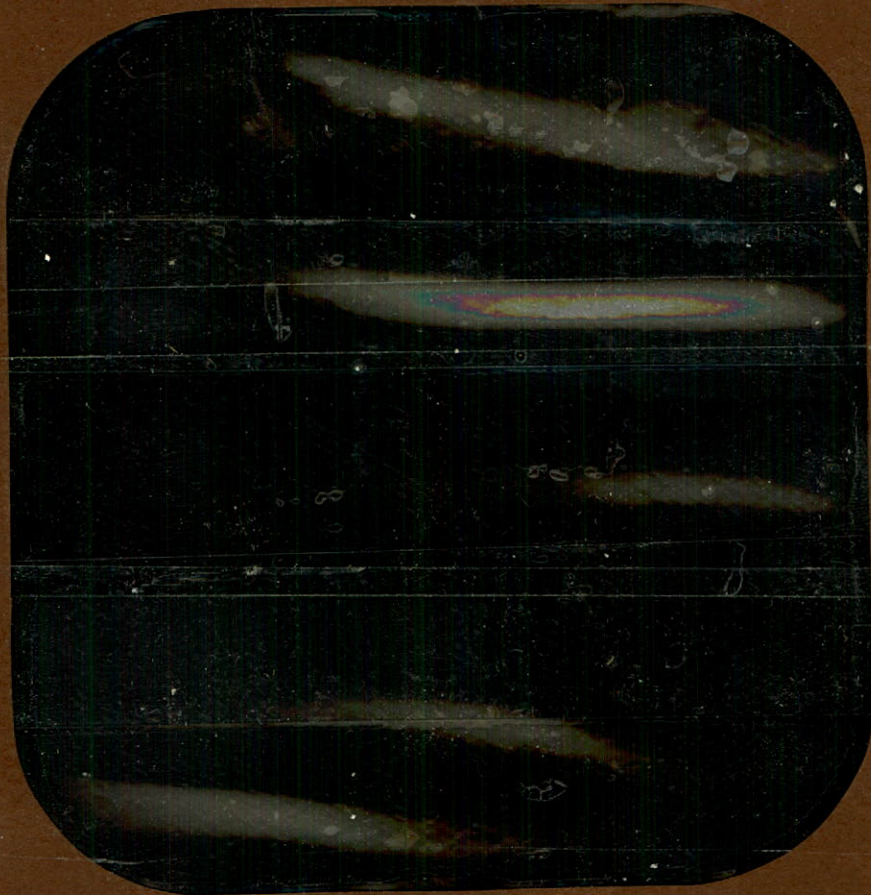


OXFORD
DEVELOPMENT
GROUP
LTD

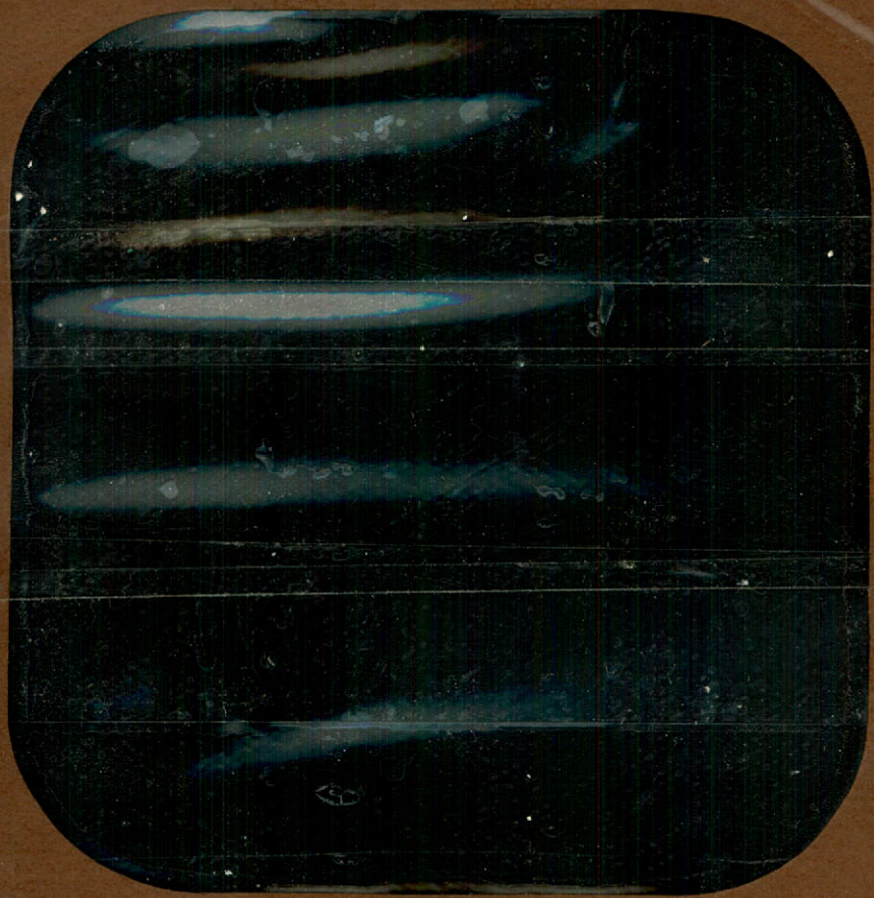
1979
ANNUAL
REPORT




HOWARD ROSS LIBRARY
OF MANAGEMENT

JUL 13 1979

MCGILL UNIVERSITY





Growth, especially the growth of a community, occurs when dreams, plans and opportunities come together and take shape. But no matter how bright the dreams, how careful the plans, or how timely the opportunities, there must be a beginning. It may be said of us that above all else we supply beginnings.

PROFILE

Growth is the primary characteristic of Oxford Development Group Ltd. Vigorous yet carefully controlled growth has brought the Company to its present position as one of the largest public real estate companies in North America.

Through development, acquisition and management of quality commercial properties across the North American continent, Oxford's primary objective is to earn a satisfactory return for the shareholders. At March 31, 1979 Oxford's assets exceeded one billion dollars and the Company owned, operated and had under construction 22.4 million square feet of prime commercial office or retail space.

Oxford has been a pioneer in an exciting trend of downtown redevelopment, the revitalization of the urban core through the development of integrated office, retail, hotel and associated facilities. Edmonton Centre in Edmonton and Toronto Dominion Square in Calgary are but two examples of downtown redevelopments. Similar projects

