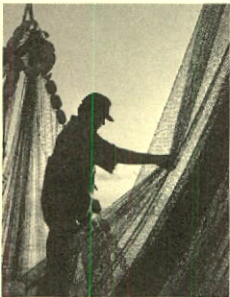

British Columbia Packers Limited
Annual Report 1980





Cover Photo:
Gar Lunney

British Columbia Packers Limited
Annual General Meeting,
Monday, May 4, 1981 at 09:30 a.m.
S.S. Pacific Room-2nd floor
Delta's River Inn
3500 Cessna Drive
Richmond, B.C.

CONTENTS	Page
1980 Report to Shareholders	2
1980 Financial Statements	8
Notes to Financial Statements	12
The Clover Leaf People	16

"Drying Up" the seine.
(Gar Lunney)



BRITISH COLUMBIA PACKERS LIMITED
operating in the Pacific Ocean is engaged in
the catching, processing and marketing of a
wide range of fish and seafood products
for both domestic and export consumption.

1980 Report to Shareholders

1980 was a difficult year for the fishing industry, not only in British Columbia, but also in the rest of North America and throughout the world. Production costs increased, while market values declined, creating financial problems for fishermen and processors alike.

British Columbia Packers Limited sales declined 9% to \$242 million, and an operating loss of \$12.1 million was suffered. This disappointing performance reflected the loss of the entire roe herring season, substantially lower than average landings of salmon in British Columbia, generally lower prices for frozen products, and high interest rates. By disposing of investments and assets no longer required in operations, however, net gains were realized that were sufficient, when added to anticipated recoveries of income taxes in future years, to offset the operating loss and to produce a small net income for the year.

While these results were far from being satisfactory, the steps taken demonstrated the Company's ability to respond to difficult and changing circumstances.



Richard I. Nelson, Chairman. J. Bruce Buchanan, President. (Gar Lunney)

Early in the year the Company's position was thoroughly re-evaluated, and a revised strategy was developed to adapt to changed circumstances in the industry. It was decided to concentrate resources in the fishing industry, particularly in the acquiring, processing and marketing areas, and to limit efforts devoted to primary fishing and related fishermen's servicing functions.

As a consequence, certain acquiring and processing facilities previously owned by The Canadian Fishing Company Limited were purchased when they became available in the spring of 1980. These facilities have strengthened the Company's capabilities, and have presented new opportunities, particularly in Northern British Columbia.

The purchase also included a substantial piece of property on the Steveston waterfront. When this property was consolidated with the Company's existing holdings in the area, a parcel believed suitable for better utilization was assembled. A joint venture with a development company has been formed and, subject to approval by the appropriate authorities, it is planned to release the property for development in stages over the next five to ten years.

In addition, the Company is currently co-operating in a government study into the suitability of the purchase by Native Indian interests of the rental

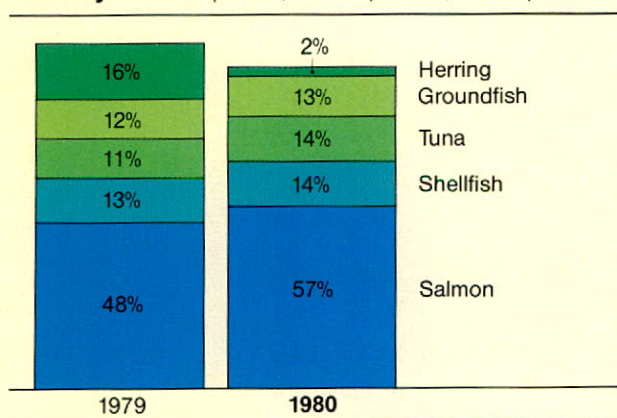
gillnet fleet and related fishermen's servicing facilities owned by the Company at Port Edward and other locations in Northern British Columbia. If the study results are favourable, and if a purchase price can be agreed upon, it is planned to re-invest funds thus generated in expanding and improving processing at the recently acquired Oceanside Plant in Prince Rupert.

In October, in accordance with its current policy of concentrating its resources in the fishing industry, the Company sold its one-third interest in United Oilseed Products Ltd. to the other two shareholders for \$8 million, resulting in a net gain of \$3 million.

