primarily due to a better overall economic environment. Labatt will also continue to seek out opportunities to complement the current skills of the companies in this segment.

With fewer, larger businesses that are major factors in their respective industries, with streamlined operations and management, and with a strong balance sheet, John Labatt Limited is well positioned for growth in the years ahead.

Seven-Year Review

(\$ millions, except per share and other information) 1992 1991 1990 1989 1988 1987 1986

Operating Results

Net sales	\$3,837	\$3,598	\$3,504	\$3,447	\$3,245	\$2,702	\$2,194
Earnings before interest, non-recurring/unusual items and income taxes	297	211	218	183	192	170	145
Interest expense	22	7	5	47	48	29	19
Net earnings, before discontinued operations	85	104	153	42	92	77	65
Net earnings, after non-recurring charges and discontinued operations	101	109	169	135	141	125	101
Capital expenditures	172	149	162	169	123	103	71
Acquisitions and other investments	124	129	89	35	109	158	45
Common share dividends	62	59	55	51	45	40	32

Financial Position

Working capital	\$ 798	\$ 169	\$ 427	\$ 395	\$ 34	\$ 33	\$ 160
Net assets employed	1,495	1,368	1,350	1,029	1,017	954	644
Total assets	3,320	3,046	2,847	2,652	2,444	2,267	1,711
Non-convertible long-term debt	646	415	544	533	482	378	287
Convertible debentures	255	272	277	289	291	295	175
Shareholders' equity	1,493	1,404	1,367	1,109	867	771	676

Information Per Common Share

Fully diluted net earnings, continuing, before non-recurring/unusual items	\$ 1.82	\$ 1.41	\$ 1.60	\$ 1.24	\$ 1.14	\$ 0.98	\$ 0.92
Fully diluted net earnings	0.98	1.03	1.78	1.60	1.68	1.55	1.38
Common share dividends	0.795	0.770	0.730	0.685	0.620	0.548	0.505
Convertible debentures and common shareholders' equity	15.75	15.07	14.81	13.90	13.01	12.06	10.22

Other Information

Return on convertible debentures and shareholders' equity	5.2%	6.7%	12.4%	11.9%	13.5%	13.7%	14.2%
Working capital ratio, non-cash	1.04	1.48	1.44	1.12	1.39	1.51	1.31
Debt:equity ratio, fully diluted	n/a	22:78	16:84	12:88	33:67	33:67	21:79
Common shares outstanding, basic	78.35	76.56	75.79	74.63	73.79	72.73	71.88
Common shares outstanding, fully diluted	91.92	91.26	90.71	90.57	89.78	84.96	78.30
Number of shareholders	12,700	13,400	14,400	14,000	14,800	13,200	12,000
Number of employees, continuing operations	11,100	11,300	11,200	10,600	10,700	10,000	9,200
Number of employees	12,000	16,700	16,500	16,000	17,900	16,200	14,200

In 1992 JLFoods, Everfresh, Miracle Feeds and Ogilvie Mills are reported as discontinued operations. In 1989 the Company sold Catelli and Ridout Wines, whose results are also included in discontinued operations. Unless otherwise noted, operating financial information is shown only for continuing operations. Certain comparative information has been restated to conform with this presentation.

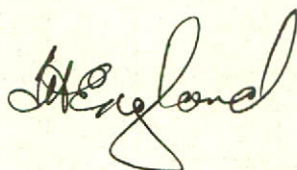
Management's Responsibility for Financial Statements

The accompanying consolidated financial statements were prepared by the management of the Company, which is responsible for the integrity and objectivity of the information contained therein. The statements have been prepared by qualified personnel in accordance with policies and procedures established by management and conform to generally accepted accounting principles.

In management's opinion, these statements fairly reflect the financial position of the Company, the results of its operations and the changes in its financial position. The Company's procedures and related internal control systems are designed to provide assurance that accounting records are reliable and to safeguard the Company's assets.

Ernst & Young, Chartered Accountants, as the Company's external auditors, have audited the consolidated financial statements and their report is presented below. Their opinion is based upon an examination conducted in accordance with generally accepted auditing standards and a review of the Company's accounting policies and procedures and internal control systems. Based upon the evaluation of these systems, the external auditors conduct appropriate tests of the Company's accounting records and obtain sufficient audit evidence to provide reasonable assurance that the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The Audit Committee, none of the members of which is an officer of the Company, meets quarterly to review the Company's consolidated financial statements before recommending them to the Board of Directors for approval. It also reviews, on a continuing basis, reports prepared by both the internal and external auditors of the Company on the Company's accounting policies and procedures and internal control systems. The Committee recommends the appointment of the Company's external auditors, who are appointed annually by the Company's shareholders.



J. Herbert England, Chief Financial Officer

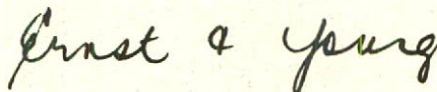
Auditors' Report

To the Shareholders of John Labatt Limited

We have audited the consolidated balance sheets of John Labatt Limited as at April 30, 1992 and 1991 and the consolidated statements of earnings, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 1992 and 1991 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.