are under construction or development in Phoenix, Arizona; St. Paul, Minneapolis, Minnesota and Louisville, Kentucky.

Oxford is also in the forefront on the development and operation of regional shopping centres in Canada. It currently has 26 such centres in operation, under construction or in the development stage.

Headquartered in Edmonton, Alberta, Oxford is Canadian owned. G. Donald Love, George E. Poole and John E. Poole, founders of the Company, continue as major shareholders and Directors. The Great-West Life Assurance Company, The Confederation Life Insurance Company and The Canada Trust Company have been major shareholders since 1967-68 and their representatives on the Board of Directors are closely involved in the Company's growth.

Oxford's preference shares are listed on the Toronto, Winnipeg and Alberta Stock Exchanges. It's common shares are traded on the unlisted market.

1979 Annual Report of



for the year ended March 31, 1979

FINANCIAL HIGHLIGHTS

(in \$ millions)

	1979	1978	%
			Increase
Total assets	\$1,006.0	\$852.9	18
Rental revenue	121.9	71.8	70
Operating cash flow	17.0	12.7	34
per share*	1.64	1.31	25
Net Income from operations	4.6	4.0	14
per share*	.33	.30	10
Net income	6.3	4.2	50
per share*	.54	.33	64

* fully diluted

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Yellow Ladies Slipper (Alberta)
Cypripedium calceolus var. pubescens.

The only native ladies slipper suitable for growth in the garden at home. It grows to a medium height with the slipper held high and likes semi-shade.