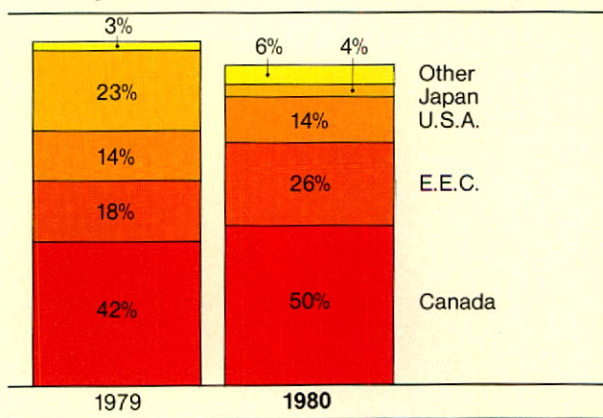
Capital expenditures for the year were \$28.5 million, including amounts paid for acquisition of certain assets from The Canadian Fishing Company Limited. To finance these activities and the repayment of previous long-term debt, \$33.3 million in term loans was arranged with a Canadian chartered bank. At year-end, current borrowings were \$44.2 million and working capital was \$41 million.

1980 interest expense was \$12.2 million, nearly double that incurred in 1979, and amounted to 5% of sales. Dividends of \$1.5 million were paid to shareholders (98% of whom were Canadians)

Sales by Product (1979-\$265.6 M, 1980-\$242.1 M)



Sales by Market (1979-\$265.6 M, 1980-\$242.1 M)



compared with \$2.1 million in 1979. By exporting \$76 million worth of Canadian product, the Company made a positive contribution to Canada's balance of payments position.

Sales values by product and market for 1979 and 1980 are shown in the accompanying charts, which graphically illustrate the variability inherent in the Company's business and the need for extreme flexibility in operations. It will be noted, for instance, that as a share of sales value, herring products fell from 16% to 2%, while salmon products increased from 48% to 57%. As a consequence, sales to Japan declined from 23% of total Company sales in 1979 to 4% in 1980.

During the year, the Company purchased \$72 million worth of fish from more than 4,000 fishermen. In addition 4,400 employees received \$55 million in salaries, wages and benefits. A special report on the people associated with the enterprise will be found on page 16.

Details of the Company's various operations follow.

BRITISH COLUMBIA

Salmon

Industry landings totalled 110 million pounds, the lowest since 1975.

British Columbia Industry Salmon Landings 1975-1980

(in millions of pounds)

1975	80
1976	127
1977	145
1978	156
1979	135
1980	110

The weakening of the Japanese seafood market that began in the second half of 1979 continued through 1980. It was more severe than had been expected, particularly when taking into account the appreciation of the yen against the Canadian dollar during the year. The Japanese demand for frozen salmon was especially weak, and virtually no salmon was frozen for that market. Reversing a recent trend, the proportion of the Company's salmon landings that was frozen fell from 45% in 1979 to 35% in 1980.

Demand for canned salmon remained strong in all important markets, and consumers in Canada continued to demonstrate their preference for the Company's high quality CLOVER LEAF and PARAMOUNT products. Unit production costs were high because of the low volume of landings and increased labour rates.

For the first time in many years, agreement was reached before the commencement of the season on minimum prices for net-caught salmon and wage rates. It is hoped that this favourable development, which eliminated one important element of uncertainty from operations, will set the pattern for future negotiations.

Herring

The 1980 roe herring season was a total loss for most of the industry. The seeds of this disaster were sown when competition among Japanese buyers for supplies forced prices paid to fishermen from an average of \$410 per tonne in 1977, to \$840 per tonne in 1978, and to \$3,350 per tonne in 1979.

Consumers of herring roe in Japan, the only market for the product, reacted strongly to the sharply increased retail price and 1979-80 sales volume declined dramatically. A large unsold inventory accumulated, and wholesale prices collapsed.

Because of the lower values of the final product, prices that could be offered to fishermen in 1980 were only a fraction of what they had received the previous year. Union fishermen, who had become accustomed to rapidly increasing prices for several years, would not accept the need for the lower prices, and refused to fish.

A number of fishermen-owned co-operatives did fish, and industry landings totalled 17,000 tonnes, much lower than landings in recent years.

British Columbia Industry Landings
of Roe Herring
1975-1980
(in tonnes)

1975	53,000
1976	79,000
1977	73,000
1978	63,000
1979	37,000
1980	17,000

Movement of herring roe during the 1980-1981 selling season was disappointing, and inventories remain at approximately the same levels as a year ago. As a consequence the outlook for the 1981 roe herring season remains uncertain.

Late in the year the Company participated in a small but successful food herring operation. The product was frozen whole for eventual filleting and drying in Japan.

Groundfish

1980 industry groundfish landings of 30,000 tonnes were near normal levels. Company production was increased by the acquisition of The Canadian Fishing Company's northern groundfish operations.