Chartered Accountants

London, Canada
June 18, 1992

Consolidated Statements of Earnings

Year Ended April 30, (\$ millions, except per share data)	1992	1991*
Net Sales		
Gross sales	\$4,404	\$4,207
Less: Excise and sales taxes	567	609
	3,837	3,598
Costs and expenses		
Cost of sales, selling and administration expenses	3,415	3,280
Depreciation and amortization	125	107
Interest expense (note 2)	22	7
	3,562	3,394
Earnings before the undernoted	275	204
Non-recurring charges (note 3)	145	53
Earnings before income taxes	130	151
Income taxes (note 4)		
Current	97	54
Deferred	(60)	(7)
	37	47
Share of net losses in partly owned businesses	8	0
Earnings from continuing operations	85	104
Earnings from discontinued operations (note 5)	16	5
Net earnings	\$ 101	\$ 109
Net earnings after preferred dividends, per common share (note 6)		
Basic		
Continuing operations	\$ 0.83	\$ 1.04
Discontinued operations	0.21	0.06
	\$ 1.04	\$ 1.10
Fully diluted		
Continuing operations	\$ 0.81	\$ 0.98
Discontinued operations	0.17	0.05
	\$ 0.98	\$ 1.03

See accompanying notes

*Certain comparative amounts have been restated to conform with the current period's presentation.

Consolidated Statements of Retained Earnings

Year Ended April 30, (\$ millions)	1992	1991
Balance, beginning of year	\$ 826	\$ 801
Net earnings	101	109
	927	910
Dividends		
Preferred shares	(21)	(25)
Common shares	(62)	(59)
\$0.795 per share fiscal year 1992 (\$0.77 in 1991)		
Balance, end of year	\$ 844	\$ 826

See accompanying notes

Consolidated Balance Sheets

As at April 30, (\$ millions)	1992	1991*
Assets		
Current assets		
Cash and securities	\$ 766	\$ 300
Accounts receivable (note 7)	406	311
Inventories (note 8)	359	307
Prepaid expenses	103	73
	1,634	991
Fixed assets (note 9)	1,027	933
Other assets (note 10)	520	438
Net assets of discontinued operations (note 5)	139	684
	\$3,320	\$3,046
Liabilities		
Current liabilities		
Bank advances and short-term notes	\$ —	\$ 244
Accounts payable and accrued charges	759	428
Taxes payable	36	27
Long-term debt due within one year	41	123
	836	822
Non-convertible long-term debt (note 11)	646	415
Deferred income taxes	90	133
	1,572	1,370
Convertible Debentures and Shareholders' Equity		
Convertible debentures (note 12)	255	272
Shareholders' equity		
Share capital (note 13)		
Preferred shares	300	300
Common shares	337	308
Retained earnings	844	826
Cumulative translation adjustment	12	(30)
	1,493	1,404
	1,748	1,676
	\$3,320	\$3,046

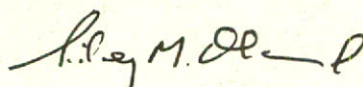
See accompanying notes

*Certain comparative amounts have been restated to conform with the current period's presentation.

On behalf of the Board



Samuel Pollock, Director



Sidney M. Oland, Director

Consolidated Statements of Changes in Financial Position

Year Ended April 30, (\$ millions)	1992	1991*
Operations		
Earnings from continuing operations	\$ 85	\$ 104
Charges to earnings which do not reduce funds	148	132
Funds from operations	233	236
Changes in non-cash working capital (note 14)	162	(39)
Cash from operations	395	197
Investment Activities		
Additions to fixed assets, net	(172)	(149)
Acquisitions net of dispositions (note 15)	(94)	(79)
Other assets, net	(30)	(50)
Cash used for investment activities	(296)	(278)
Financing Activities		
Issue of common shares (note 13)	29	13
Issue of non-convertible debentures	250	—
Net decrease in non-convertible debt and convertible debentures	(147)	(32)
Cash from (used for) financing activities	132	(19)
Dividends paid to shareholders	(83)	(84)
Increase (decrease) in cash, continuing operations	148	(184)
Increase (decrease) in cash, discontinued operations (note 5)	562	(15)
Increase (decrease) in cash	710	(199)
Net cash, beginning of year	56	255
Net cash, end of year	\$ 766	\$ 56
Net cash consists of		
Cash and securities	\$ 766	\$ 300
Bank advances and short-term notes	—	(244)
	\$ 766	\$ 56

See accompanying notes

*Certain comparative amounts have been restated to conform with the current period's presentation.

I. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and also conform in all material respects with International Accounting Standards. Significant accounting policies followed in the preparation of the consolidated financial statements are summarized below.

Principles of consolidation

The consolidated financial statements include the accounts of all subsidiary companies. The results of operations of subsidiaries acquired or sold during the year are included from or to their respective dates of acquisition or sale.

Foreign currency translation

The accounts of foreign subsidiaries are translated into Canadian dollars on the following basis:

Income and expenses – at average exchange rates prevailing during the year

Assets and liabilities – at the exchange rate in effect at the balance sheet date

Adjustments arising on translation of foreign subsidiaries' balance sheets are deferred and reported as the cumulative translation adjustment, a separate component of shareholders' equity. Exchange gains or losses on long-term monetary liabilities denominated in foreign currencies and currency swap agreements that are designated as hedges of net investments in foreign subsidiaries are also recorded in the cumulative translation adjustment in shareholders' equity.

Retirement benefits

The pension expenses charged to operations reflect both current service costs and amortization of experience gains and losses. The unrecognized gains and losses are amortized over the expected average remaining service lives of the employee groups covered by the plans. Pension expenses are certified by independent actuaries. Medical and other non-pension retirement benefits are expensed as incurred.

Income taxes

The Company follows the deferral method of tax allocation accounting.

Net earnings after preferred dividends, per common share

Net earnings per common share have been calculated by deducting dividends applicable to preferred shares from net earnings and dividing the result by the weighted monthly average number of shares outstanding during the year.