G. DONALD LOVE,
Chairman and President

REPORT TO SHAREHOLDERS

It is with pleasure that I report to the shareholders on the operations and activities of the Company during the past year.

FINANCIAL RESULTS

Operating cash flow increased by 34% over 1978 to \$17 million. On a per share basis the increase was 25% to \$1.64, despite the increase in issued shares as a result of the acquisition of the minority interest in the United States subsidiary.

Net income increased by 50% to \$6.3 million, the highest in the Company's history. Net income per share, fully diluted, increased by 64% to 54¢. Approximately 25% of net income was derived from disposition of assets no longer meeting the cash flow criteria for the Company's income producing properties.

Net income from operations rose 14% to \$4.6 million, from 30¢ to 33¢ on a per share basis. The Shopping Centre Division, the Minneapolis properties and Edmonton Centre were up significantly, but the Y & R Properties Division has as yet had little impact.

Without the substantial rise in interest rates which occurred during the year, the rate of growth in all of the above would have been considerably greater.

Rental revenues passed \$120 million in 1979, a 70% increase from 1978. About three-fifths of the increase resulted from the acquisition of Y & R Properties Limited. The remainder reflects the inclusion of the Minneapolis buildings for a full year, the

completion of the Anaconda Tower, and increased revenues from shopping centres and other buildings.

The Company's assets passed the one billion dollar mark. The increase over 1978 was \$153 million, with the increasing investment in the United States being a major factor. Total assets have increased sixfold in the last five years, and almost 16 times since 1969.

DEVELOPMENT ACTIVITIES

Oxford's continued growth is reflected in the record level of development activity during the year. Total development expenditures went over the hundred million dollar mark and reached \$150 million. The much larger U.S. market accounted for 57% percent of these expenditures.

Six projects were completed and opened during the year and construction began on five new ones. A total of ten projects were under construction at year's end with a total projected capital cost of \$265 million. During the coming year, present plans call for construction to commence on an additional seven projects with a total current estimated cost of about \$250 million. A complete summary of the Company's development projects may be found on page 32 of this report.

The success of Oxford's completed downtown complexes and regional shopping centres has resulted in a great number of development opportunities for the Company. Although many of those offered to the Company

are declined for various reasons, the Southland Center project in Dallas, Texas is an excellent example of the type which will help ensure Oxford's continued growth.

In March 1979, Oxford joined with Southland Financial Corporation in a 50-50 joint venture which acquired the Southland Center, a major downtown complex in Dallas including a large office tower and a 500-room hotel. Construction started in May on a second 31-storey office tower in the existing complex. Scheduled for completion in mid 1981, the new tower will add over 500,000 square feet and cost an estimated \$29 million. Two adjacent city blocks owned or controlled by the joint venture provide opportunities for future development in this exciting market, where in recent years the growth in absolute terms has been among the top half-dozen cities in North America.

Southland is a major financial holding company in Dallas, engaged in insurance, financial services and diversified real estate activities. Oxford, which will manage Southland Center and undertake responsibility for the new development, is proud to be associated with such a partner.

ACQUISITIONS AND DISPOSITIONS

Following the acquisition of the 52% interest in Y & R Properties Limited in March 1978, the Company acquired substantially all of the remaining shares pursuant to offers at \$25 per share, the price paid for the control block.

In accordance with the Company's policy of reviewing its portfolio of investment properties, assets totaling \$28 million were disposed of during

the past year. These assets included the Company's shares of Delta Hotels Ltd., and Oxford's interest in certain British Columbia hotel properties. Other properties disposed of included Gateway Plaza Shopping Mall in Windsor, Ontario, the Brown Building in Calgary and some miscellaneous smaller properties.

Rentable area owned or under management at year's end was 19.2 million square feet, approximately 55.4% of which was in office space and 44.6% in retail. A further 3.2 million square feet was under construction. A complete summary of the Company's properties may be found on page 26 of this report.