Markets remained depressed while the costs of fish and processing increased. The high labour component of this product, together with the very high wages paid in the British Columbia operation (compared with wages paid by competitors in Eastern Canada and other producing countries), combined to create what was, at best, a marginal operation.

UNITED STATES

Salmon

A near-record run of 62.4 million red salmon returned to the rivers of Bristol Bay, Alaska in 1980. Unfortunately, a price dispute with fishermen delayed the commencement of fishing and only half the allowable catch was taken.

As a consequence, Nelbro Packing Company's canned production was substantially reduced from 1979, and no salmon was frozen. In addition to the fish that were utilized in Bristol Bay, the Company was successful in transferring four million pounds of fish by Canadian tenders and chartered jet aircraft for processing in its British Columbia plants.

The outlook for runs to the Bristol Bay area for 1981 and beyond is promising.

Herring

In recent years, Bristol Bay has become a significant producer of roe herring; in 1980 industry landings totalled almost 8,000 tonnes. Nelbro Packing Company participates in this operation, supplementing its more significant salmon operations.

Shellfish

Coast Oyster Company, with operations in Washington and California, experienced a normal production year. Unfortunately, results were adversely affected by high interest expense on its relatively substantial working capital requirements.

Groundfish

Rupert's Certi-Fresh Foods, Inc. reprocesses frozen fish into market forms at its plant in Santa Fe Springs, California. Its 1980 results suffered from the generally depressed seafood markets in the United States, increased labour costs and high interest rates.

REPUBLIC OF THE PHILIPPINES

Mar Fishing Company, Inc., a Philippine Corporation in which British Columbia Packers Limited holds a 30% interest, commenced production at its new tuna plant in Zamboanga, Mindanao, in late 1980. The plant, which has a capacity of 25,000 tonnes a year, will provide loins and canned product for British Columbia Packers' Canadian operations, as well as for export markets. Through purchase, construction and charter, Mar Fishing is assembling a fleet of tuna purse seiners to supply the plant's raw material requirements.

As production is to be increased in phases, this operation is not expected to have a significant impact on overall Company results during 1981.



Mar Fishing Company, Inc. Tuna Plant in Zamboanga, Republic of the Philippines was built in 1980. Construction was supervised by Canadians using Filipino personnel. (R. Gibb)

FISHERIES MANAGEMENT

In the fall of 1980, the office of the Assistant Deputy Minister of Fisheries responsible for British Columbia and inland fisheries was moved from Ottawa to Vancouver. This move towards decentralization should improve the effectiveness and co-ordination of both fisheries management and the activities of the Salmonid Enhancement Program.

In January, 1981, the Company welcomed the establishment of a Commission to investigate the British Columbia fishing industry and make recommendations by December 31, 1981 on how to deal with its problems.

ORGANIZATION

During the year James S. Wilson, Vice-President and Secretary, and also a Director of the Company, retired after 47 years of service. Lorne C. Hume, Vice-President, Philippine Operations, also retired after 43 years' service. These men devoted almost their entire lives to loyal and productive work with the Company, and their contribution to the Company's progress is gratefully acknowledged.

Dr. Peter A. Larkin, Dean of Graduate Studies at the University of British Columbia, was elected to the Board, replacing James S. Wilson. As a respected fisheries biologist and an experienced administrator, he is expected to bring new perspectives to Board activities.

OUTLOOK FOR 1981

Results for the year are even more difficult than usual to predict.

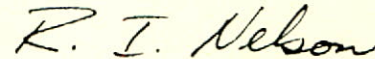
Average landings of salmon are forecast for British Columbia, and another good run of salmon is expected to return to Bristol Bay, Alaska. Because of marketing difficulties in Japan however, the outlook for the roe herring operation is uncertain.

Demand for canned product is expected to remain firm and for frozen product to improve, particularly in Japan. Inventories are adequate to maintain sales at normal levels until the new season's production is available.

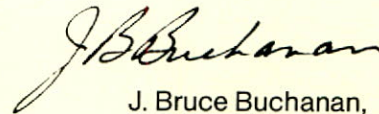
The burden of high interest rates will continue to have a severe negative impact on profitability, and will only be partially offset by a forecast relative increase in the value of the Japanese yen as compared with the Canadian dollar.

Minimum prices for roe herring and net-caught salmon, as well as wage rates, must be negotiated before the seasons commence. No serious interruption in operations is foreseen at this time.

1980 has been a difficult year for the Company and those associated with it. The Board of Directors wishes to express its appreciation for the loyalty and understanding of all those who contributed to the year's operations, and affirms its belief that 1981 will be a better year.