Fully diluted net earnings per common share have been calculated assuming that the convertible debentures and common share options outstanding at the end of the year had been converted to common shares or exercised at the later of the beginning of the year or at the date of issuance, with an appropriate adjustment to earnings to reflect the interest avoided by the assumed early conversion. Calculation of the number of shares resulting from the conversion of the convertible debentures is based on the lower of market or conversion price.

Securities

Securities are carried at cost, which approximates market value.

Inventories

Inventories, other than returnable containers, are valued at the lower of cost and net realizable value, cost being determined on a first-in, first-out basis. Returnable containers are valued at redemption price or at amortized cost which does not exceed replacement cost.

Fixed assets

Property, plant and equipment are recorded at cost. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, generally at rates of 2½% for buildings, 10% for machinery and equipment and 20% for vehicles.

The Company capitalizes interest costs on major construction projects when the period of construction exceeds one year.

Other assets

Goodwill and other proprietary rights are amortized using the straight-line method over the lesser of their estimated useful lives and forty years. Amortization expense was \$10 million in 1992 (\$8 million in 1991).

Investments in companies and partnerships over which the Company has significant influence ("partly owned businesses") are accounted for using the equity method. As at April 30, 1992, the unamortized

balance of goodwill arising from the acquisition of partly owned businesses amounted to \$23 million (\$28 million in 1991).

Other investments are carried at the lower of cost and net realizable value. Income from these investments is recognized when received.

2. Interest Expense

(\$ millions)	1992	1991
Non-convertible long-term debt	\$53	\$48
Convertible debentures	15	16
Short-term debt/cash	5	5
Income from securities	(30)	(28)
	43	41
Less: Allocated to discontinued operations	21	34
	\$22	\$ 7

3. Non-Recurring Charges

During the year, the Company recorded non-recurring charges netting to \$145 million (\$53 million in 1991) related to the rationalization and restructuring of the Company's continuing operations. These costs were associated with the Company's various business segments as follows: Brewing – \$87 million; Dairy – \$45 million; Entertainment – \$4 million; and Corporate – \$9 million (Brewing – \$36 million; Dairy – \$9 million; and Corporate – \$8 million in 1991).

4. Income Taxes

The effective income tax rate is comprised of the following:

	1992	1991
Combined basic federal, provincial and state income tax rates	41.1%	43.3%
Manufacturing and processing deduction	(3.9)	(2.8)
Capital gains and tax-paid income	(8.7)	(9.4)
	28.5%	31.1%

5. Discontinued Operations

During the year the Company made the following dispositions:

- Effective August 23rd, 1991, its JLFoods frozen soup and pizza businesses.
- Effective January 31, 1992, its Everfresh fruit juice and drinks business.
- Effective March 27, 1992, Ogilvie Mills' division, Miracle Feeds, a processor and distributor of by-product livestock feed.
- Effective April 25, 1992, Ogilvie Mills' division, Canadian Pizza Crust, a manufacturer and marketer of pizza products.
- Effective April 27, 1992, Ogilvie Mills' division, Gourmet Baker, a supplier of frozen bakery products.

In April 1992, the Company reached an agreement in principle to dispose of Ogilvie Mills' flour and starch divisions.

The measurement dates, the dates on which management adopted a formal plan of disposal, were as follows:

JLFoods	May 1, 1991
Everfresh	August 1, 1991
Ogilvie Mills	August 1, 1991

Note 5 continued

The operating results of the above businesses to their respective measurement dates, together with their net gain on disposition (operating results from the measurement dates to dates of sale plus gains net of losses on dispositions and disposition expenses), have been included in "Earnings from discontinued operations" in the Consolidated Statements of Earnings, and comparative figures have been restated to conform with this presentation. The prior year amounts represent operating results for the entire year for all discontinued operations.

Earnings from discontinued operations in the Consolidated Statements of Earnings comprise the following amounts:

(\$ millions)	1992	1991
Net sales	\$670	\$1,162
(Loss) income before income taxes	\$ (3)	\$ 8
Income taxes	1	(3)
(Loss) income from operations	(2)	5
Net gain on disposition, net of income taxes of \$21	18	—
	\$ 16	\$ 5

Net assets of discontinued operations in the Consolidated Balance Sheets comprise the following amounts:

(\$ millions)	1992	1991
Current assets	\$102	\$ 243
Fixed assets, net	81	324
Other assets	24	209
	207	776
Current liabilities	68	91
Long-term liabilities	—	1
	\$139	\$ 684

Increase (decrease) in cash, discontinued operations in the Consolidated Statements of Changes in Financial Position comprises the following amounts:

(\$ millions)	1992	1991
Cash from (used for) operations	\$ (5)	\$ 22
Additions to fixed assets	(3)	(37)
Proceeds on dispositions, net of disposition expenses	570	—
	\$562	\$ (15)

6. Net Earnings Per Common Share

The number of shares used in calculating net earnings per common share is as follows:

(millions)	1992	1991
Basic	77.56	76.18
Fully diluted	91.92	91.26

7. Accounts Receivable

The Company has entered into an agreement giving it the right, on a continuing basis, to sell accounts receivable which the Company continues to administer. As at April 30, 1992, the Company administered \$90 million (\$90 million in 1991) in respect of outstanding accounts receivable sold under this agreement.