CORPORATE MATTERS

As part of the Company's program to simplify its corporate structure, Y & R Properties Limited, Oxlea Investments Ltd. and Oxford Development Group Ltd. were amalgamated, effective September 29, 1978. The effect of the amalgamation is to leave all assets in Canada in the name of the Company with the exception of properties held by Oxford Shopping Centres Ltd. and Cambridge Leaseholds Limited or in corporate joint ventures with others. Y & R Properties continues to operate as the division responsible for the management of office properties in eastern Canada.

Recent consolidations in the shares of Cambridge Leaseholds Limited have had the effect of removing the small group of minority shareholders and making this company a wholly owned subsidiary of Oxford Shopping Centres Ltd. It is the intention of the Company to amalgamate these two companies during the present



Marsh Marigold (Nova Scotia)
Caltha palustris

Invariably found growing beside or in a body of water. The marsh marigold grows to a medium height, blooms in early spring and may be recognized by its very shiny leaves.



fiscal year and thus take another step in its corporate simplification program. Consideration will also be given to the possible amalgamation of Oxford Shopping Centres Ltd. and Oxford Development Group Ltd. at some time in the future in order to complete the consolidation of the corporate structure.

Following approval of a Share Exchange Agreement in October 1978, all minority shareholders of Oxford Properties U.S. Ltd. exchanged their shares in that company for Oxford common shares, thus making Oxford Properties U.S. Ltd. a wholly owned subsidiary. Plans are continuing to transfer the assets of Oxford Properties U.S. Ltd. to Oxford Properties, Inc., the Company's wholly owned subsidiary and main investment vehicle in the United States, and to amalgamate Oxford Properties U.S. Ltd. with Oxford as early as June 1979.

As a result of the share exchange, the Company's issued common shares increased by 813,070. Additional increases in issued common shares have resulted

from the conversion of the Company's series A and series B convertible subordinated notes, which eliminated these notes from the Company's balance sheet while adding to the number of common shareholders. Conversion of a few of the Company's class A preference shares and series D convertible subordinated notes has also slightly increased the number of issued common shares.

At the Annual General Meeting of the Shareholders held on June 28, 1978, Mr. James R. Crysedale, Senior Vice-President, Investments for The Great-West Life Assurance Company was elected to the Board of Directors. We welcome Mr. Crysedale to Oxford Development Group Ltd. and look forward to receiving the benefit of his experience in the years to come.

In December, Oxford's management was reorganized into Development and Operations groups. It is expected the new structure will enable the Company to deal more

effectively with anticipated future growth and diversification.

THE FUTURE

Oxford's primary business is the development, ownership and operation of quality commercial real estate, with a strong emphasis on development and growth.

The Company has concentrated on the development of downtown multi-use properties, real estate developments which combine office, retail, hotel, parking and recreational uses. Oxford has been in the forefront of the trend towards downtown revitalization and redevelopment, a trend now recognized throughout North America. It reflects changing lifestyles, energy problems, and a host of other factors, and is accompanied by considerable evidence of a return to downtown residential uses. The result is that the future of the downtown is brighter than ever.

The success of Oxford's approach is demonstrated by the public acceptance as well as the financial results of major properties like Edmonton Centre, Toronto Dominion Square in Calgary, and Denver Square in Colorado. Many of the Company's projects currently under development are in this category, permitting Oxford to capitalize on the expertise it has gained by being early in the field.

The Company is continuing its policy of geographical diversification. It is Oxford's objective to have a strong presence in a number of selected market areas, rather than to be dominant in a very few or a minor factor in a great many. One example is the program



to establish strong bases in the energy corridor cities of Edmonton, Calgary, Denver and Dallas. This plan should result in greater operating effectiveness.

Accompanying these changes in emphasis has been a move away from single purpose office buildings, particularly in scattered locations. This will result in a continuing program for disposing of properties which are incompatible with Company objectives.

Oxford is also maintaining a strong position in the development and operation of regional shopping centres. It is intended that the Company will expand the shopping centre operation to the United States at an appropriate time.