Richard I. Nelson,
Chairman of the Board and
Chief Executive Officer



J. Bruce Buchanan,
President and Chief
Operating Officer

Richmond, B.C.
February 10, 1981.

Consolidated Balance Sheet

As at December 28, 1980 and December 30, 1979

ASSETS

<i>(in thousands of dollars)</i>	1980	1979
CURRENT ASSETS		
Cash	\$ 126	\$ 162
Accounts receivable		
Trade and advances to fishermen	35,161	24,835
Affiliated companies	925	763
Income taxes recoverable	1,073	752
Inventories		
Product	67,380	72,877
Materials and supplies	11,417	10,006
Prepaid expenses	719	471
	<u>116,801</u>	<u>109,866</u>
INVESTMENTS AND LONG-TERM RECEIVABLES (note 2)	2,318	2,931
FIXED ASSETS, at cost		
Land	7,168	1,721
Buildings, machinery and equipment	93,137	73,687
	<u>100,305</u>	<u>75,408</u>
Accumulated depreciation	44,977	40,278
	<u>55,328</u>	<u>35,130</u>
Equipment under capital leases, less amortization	383	342
	<u>55,711</u>	<u>35,472</u>

\$174,830 \$148,269

Approved by the Board

R. I. Nelson

R. I. Nelson, Director

F. L. Jones

F. L. Jones, Director

LIABILITIES

<i>(in thousands of dollars)</i>	1980	1979
CURRENT LIABILITIES		
Bank indebtedness	\$ 23,092	\$ 20,458
Notes payable	21,149	18,425
Accounts payable		
Trade and accrued liabilities	29,023	28,805
Affiliated companies	540	549
Deferred income taxes	1,105	1,256
Current portion of long-term debt (note 3)	788	2,588
Current obligations under capital leases	112	74
	<u>75,809</u>	<u>72,155</u>
LONG-TERM DEBT (note 3)	<u>34,038</u>	<u>5,177</u>
OBLIGATIONS UNDER CAPITAL LEASES	<u>302</u>	<u>292</u>
DEFERRED INCOME TAXES	<u>3,826</u>	<u>8,465</u>
MINORITY INTEREST IN SUBSIDIARIES	<u>85</u>	<u>83</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 4)				
Authorized				
506,742 convertible non-voting non-redeemable class 'A' shares without par value, entitled to annual cumulative dividends of \$.75 per share				
781,988 class 'B' shares without par value				
Issued		Class 'A'	Class 'B'	
At December 30, 1979		7,674	586,942	
Converted during year		(362)	362	
At December 28, 1980		<u>7,312</u>	<u>587,304</u>	4,143
RETAINED EARNINGS (note 3)				4,143
			<u>56,627</u>	<u>57,954</u>
			<u>60,770</u>	<u>62,097</u>
			<u>\$174,830</u>	<u>\$148,269</u>

Commitments and contingent liabilities (note 5)

Consolidated Statements of Earnings and Retained Earnings

52 weeks ended December 28, 1980
and 52 weeks ended December 30, 1979

CONSOLIDATED STATEMENT OF EARNINGS

<i>(in thousands of dollars)</i>	1980	1979
SALES	\$242,113	\$265,626
EXPENSES		
Cost of sales	211,427	225,715
Selling and administrative	25,338	23,868
Depreciation	5,249	3,909
Interest		
Long-term debt	2,717	1,052
Other	9,439	5,511
	254,170	260,055
OPERATING INCOME (LOSS)	(12,057)	5,571
Gain on disposal of properties and fixed assets	2,162	1,213
	(9,895)	6,784
INCOME TAXES		
Current	437	(899)
Deferred	(6,062)	3,068
	(5,625)	2,169
EARNINGS (LOSS) BEFORE THE UNDERNOTED	(4,270)	4,615
Minority interests	(2)	(1)
Share of earnings of partly owned companies	1,418	1,880
	1,416	1,879
EARNINGS (LOSS) BEFORE EXTRAORDINARY ITEM	(2,854)	6,494
Extraordinary item		
Gain on sale of investment in United Oilseed Products Ltd., net of income taxes of \$1,269	3,000	—
NET EARNINGS FOR THE PERIOD	\$ 146	\$ 6,494
Earnings (loss) per issued 'A' and 'B' share		
Earnings (loss) before extraordinary item	\$ (4.80)	\$10.92
Net earnings for the period	\$.25	\$10.92