8. Inventories

(\$ millions)	1992	1991
Finished goods and work in process	\$ 245	\$ 213
Materials and supplies	76	70
Returnable containers	38	24
	\$ 359	\$ 307

9. Fixed Assets

(\$ millions)	1992	1991
Property	\$ 47	\$ 37
Plant and equipment	1,668	1,479
	1,715	1,516
Accumulated depreciation	688	583
	\$1,027	\$ 933

10. Other Assets

(\$ millions)	1992	1991
Investments in partly owned businesses	\$ 84	\$ 116
Investments in and advances to other companies	105	82
Loans to employees under share purchase plans	21	21
Goodwill, licenses, trademarks and other proprietary rights	302	213
Unamortized debt financing expense	8	6
	\$ 520	\$ 438

Investments in partly owned businesses include the following significant equity interests:

	1992	1991
Supercorp Entertainment (50% voting)	—%	69%
Toronto Blue Jays Baseball Club	—	45
BCL Entertainment Corp.	45	45
Canada Malting Co. Limited	20	20

During the year, the Company increased its interest in Supercorp Entertainment from 69% to 80%, and in the Toronto Blue Jays Baseball Club from 45% to 90%. These investments have been accounted for on a consolidated basis from the date of increased ownership.

11. Non-Convertible Long-Term Debt

(\$ millions)	1992	1991
Sinking fund debentures		
7½% Series F matured April 15, 1992	\$ —	\$ 1
8½% Series H to mature March 1, 1993	9	10
9¼% Series I to mature March 15, 1994	12	12
11¼% Series J to mature October 1, 1999	28	28
9¼% debentures matured January 21, 1992	—	100
10¼% debentures to mature July 30, 1995	119	116
10¼% debentures to mature April 21, 1998	100	100
9¼% debentures to mature March 6, 2002	250	—
Note issuance facility (a)	60	58
Bank term loan to mature June 30, 2003, at discounted amount	27	26
	605	451
Other long-term liabilities	82	87
	687	538
Less: Portion due within one year, included in current liabilities	41	123
	\$646	\$415

- (a) The Company has in place a U.S. \$50 million floating rate note issuance facility with a consortium of financial institutions. Under this facility, which provides access to the Euro-Commercial Paper Market until April 29, 1997, funds can be raised at market interest rates through the issuance of unsecured notes.

Included in non-convertible long-term debt is \$226 million (\$228 million in 1991) of long-term debt denominated in United States dollars, translated at the rate of exchange at the balance sheet date. These United States dollar exposures have been designated as a hedge of the Company's investment in subsidiaries in the United States.

Included in "Other long-term liabilities" is \$10 million (\$15 million in 1991) of minority interest in consolidated subsidiaries.

Maturities and sinking fund requirements for the years ending April 30, 1993 through 1997 are: \$41 million, \$23 million, \$9 million, \$128 million and \$67 million, respectively.

The sinking fund debentures are secured by a floating charge on the undertaking and property and certain assets of John Labatt Limited. As at April 30, 1992, the Company had satisfied all of the covenants under the trust deed relating to the sinking fund debentures.

12. Convertible Debentures

The convertible debentures are reported under the heading of "Convertible Debentures and Shareholders' Equity" on the Consolidated Balance Sheets to reflect the permanent nature of this capital. This presentation is supported by the long maturities, the low initial interest rates, an indication by many of the holders of these debentures that they intend to convert in the future, and the Company's intention ultimately to have them converted to equity. The convertible debentures are unsecured obligations and are subordinated to all other indebtedness of the Company.

Particulars of the convertible debentures are as follows:

Adjustable Rate Debentures	Maturity date	Conversion price per share	Minimum interest rate	Balance (\$ millions)	
				1992	1991
1983	June 16, 2003	\$11.25 (a)	6%	\$ 30	\$ 40
1986	February 28, 2006	\$17.875 (b)	6%	100	107
1987	April 1, 2007	\$27.00 (c)	5%	125	125
				\$255	\$272

- (a) Should the Company fix an interest rate of 6½%, the conversion price becomes \$13.4375. The debentures are redeemable at par plus accrued interest.
- (b) Should the Company fix an interest rate of 7%, the conversion price becomes \$20.00. The debentures are redeemable at par plus accrued interest.
- (c) Should the Company fix an interest rate of 6%, the conversion price becomes \$30.00. These debentures are redeemable at par plus accrued interest. On April 1, 2007, the Company has the option to retire any debentures then outstanding by issuing common shares of equivalent fair market value to the debenture holders.

The convertible debentures are each convertible into common shares of the Company, at the holder's option, on or before the last business day preceding the earlier of the maturity date and the date fixed for redemption, if any.

As at April 30, 1992 and 1991, \$147 million of these convertible debentures were held by a related party.

13. Share Capital

The authorized share capital of the Company is as follows:

- 4,000,000 preferred shares issuable in series, of which 300 consist of a series designated as “Series 1 Preferred Shares” and 150 consist of a series designated as “Series 2 Preferred Shares”.
- An unlimited number of common shares of no par value.

Preferred shares

There are \$150 million of Series 1 Preferred Shares issued and outstanding. Until March 31, 1994, the dividends are at a rate of 7.85% per annum and are payable quarterly.

There are \$150 million of Series 2 Preferred Shares issued and outstanding. Until December 31, 1994, the dividends are at a floating rate equal to 72% of 30-day Bankers' Acceptances, compounded monthly, and are payable quarterly.

Subsequent to March 31, 1994 and December 31, 1994, the dividend rate for the Series 1 and Series 2 Preferred Shares, respectively, is intended to be established by negotiation between the Company and the holders of the two series. Should an agreement not be reached, a bid solicitation procedure involving investment dealers will be used; if no bids are accepted, a monthly auction procedure will take place.