As previously reported, it is intended that Oxford become a truly public company. At present the common shares are traded over the counter. The first preference shares which are listed on the Toronto, Alberta and Winnipeg Stock Exchanges have a limited "float". Subject to market conditions it is the intention of the Company to change this by having in the near future an issue of the common stock both through a primary and secondary distribution.

The Company has set as an objective a 15-20% annual increase in cash flow per share. It is intended that this will be achieved by increases in operating cash flow and earnings from maturing properties, and by disposing of assets which do not have long term potential for Oxford. The percentage of cash flow and earnings from the disposal of assets will be limited, as a matter of policy, to a maximum of 25%. As part of this plan Oxford intends to

maintain a steady growth in its dividend.

Oxford has grown dramatically during the past five years. Assets have increased at an annual rate of more than 40%. Revenues have grown by 60% per year, and the annual growth rate in cash flow per share has averaged 22%.

The Company is confident that with the contributions and skills of the officers, employees and associates who make up the Oxford team, this successful growth record will be maintained. To that team I extend my appreciation and the thanks of the Directors and Shareholders of the Company for a job well done.



G. DONALD LOVE
Chairman and President
May 29, 1979



Colorado Columbine (Colorado)
Aquilegia caerulea

A herbaceous perennial found in the high Rocky Mountain area where it flowers in early summer. The seedlings flower in the second year.





The future Barrington Place, Halifax, Nova Scotia.



Edmonton Centre, Edmonton, Alberta.

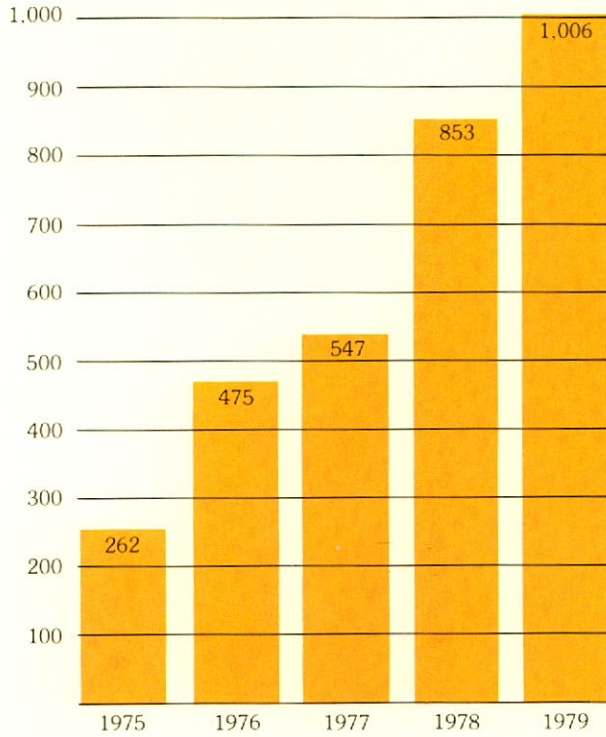
FIVE YEAR FINANCIAL REVIEW

	1979	1978	1977	1976	1975
	(in thousands of dollars)				
Total assets	\$1,005,965	\$852,939	\$547,074	\$474,800	\$262,237
Year-to-year increase	18%	56%	15%	81%	49%
Shareholders' equity	101,630	77,382	74,269	46,558	29,172
Rental revenue	121,932	71,789	48,246	40,987	20,282
Year-to-year increase	70%	49%	18%	102%	71%
Operating cash flow	16,964	12,663	8,677	6,294	3,710
Year-to-year increase	34%	46%	38%	70%	30%
Net income from operations	4,582	4,002	2,109	1,206	923
Year-to-year increase	14%	90%	75%	31%	15%
Net income from sale of assets	1,754	230	1,900	1,827	966
Net income	6,336	4,232	4,009	3,033	1,889
Year-to-year increase	50%	6%	32%	61%	22%
Preference share dividends	1,900	1,766	1,356	89	-
Average common shares outstanding (000's omitted)	8,100	7,483	6,429	6,387	5,400*
Per common share					
Operating cash flow					
—basic	\$ 1.86	\$ 1.45	\$ 1.14	\$.97	\$.69
—fully diluted	1.64	1.31	.97	.85	.69
Net income from operations					
—basic and fully diluted	.33	.30	.12	.17	.17
Net income					
—basic	.55	.33	.41	.46	.35
—fully diluted	.54	.33	.41	.45	.35
Dividend	.14	.11	.08	.06	.06
Number of employees	2,300	3,700	2,000	920	630