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD	\$ 57,954	\$ 53,520
Net earnings for the period	146	6,494
	58,100	60,014
Deduct dividends		
Class 'A' shares at \$.75 per share	6	6
Class 'B' shares at \$2.50 (1979—\$3.50) per share	1,467	2,054
	1,473	2,060
RETAINED EARNINGS AT END OF PERIOD	\$ 56,627	\$ 57,954

Consolidated Statement of Changes in Financial Position

52 weeks ended December 28, 1980
and 52 weeks ended December 30, 1979

<i>(in thousands of dollars)</i>	1980	1979
SOURCE OF WORKING CAPITAL		
Operations	\$ (6,439)	\$ 9,932
Proceeds on disposal of fixed assets	4,498	2,167
Proceeds on disposal of investment in U.O.P.L.	8,000	—
Long-term debt incurred	33,650	—
Reduction of investments and long-term receivables	434	909
	40,143	13,008
APPLICATION OF WORKING CAPITAL		
Additions to investments and long-term receivables	2,134	63
Additions to fixed assets	28,476	12,607
Reduction of long-term debt	4,779	2,520
Dividends	1,473	2,060
	36,862	17,250
INCREASE (DECREASE) IN WORKING CAPITAL	3,281	(4,242)
Working capital at beginning of period	37,711	41,953
WORKING CAPITAL AT END OF PERIOD	\$40,992	\$37,711

AUDITORS' REPORT

To the Shareholders of
British Columbia Packers Limited

We have examined the consolidated balance sheet of British Columbia Packers Limited as at December 28, 1980 and the consolidated statements of earnings, retained earnings and changes in financial position for the 52 weeks then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 28, 1980 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Vancouver, Canada
February 16, 1981

Thorne Riddell
Chartered Accountants.

Notes to Consolidated Financial Statements

British Columbia Packers Limited

December 28, 1980

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements consolidate the accounts of British Columbia Packers Limited and all its subsidiary companies.

(b) Advances to fishermen

As is the practice in the industry the company makes advances to fishermen to assist them in the financing of their operations, boats and gear, the repayment of which is dependent, in large measure, upon the catch of fish in future seasons. In the absence of fixed repayment terms it is impracticable to segregate these advances into current and long-term portions.

(c) Inventories

Inventories of product are valued at the lower of cost and net realizable value; inventories of materials and supplies are valued at the lower of cost and replacement cost.

(d) Investments

Investments in partly owned companies are accounted for by the equity method and are, therefore, carried in the balance sheet at cost adjusted for the company's share of their operating results less dividends received since acquisition. Other investments are accounted for by the cost method.

(e) Translation of foreign currencies

All U.S. balances have been translated at a rate approximating the current rate at each year end. The net deferral on the translation of the company's equity in U.S. subsidiaries and long-term debt payable in U.S. funds is included in fixed assets in the balance sheet. The net deferral at the end of 1979 and any subsequent net deferral due to a change in year-end rate is amortized to earnings on a straight-line basis over ten years.

(f) Depreciation

Depreciation is computed on the straight-line basis at rates varying from 2 1/2% to 25%.

(g) Leases

Leases entered into after December 31, 1978 which transfer substantially all of the benefits and risks incident to ownership of property have been accounted for as the acquisition of an asset and the incurrence of an obligation by the company. Under this method of accounting for leases, the asset is amortized on a straight-line basis and the obligation, including interest thereon, is liquidated over the life of the lease. Rents on non-capital leases and all leases entered into before December 31, 1978 are expensed as incurred.

Had the policy been applied to leases in effect prior to December 31, 1978, fixed assets would have been increased by \$675,000, and obligations under capital leases by \$747,000. The effect on net earnings for the period would not have been material.

2. INVESTMENTS AND LONG-TERM RECEIVABLES

	1980	1979
	<i>(in thousands of dollars)</i>	
Mar Fishing Company, Inc. (30% owned)		
Shares, at cost	\$2,327	\$ 203
United Oilseed Products Ltd. (33 1/3% owned)		
Shares, at cost	—	2,600
	<u>2,327</u>	<u>2,803</u>
Less company's share of operating results, net of dividends received	253	540
	<u>2,074</u>	<u>2,263</u>
Other items	244	668
	<u>\$2,318</u>	<u>\$2,931</u>