The Series 1 and Series 2 Preferred Shares are redeemable by the Company on or after March 31, 1994 and December 31, 1994, respectively, at par plus any accrued and unpaid dividends.

Common shares

- (i) Issued and fully paid

The changes in issued and fully paid common shares of the Company are as follows:

(millions)	1992		1991	
	Shares	Amount	Shares	Amount
Issued and outstanding, beginning of year	76.56	\$308	75.79	\$295
Issued under employee share purchase and option plans	0.45	11	0.45	8
Issued as a result of debenture conversions	1.32	17	0.28	4
Issued under the shareholder dividend reinvestment plan and the stock dividend election program	0.02	1	0.04	1
	1.79	29	0.77	13
Issued and outstanding, end of year	78.35	\$337	76.56	\$308

(ii) Available under purchase and option plans

Details of common shares available to employees under share purchase or option plans are as follows:

	1992		1991	
	By-Law No. 3	By-Law "P" (1987)	By-Law No. 3	By-Law "P" (1987)
Common shares designated for allotment under By-Law No. 3 or its predecessor, By-Law "P" (1987)	3,000,000	3,000,000	3,000,000	3,000,000
Less:				
Issued	340,000	1,502,039	160,000	1,245,229
Under option	276,500	115,500	135,000	156,500
Reserved for 1989 employee share purchase plan	—	—	—	215,810
Reserved for 1991 employee share purchase plan	191,346	—	—	—
Shares available	2,192,154	1,382,461	2,705,000	1,382,461

During 1991, By-Law "P" (1987) was replaced by the current By-Law No. 3. No further shares can be allotted under By-Law "P" (1987). The 1991 employee share purchase plan under By-Law No. 3 matures in July 1993.

As at April 30, 1992, shares under option to employees under By-Law No. 3 and previous By-Laws were as follows:

Plan	Number of shares	Price per share	Expiry date
1986 Share option	33,500	\$22.23	December 1996
1987 Share option	53,500	\$22.68	November 1997
1988 Share option	5,000	\$22.17	March 1999
1989 Share option	57,000	\$21.80	February 2000
1990 Share option	124,000	\$22.11	January 2001
1991 Share option	140,000	\$23.54	June 2001
1991 Share option (B)	12,500	\$26.87	December 2001
	425,500		

Included above are 54,500 shares under option to officers of the Company. Under these plans the option holders are entitled to purchase the shares over periods of up to 10 years.

As at April 30, 1992, loans to employees for shares purchased under option and share purchase plans were: officers – \$20 million (\$20 million in 1991) and other employees – \$1 million (\$1 million in 1991). The number of shares related to these loans was 1,058,901 (1,147,511 in 1991).

14. Changes in Non-Cash Working Capital

(\$ millions)	1992	1991
Increases in current assets		
Accounts receivable	\$ (95)	\$ —
Inventories	(52)	(51)
Prepaid expenses	(30)	(11)
Increases (decreases) in current liabilities		
Accounts payable and accrued charges	331	55
Taxes payable	9	(57)
	163	(64)
Less: Non-cash working capital relating to acquisitions and dispositions, net	1	(25)
	\$162	\$(39)

15. Acquisitions net of dispositions

During the year, the Company made the following business acquisitions:

- Effective May 1, 1991, an additional 45% of the equity of the Toronto Blue Jays Baseball Club, increasing its interest to 90%.
- Effective September 30, 1991, the 22½% minority interest in Birra Moretti S.p.A..
- Effective December 31, 1991, an additional 11% of the equity of Supercorp Entertainment, increasing its interest to 80%.

During the year, all the Company's business dispositions were included in discontinued operations.

Details of the combined assets acquired accounted for using the purchase method are as follows:

(\$ millions)	Working Capital	Non-current	Total
Identifiable assets acquired at assigned values	\$ (1)	\$ 38	\$ 37
Liabilities assumed	—	(28)	(28)
Identifiable net assets acquired	(1)	10	9
Excess of purchase price over assigned values of identifiable tangible assets	—	85	85
	\$ (1)	\$ 95	\$ 94

During fiscal 1991, the Company made the following business acquisitions and dispositions:

Acquisitions

- Effective December 31, 1990, certain assets and the operations of the ice cream division of George Weston Limited.
- Effective February 1, 1991, the assets and operations of the dairy division of Maple Leaf Foods, Inc.

Dispositions

- Effective July 23, 1990, certain dairy assets located in the province of Manitoba.

Details of the combined assets acquired, accounted for using the purchase method, net of assets disposed of, are as follows:

(\$ millions)	Working Capital	Non-current	Total
Identifiable assets acquired at assigned values	\$25	\$ 16	\$ 41
Liabilities assumed	—	—	—
Identifiable net assets acquired	25	16	41
Excess of purchase price over assigned values of identifiable tangible assets	—	38	38
	\$25	\$ 54	\$ 79

16. Operating Leases

The Company has entered into long-term operating leases, substantially all of which will be discharged within 10 years. Fixed rental expense for 1992 was \$23 million (\$24 million in 1991).

Future annual fixed rental payments for the years ending April 30, 1993 through 1997 are: \$22 million, \$18 million, \$14 million, \$11 million and \$8 million, respectively. In aggregate, fixed rental payments for years subsequent to 1997 amount to \$19 million.