* Adjusted to reflect a two-for-one subdivision in 1976

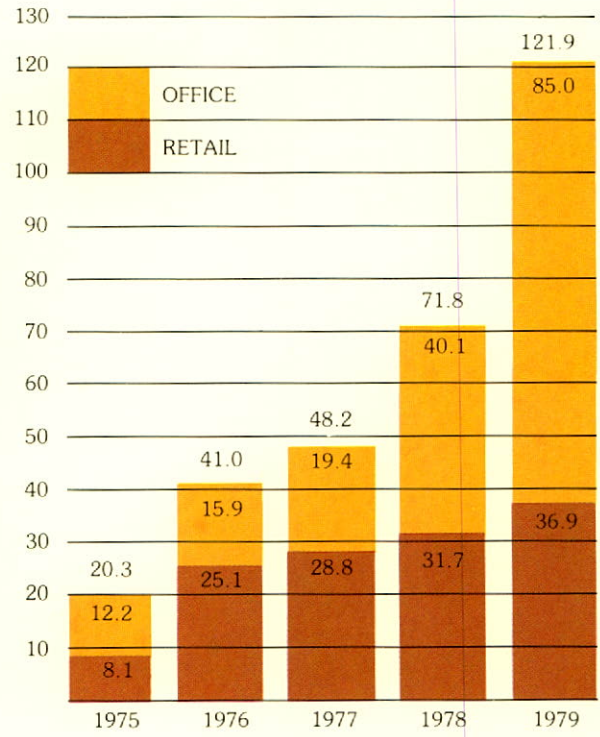
TOTAL ASSETS

(IN \$ MILLIONS)



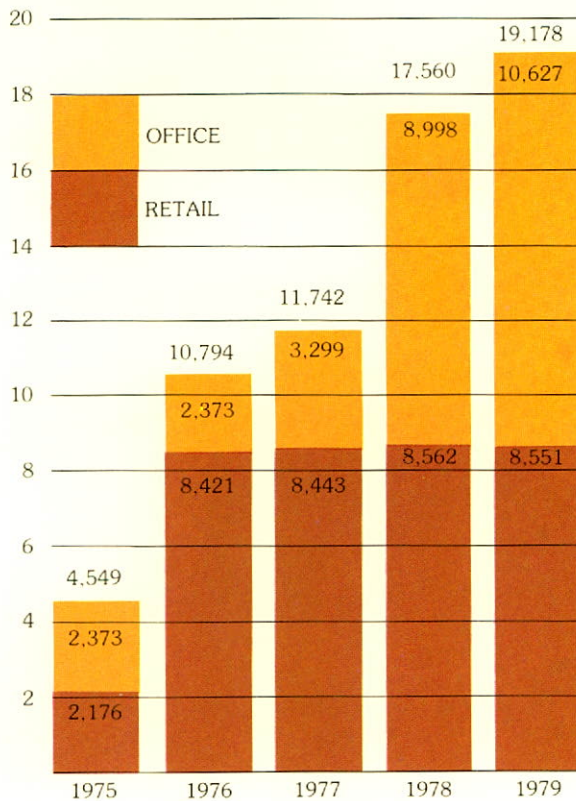
RENTAL REVENUE

(IN \$ MILLIONS)