3. LONG-TERM DEBT

	1980	1979
	<i>(in thousands of dollars)</i>	
Term Bank Loan, due 1988, bearing interest at 11 3/8% through to June 1982, after which time interest will be at bank's prime rate. Annual principal repayments to commence in 1983.	\$15,000	\$ —
Term Bank Loan, due 1989, bearing interest at bank's prime rate. Fixed interest rate for two years to be determined in 1981. Annual principal repayments to commence in 1984.	15,000	—
Term Bank Loan, due 1982, bearing interest at 3/4% above bank's prime rate—secured	3,250	—
Term Bank Loan, due 1982, bearing interest at 1/2% above bank's prime rate	—	6,000
First mortgage bonds		
Series 'B'—6 1/2% sinking fund bonds due 1982 (U.S. \$750)	882	1,324
Series 'C'—6 1/2% sinking fund bonds due 1982 (U.S. \$250)	294	441
Other long-term debt—secured	400	—
	<u>\$34,826</u>	<u>\$7,765</u>
Less current portion	788	2,588
	<u>\$34,038</u>	<u>\$5,177</u>

Principal instalments payable in the next five years are:

1981	\$ 788,000
1982	4,038,000
1983	1,500,000
1984	3,000,000
1985	3,000,000
	<u>\$12,326,000</u>

The first mortgage bonds are secured by a specific mortgage on the company's Imperial Plant/Head Office complex located in Steveston, B.C.

The provisions of the Deeds of Trust and Mortgage contain certain restrictions including the prohibition of dividends if consolidated net working capital (as defined) is less than \$14,000,000 immediately after declaration or payment.

4. CAPITAL STOCK

The company received a Certificate of Continuance under the Canadian Business Corporations Act on April 15, 1980. The authorized number of Class 'A' shares was reduced to 507,104 and provision was made that all Class 'A' shares subsequently converted to Class 'B' shares would be cancelled at time of conversion.

5. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Future lease commitments, including obligations under capital leases, are:

For the year 1981	\$ 665,000
1982	498,000
1983	330,000
1984	180,000
1985	145,000
Thereafter to 2002	995,000
	<u>\$2,813,000</u>

(b) Commitments and contingent liabilities relating mainly to bills under discount, amount to \$13,783,000.

(c) The present value of the unfunded past service pension liability is estimated to be \$988,000 at December 28, 1980, which sum will be funded by company contributions during future years.

(d) A U.S. subsidiary is a defendant in four lawsuits alleging that it, together with other commercial packers in the Bristol Bay area of Alaska, violated the U.S. federal anti-trust laws relating to the purchase price of raw salmon during the 1970-77 seasons.

These cases have been consolidated for trial which is now expected to commence in the fall of 1981. Although discovery has been essentially completed, legal counsel advise that it is not possible to reasonably forecast the likelihood of plaintiffs prevailing on any theory of damages. The subsidiary is vigorously defending against all claims and has raised matters of both defence and counter-claim which may entirely defend or substantially diminish all of the pending claims.

The company is of the opinion that any liabilities which might arise in these actions will not materially affect the consolidated financial position as at December 28, 1980.

6. RELATED PARTY TRANSACTIONS

The company is one of the subsidiaries of George Weston Limited and in the normal course of business, sales are made to and purchases are made from related companies. The company participates in a central cash management system, which has the effect of reducing financing costs.

	1980 Information
	<i>(in thousands of dollars)</i>
Sales	\$22,688
Purchases of goods and services	877
Interest on short-term borrowings	1,806
Dividends	1,259
Account balances at year-end	
Receivables	925
Payables	540

7. SEGMENTED INFORMATION

	Canadian Operations	U.S. Operations	Eliminations	Consolidated
	<i>(in thousands of dollars)</i>			
Sales to customers outside the company	\$203,126	\$39,058	\$ (71)	\$242,113
Inter-segment sales	2,378	2,684	(5,062)	—
Total sales	<u>\$205,504</u>	<u>\$41,742</u>	<u>\$(5,133)</u>	<u>\$242,113</u>
Segment operating profit (loss)	\$ (13,889)	\$ 1,832		\$ (12,057)
Gain on disposal of properties and fixed assets				2,162
Income taxes recoverable				5,625
Minority interests				(2)
Share of earnings of partly owned companies				1,418
Extraordinary item				3,000
Net earnings				<u>\$ 146</u>
Identifiable assets	<u>\$151,813</u>	<u>\$23,046</u>	<u>\$ (29)</u>	<u>\$174,830</u>

Canadian operations include export sales of \$76 million.