17. Retirement Programs

The Company has retirement programs which provide benefits, including pension rights based on employee years of service and, in some instances, employee earnings. Based on the most recent actuarial valuations, using the accrued benefit method and management's best estimates, the Company's defined benefit pension plan funded status is as follows:

(\$ millions)	1992	1991
Estimated present value of pension plan obligations	\$450	\$392
Pension plan assets at market value	\$420	\$396

Registered pension plans are funded through contributions which are determined by actuarial valuations performed in accordance with generally accepted actuarial principles.

Medical benefits and other non-pension retirement benefits are funded as incurred.

18. Related Party Transactions

In the normal course of business, the Company entered into transactions with affiliates and partly owned businesses on competitive commercial terms similar to those with unrelated parties. Significant transactions with affiliates, other than in the normal course of business, are reviewed by an independent committee of the Board of Directors.

As at April 30, 1992, the Company held \$258 million (\$258 million in 1991) of investments in affiliates. The total income earned on these investments during the year was \$18 million (\$25 million in 1991).

19. Loan Guarantees

As at April 30, 1992, one of the Company's partly owned businesses had outstanding \$14 million (\$22 million in 1991) of indebtedness which was guaranteed by the Company.

20. Segmented Financial Information

Information by class of business

The classes of business within which the Company operates are as follows:

- The Brewing segment comprises the brewing activities in Canada, the United States and Italy, the sale in other countries of beers brewed in Canada, the United States and Italy, and the marketing in the United Kingdom of lager produced and distributed under agreements with United Kingdom brewers.
- The Dairy segment comprises the production and sale of dairy products, primarily in Canada and the United States.
- The Entertainment segment comprises broadcast activities, a major league baseball franchise, commercials production and concert promotion businesses, primarily in Canada and the United States.

Corporate expenses are allocated to the three business segments. Financial information for partly owned businesses is included in the proportion of John Labatt ownership.

The following is a summary of key financial information by business segment.

(\$ millions)	1992		1991	
	Net sales		Net sales	
Brewing	\$1,564		\$1,474	
Dairy	2,110		2,080	
Entertainment	374		387	
	4,048		3,941	
Less:				
Partly owned businesses	211		343	
	\$3,837		\$3,598	
	Depreciation & amortization	Earnings before interest & tax	Depreciation & amortization	Earnings before interest & tax
Brewing	\$ 64	\$ 181	\$ 59	\$ 139
Dairy	50	62	43	44
Entertainment	11	58	5	47
	\$125	301	\$107	230
Less:				
Partly owned businesses		4		19
Interest expense		22		7
		\$ 275		\$ 204
	Capital expenditures	Net assets employed	Capital expenditures	Net assets employed
Brewing	\$122	\$ 799	\$104	\$ 733
Dairy	45	629	43	656
Entertainment	5	140	2	96
	\$172	1,568	\$149	1,485
Less:				
Partly owned businesses		73		117
		1,495		1,368
Cash and securities		766		300
Investments in partly owned businesses		84		116
Current liabilities other than bank advances and short-term notes, netted above		836		578
Total assets of continuing operations		3,181		2,362
Net assets of discontinued operations		139		684
		\$3,320		\$3,046

Information by geographic segment

The Company operates principally in the geographic areas of Canada and the United States. Geographic segmentation is determined on the basis of the location where a business' sales originate.

Operations in the United Kingdom and Italy do not constitute reportable geographic segments and are included below in the Canadian segment.

Corporate expenses are allocated to the two geographic segments. Financial information for partly owned businesses is included in the proportion of John Labatt ownership.

The following is a summary of key financial information by geographic segment.

(\$ millions)	1992		1991	
	Net sales		Net sales	
Canada	\$2,970		\$2,811	
United States	1,078		1,130	
	4,048		3,941	
Less:				
Partly owned businesses	211		343	
	\$3,837		\$3,598	
	Depreciation & amortization	Earnings before interest & tax	Depreciation & amortization	Earnings before interest & tax
Canada	\$ 99	\$ 296	\$ 82	\$ 220
United States	26	5	25	10
	\$125	301	\$107	230
Less:				
Partly owned businesses		4		19
Interest expense		22		7
		\$275		\$ 204
	Capital expenditures	Net assets employed	Capital expenditures	Net assets employed
Canada	\$151	\$1,235	\$141	\$1,053
United States	21	333	8	432
	\$172	1,568	\$149	1,485
Less:				
Partly owned businesses		73		117
		1,495		1,368
Cash and securities		766		300
Investments in partly owned businesses		84		116
Current liabilities other than bank advances and short-term notes, netted above		836		578
Total assets of continuing operations		3,181		2,362
Total assets of discontinued operations		139		684
		\$3,320		\$3,046

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Shareholders' Information

The John Labatt Foundation

We are very proud of John Labatt's long-standing commitment to good corporate citizenship. Our active financial support was instrumental in the successful launch of the Imagine campaign, a national project dedicated to increasing volunteer activity and philanthropy. In recent years John Labatt has contributed approximately \$4 million annually to hundreds of charitable organizations.

In May 1992 we established The John Labatt Foundation to administer all charitable giving of the Company and its operating divisions. The Foundation's mission – "to be recognized as the premiere corporate foundation in Canada, working to enhance the quality of life we enjoy by responding to the philanthropic needs of society, and to do so in a manner consistent with traditional Labatt values" – exemplifies John Labatt's desire to participate in a meaningful way with thousands of volunteers in improving the communities in which they live.

Each year the John Labatt Limited Board of Directors will donate to the Foundation an amount based on 1% of the prior year's pre-tax earnings. These funds will provide the Foundation with the financial resources for the year's planned expenditures. Specific giving is authorized by the Foundation's seven-member Board, which reviews all approved applications.