Five Year Review

British Columbia Packers Limited

(in thousands of dollars)

SALES AND EARNINGS	1980	1979	1978	1977	1976
Sales	\$242,113	\$265,626	\$248,532	\$213,293	\$177,172
Depreciation	5,249	3,909	2,971	2,722	2,904
Interest	12,156	6,563	4,061	3,840	4,377
Taxes on income	(5,625)	2,169	8,572	5,489	3,248
Earnings (loss) before extraordinary items	(2,854)	6,494	11,711	8,037	3,501
per issued share	(4.80)	10.92	19.69	13.52	5.89
Extraordinary items	3,000	—	825	259	88
Net earnings	146	6,494	12,536	8,296	3,589
per issued share	.25	10.92	21.08	13.95	6.04
DIVIDENDS	1,473	2,060	1,325	1,178	593
Class 'A' shares	.75	.75	.75	.75	.75
Class 'B' shares	2.50	3.50	2.25	2.00	1.00
FINANCIAL POSITION					
Current assets	116,801	109,866	94,617	82,156	85,427
Current liabilities	75,809	72,155	52,664	45,767	53,358
Working capital	40,992	37,711	41,953	36,389	32,069
Fixed assets—net	55,711	35,472	27,728	24,199	23,397
Long-term debt	34,038	5,177	7,989	10,897	13,445
Shareholders' equity	60,770	62,097	57,663	46,452	39,334
Total assets	174,830	148,269	124,242	107,735	110,106

Lily Jackson mending a gillnet at the
Port Edward plant. (Eugene Mah)



**“The Clover Leaf
People”**

“The Clover Leaf People”

The purpose of British Columbia Packers Limited is to acquire and process the seafoods of the North Pacific Ocean in a manner that gives good value to the consumer, provides adequate earnings for its fishermen, employees and shareholders, and contributes to the improvement of the quality of life in its areas of activity.

Because of its exposure to a high degree of variability in supply and demand, fulfilling its purpose requires the dedicated and co-operative efforts of a large number of people. From the beginning, the Company has been fortunate in attracting and holding exceptional people from a variety of cultural groups; people who were and are able to anticipate and adapt to the seasonal and longer-term changes that are a characteristic of the industry.



*Native Indian uses historical method for catching salmon in Morice Canyon near Hazelton, B.C.
(compliments of Dep't. of Fisheries and Oceans)*

Before the start of the commercial fishery in British Columbia around 1870, the Native Indians were skillful and ingenious fishermen. Their catch of salmon exceeded several million pounds annually, and was not only consumed on the coast, but surpluses were also traded in the Interior.

In the early days of the industry, it was, therefore, natural that the Native peoples assumed the leading role in fishing and processing the catch. The descendants of these same people still play a vital part in the industry.

It all starts with the harvest, or even before that with the preparation of the fishing vessels and nets for the forthcoming season. To perform these functions, at the peak of the season the Company employs some 300 people in shipyards and net lofts located along the coast of British Columbia.

In the Province, British Columbia Packers has interests in seine boats and gillnetters crewed by almost 700 fishermen. In addition, it buys fish from 4,000 independent fishermen. The key to the Company's results lies in the success of these hardy entrepreneurs, whose earnings fluctuate widely in response to varying run sizes and market demands.

Realizing that the maintenance and improvement of fish runs are crucial to their future, our people are strong supporters of government policies to conserve and enhance the resource, and work closely with members of the Fisheries Service to achieve these objectives.

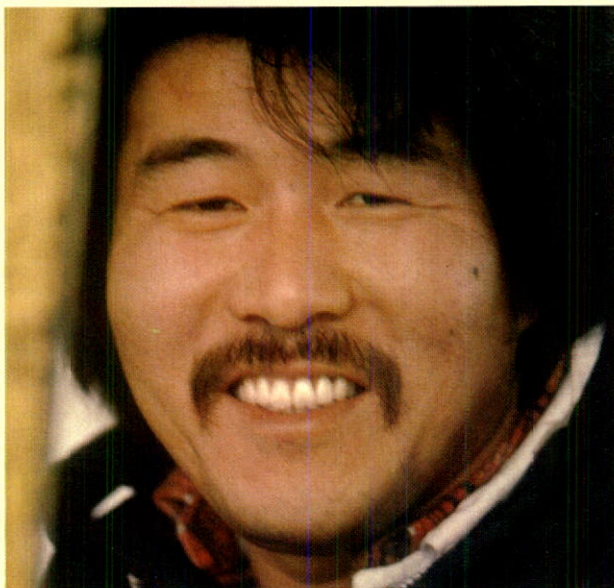


*Ancient methods for filleting salmon are still practical.
(compliments of Dep't. of Fisheries and Oceans)*



*Federal Fisheries Officers patrol the coastal waters of British Columbia, enforcing regulations and providing help and information to fishermen and processors.
(compliments of Dep't. of Fisheries and Oceans)*

*Mrs. E. Sakamoto and
Mrs. M. Hamanishi boxing up
Flip 'n Fry Sole Fillets in the
Prepared Products Department
at the Imperial Plant.*
(Gar Lunney)



*Mas Kariya works in the Fresh Fish Department at the
Imperial Plant in Steveston, B.C.* (Gar Lunney)

In addition to their work in the commercial fishery, many of our people join with workers in other industries enjoying the excellent salmon sports fishing that is available along many parts of the coast. This resource contributes in a major way to the development of the growing tourism industry in British Columbia.