Five Categories of Giving

Already the largest corporate foundation in Canada, the John Labatt Foundation is continuing the Company's tradition of support of not-for-profit and charitable organizations in five broad categories:

- Education and Welfare – funding for programs such as the United Way/Centraide; capital funding for hospitals and other care-giving organizations; health-care and research organizations such as the Canadian Cancer Society and Heart and Stroke Fund; capital and/or operating funding for community-based organizations.
- Education, primarily capital campaigns for public-sector, post-secondary institutions.
- Culture, including capital appeals and/or

operating funds for performing and visual arts organizations and museums.

- Civic and Sports campaigns for both capital and operating funds for community-based activities such as the YM/YWCA, Boys' and Girls' Clubs and Junior Achievement, as well as capital funding for community centres and arenas.
- Environment – funding for operating costs related to projects for improving the environment.

During fiscal 1992, the transition year between Company giving and Foundation giving, John Labatt honoured its commitments to organizations across the country with gifts totalling \$4.4 million. Nearly half of these donations were earmarked for health and welfare programs. John Labatt is particularly proud of its support for the annual United Way/Centraide campaign. Since 1988 we have provided more than \$1.3 million to assist the United Way in meeting its objectives.

Two Community Programs

The Foundation also administers two other programs of giving that have a direct impact on local communities. Under the *Peter Hardy Matching Gift Program*, employee donations to eligible Canadian charities and not-for-profit organizations are matched dollar-for-dollar by the Foundation.

Labatt's People in Action directs funds to charitable organizations, enabling them to hire students for summer projects which benefit Canada's disadvantaged and the environment. People in Action provides students with valuable career-related experience, the opportunity to make a significant contributions to their communities, as well as the financial means to return to school in the fall. The program will create 140 jobs for students across Canada this summer, with organizations such as the Canadian Association for Community Living, Ducks Unlimited and the Canadian Mental Health Association. We offer special thanks to the federal and various provincial governments for their valuable participation and financial support.

Sir John Banham

London, England
Chairman,
Local Government Commission for England

Peter F. Bronfman³

Toronto, Ontario
Chairman, Edper Enterprises Ltd.

Jack L. Cockwell^{1,2}

Toronto, Ontario
President, Brascan Limited

Gordon R. Cunningham

Toronto, Ontario
President and Chief Executive Officer,
London Life Insurance Company

Charles Diamond²

Vancouver, British Columbia
President, B.C. Turf Ltd.

J. Trevor Eyton, O.C.^{2*}

Caledon, Ontario
Chairman, Brascan Limited

Eric F. Findlay³

Toronto, Ontario
Chairman of the Board, Silcorp Limited

Francine Harel Giasson³

Montreal, Quebec
Professor,
École des Hautes Études Commerciales

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Keith C. Hendrick

Toronto, Ontario
Corporate Director

Gordon F. Hughes, O.C.¹

Windsor, Nova Scotia
Chairman, Ocean Company Limited

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Managing Partner and President,
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Mervyn L. Lahn^{1*}

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Montreal, Quebec
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Canadian Imperial Bank of Commerce

Sidney M. Oland

Toronto, Ontario
President and Chief Executive Officer,
John Labatt Limited

Herbert C. Pinder³

Saskatoon, Saskatchewan
President, Saskatoon Trading Company Limited

Samuel Pollock, O.C.³

Toronto, Ontario
Chairman, John Labatt Limited

Herbert H. Solway, Q.C.

Toronto, Ontario
Managing Partner, Goodman & Goodman

Helga Stephenson

Toronto, Ontario
Executive Director, Festival of Festivals

George S. Taylor

St. Marys, Ontario
Executive Vice-President, John Labatt Limited

John H. Tory, Q.C.

Toronto, Ontario
Partner, Tory Tory DesLauriers & Binnington

Jean Denis Vincent²

Montreal, Quebec
President and Chief Executive Officer,
General Trustco of Canada Inc.

William P. Wilder¹

Toronto, Ontario
Corporate Director

Honorary Directors

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John B. Cronyn

Edwin A. Goodman, O.C., Q.C.

Norman E. (Peter) Hardy

Alexander J. MacIntosh, Q.C.

Jaime Ortiz-Patiño

Wallace F. Read

Peter N.T. Widdrington

Board Committees

Denotes Member of:

¹ Audit Committee

² Management Resources and Pension Committee

³ Public, Environmental and Product
Responsibility Committee

* Committee Chairman

John Labatt Management

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President and
Chief Executive Officer

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Senior Corporate Management

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Vice-President, Marketing

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R. Bruce Fraser
Vice-President, Corporate Planning & Development

Hugh M. Colquhoun
Director, Taxation & Treasurer

P. Ian Reece
Corporate Controller

Joanne D. Rusnell
Corporate Secretary

* Denotes Member of
Management Committee

Division Management

BREWING

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Robert A. Binnendyk
President, West and General Manager, Alberta

Marcel Boisvert
President, Quebec

Philip C. Carter
Senior Vice-President, Marketing Services

Michael H. Conde
President, Labatt International Brands

J. Michael Hill
Executive Vice-President, Finance

Larry J. Innanen
Executive Vice-President and General Counsel

Lawrence J. Macauley
Executive Vice-President, Operations

J. Roderick McLeod
President, Atlantic and General Manager,
Nova Scotia

Sharon Paul
Executive Vice-President, Public Affairs

Timothy C. Vauthier
Executive Vice-President, Human Resources

Labatt's USA

Richard R. Fogarty*
President

Robert H. Barghaus
Vice-President, Finance and Administration

Andrew J. Brennan
Vice-President, Sales

Albert W. Spinelli
Vice-President, Operations

Richard J. Vassos
Vice-President, Marketing

Labatt Breweries of Europe

Bruce E. Peer*
President

William G. Bourne
General Manager, Birra Moretti SpA

John R. Council
Director – Operations

R. John Diakiw
Director – Marketing

John N. Eckmire
Managing Director, Labatt Brewing UK

Michael D.M. Izza
Director – Finance

DAIRY

Ault Foods

Graham P. Freeman*

Chairman and Chief Executive Officer

Mike Adcock

Vice-President, Ontario Retail Sales

Serge Bragdon

President, Fluid Division Quebec

Dr. Mahmoud M. Eino

President, International Operations

Ian Ferguson

President, Frozen Products Division

Peter L. Ferraro

General Counsel

John Hamilton

Director of Ontario Fluid Operations

Richard D. Innes

President, Industrial Division

Peter Johnson

Vice-President and General Manager,
Food Service and Confectionery Division

Andrew Kinoshita

Corporate Vice-President,
Management Information Systems

Larry Morden

Corporate Vice-President, Human Resources

Doug Shields

Corporate Vice-President, Finance

Lino Sienna

President, Refrigerated Products Division

Johanna Dairies

John W. Andersen*

President and Chief Executive Officer

Robert A. Facchina

President, Metro Division

Donald E. Herr

President, Pennsylvania Division

Colin T. Kagel

Vice-President, Human Resources

Gary Knight

President, Warehouse Products Division

Dori M. Reap

Vice-President and Chief Financial Officer

L. Keith Wimbush

Vice-President and Corporate Counsel

ENTERTAINMENT

John Labatt Entertainment Group

Thomas R. Errath*

President

JLL Broadcast Group

Gordon Craig

President and Chief Executive Officer,
JLL Broadcast Group

Robert Bleasby

Vice-President and General Manager,
Dome Productions

Gérald Janneteau

President, Le Réseau des sports

Allan Johnson

Vice-President and General Counsel,
JLL Broadcast Group

Joanne McKenna

Executive Vice-President, JLL Broadcast Group &
Vice-President and General Manager,
TSN Enterprises

Cindy R. McNichol

Vice-President, Human Resources,
JLL Broadcast Group

Brian Ross

Vice-President and General Manager,
Skyvision Entertainment

Jim Thompson

Vice-President and General Manager,
The Sports Network

Shareholders' Information

Executive Office

John Labatt Limited
130 Adelaide St. West
Suite 3400
P.O. Box 105
Toronto, Ontario
M5H 3P5
Tel: (416) 865-6000
Fax: (416) 865-6074

Stock Symbol

LBT

Stock Exchanges

Montreal, Toronto, Vancouver

Transfer Agent and Registrar

The R-M Trust Company – Halifax, Montreal,
Toronto, Winnipeg, Regina, Calgary and
Vancouver

Auditors

Ernst & Young, Chartered Accountants
London, Ontario

Common Shareholders

As at April 30, 1992, John Labatt had 12,700 registered shareholders, of which 12,300 with addresses in Canada held 99.5% of the Company's common shares.

Shareholders' Inquiries

The R-M Trust Company operates a telephone information line for inquiries regarding change of address, stock transfer, registered shareholdings, dividends and lost certificates, which can be reached by dialing toll-free 1-800-387-0825. Shareholders in Toronto or outside Canada should telephone (416) 813-4500.

Correspondence should be addressed to:

The R-M Trust Company
Corporate Trust Services
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario M5C 2W9

Dividends

An increase from 19.5¢ per share to 20.0¢ per share in the quarterly dividend paid on common shares was announced at the September, 1991 Annual Meeting. During fiscal 1992, \$62 million or \$0.795 per common share was paid in dividends to common shareholders, up from \$59 million or \$0.77 per share in fiscal 1991.

Quarterly Payment History

(cents per common share)

	Fiscal Quarters				Fiscal Year
	July	Oct.	Jan.	April	
1988	14.00	16.00	16.00	16.00	62.00
1989	16.00	17.50	17.50	17.50	68.50
1990	17.50	18.50	18.50	18.50	73.00
1991	18.50	19.50	19.50	19.50	77.00
1992	19.50	20.00	20.00	20.00	79.50

Dividend Reinvestment

Cash dividends can be reinvested automatically in the shares of the Company through the Dividend Reinvestment Plan. Shareholders also have the option of receiving dividends in the form of additional shares of the Company through the Stock Dividend Election Plan. Shareholders may wish to consult a tax advisor prior to selecting either of these plans.

John Labatt Limited Common Share Market Price History

(\$ per common share)

Fiscal Year	Low	High	April 30
1988	20 $\frac{1}{8}$	29 $\frac{3}{4}$	23 $\frac{7}{8}$
1989	20 $\frac{5}{8}$	24 $\frac{3}{8}$	22 $\frac{3}{4}$
1990	20 $\frac{1}{2}$	27 $\frac{1}{2}$	20 $\frac{5}{8}$
1991	18 $\frac{3}{8}$	26	23 $\frac{1}{8}$
1992	22$\frac{1}{4}$	27$\frac{7}{8}$	25$\frac{3}{4}$

Pour obtenir la version française du présent rapport, écrire au secrétaire de John Labatt Limitée, 130 Adelaide St. West, Suite 3400, P.O. Box 105, Toronto, Ontario, M5H 3P5.

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