The production of top-quality seafoods has been a basic Company policy since its inception. To accomplish this requires a high degree of dedication on the part of supervisors and line workers.



Biagio Iaconelli, Cold Storage Foreman at the Atlin Plant in Prince Rupert displays part of the frozen salmon inventory. (Eugene Mah)



Belle Setynski inspects CLOVER LEAF Tuna in the Imperial Plant laboratory. (Gar Lunney)



Jack Henry, Manager of Ontario Sales, is a second-generation B.C. Packers' employee who has been with the Company for 44 years. (Feature Four)

Because of the seasonal nature of operations, employment in the plants varies from a low of 600 to 3,000 at peaks. Approximately 50% of these employees are female. The seasonal nature also provides summer employment for students enabling them to finance their continued education. Many former student employees have become leaders in Canadian government, business and the professions.

To assist the processing department in achieving its quality objectives, the Quality Assurance Department runs a continuous sampling program. The Company assigns a high priority to marketing its product throughout the world in the form that will produce the greatest possible return. The Marketing Department employs experienced people to perform this function at the Head Office in Richmond, B.C. and in major Canadian cities.

Finally, a highly trained staff at the Head Office is engaged in accounting, industrial relations, purchasing and general management activities. On their own time, many of the Company's people participate in industry, government, community, school, hospital and cultural activities, contributing to the general improvement of society. British Columbia Packers Limited has demonstrated its ability to acquire a good supply of fish through a combination of good service and competitive prices. It has a strong processing capability, and its financial position is sound. When to these strengths is added the key element of its people, the result is an organization that is capable of facing the challenges of the future as successfully as it has in the past.

British Columbia Packers Limited

DIRECTORS

*J. Bruce Buchanan
Richard J. Currie
*Edward L. Harrison
*Mark Hoffman
F. Lewis Jones, C.A.
†Peter A. Larkin, D.Phil.
George C. Metcalf
Norman K. Nelson
†Richard I. Nelson
David A. Nichol
†S. Simon Reisman
Eric S. Turnill
*W. Galen Weston

*Member of Executive
Committee

†Member of Audit
Committee

OFFICERS

Richard I. Nelson
Chairman of the Board and
Chief Executive Officer
Edward L. Harrison
Vice-Chairman
J. Bruce Buchanan
President and Chief
Operating Officer
F. Lewis Jones, C.A.
Vice-President, Finance
Eric S. Turnill
Vice-President, Planning
Paterson A. Todd
Vice-President, Marketing
Norman K. Nelson
Vice-President, Pacific
Operations
J. Stuart Shelley
Vice-President, Production,
B.C. Operations
Richard P. Gregory
Vice-President, United States
Operations
John L. Star
Vice-President,
Industrial Relations
J. Eugene Simpson
Vice-President,
Northern Operations
Sheila J. Grand-Scrutton
Secretary
Morley W. Chang, C.A.
Treasurer
Brian F. Causey, C.A.
Assistant Vice-President,
Finance
Albert Florkow
Controller

SUBSIDIARY COMPANIES

Canada:

Brunswick Development Corporation Ltd.
Canadian Packing Company Limited
McCallum Sales Ltd.
Moncton Holdings Ltd.
Nelson Bros. Fisheries Limited
North American Testing Ltd.

United States:

Bay Point Oyster Farms
Coast Oyster Company
Coast Oyster Company of California
Humboldt Oyster Co.
Nelbro Holding Company
Nelbro Packing Company
Rupert's Certi-Fresh Foods, Inc.
Rupert's International Sales Corporation
Willapa Oyster Farms

HEAD OFFICE

4300 Moncton Street,
Richmond, B.C. V7E 3A9

MAILING ADDRESS

P.O. Box 5000, Vancouver, B.C. V6B 4A8

REGISTRAR AND TRANSFER AGENT

The Canada Trust Company
Vancouver and Toronto

AUDITORS

Thorne Riddell
Vancouver, B.C.