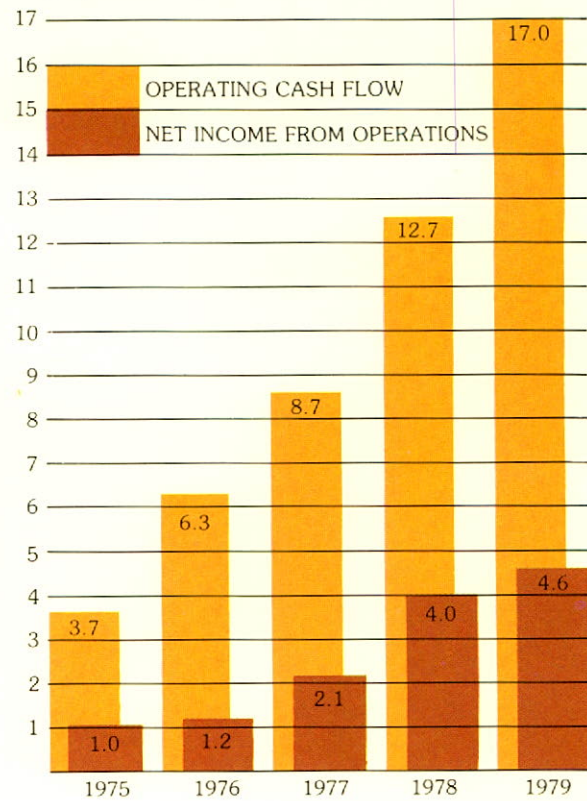
RENTABLE AREA

(IN 000 SQ. FT.)



OPERATING RESULTS

(IN \$ MILLIONS)





*Southland Center, Dallas, Texas.
Construction has started on the 31-storey office tower that
will connect to the existing Southland Life building. The
park in the foreground is the future site of Carpenter Plaza,*

*in commemoration of John William Carpenter, Chairman of
Southland Insurance Company during the period
1933-1959.*

FINANCIAL STATEMENTS

MARCH 31, 1979



OXFORD
DEVELOPMENT
GROUP
LTD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The Company is a member of the Canadian Institute of Public Real Estate Companies. The Company's accounting policies and its standard of financial disclosure are in accordance with the recommendations of that Institute in all material respects.

B. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries and the Company's proportionate share of assets, liabilities, revenues and expenses of incorporated and unincorporated joint ventures.

C. Properties—Revenue Producing and Under Development

Revenue producing properties are stated at cost less accumulated depreciation. Properties under development are stated at cost which includes construction costs, other direct costs and carrying costs such as real estate taxes, interest (as set out in policy M below) and an allocation of general and administrative costs. In the case of purchased properties, cost includes original purchase price, real estate fees and an allocation of general and administrative costs related to the acquisition. In cases where the purchase price of shares of subsidiaries acquired exceeds the carrying value of the underlying properties, the excess has been ascribed by management to the individual properties to the extent possible considering maximum economic value of those properties (See policy F below).

The proportion of certain costs, which include interest, property taxes and insurance, applicable to unoccupied space on a new property, is capitalized as part of the cost of the property. Capitalization continues until the property is 80% occupied or two years from the initial occupancy date, whichever is earlier.

D. Properties Held For Future Development

Properties which the Company intends to develop in the future are stated at cost which includes the original outlay, other direct costs and carrying costs including property taxes, interest (as set out in policy M below), less any incidental revenue from the properties.

In cases where the purchase price of shares of subsidiaries acquired exceeds the carrying value of the underlying properties, the excess has been ascribed by management to the individual properties.

Carrying costs are capitalized until economic value is reached, at which time capitalization is discontinued.

E. Deferred Charges

Deferred charges include:

- debt discount and issue expenses which are amortized over the term of the related debt;
- leasing costs and building alterations incurred after the building is completed which are amortized over the appropriate periods;
- investigative and development expenditures, which include an allocation of general and administrative costs, on potential projects. These costs are deferred until the project is either abandoned, at which time the costs are written off to expense, or the project proceeds to the construction stage and the costs are capitalized as part of the cost of that project.

F. Unallocated Cost of Subsidiaries Shares Over Underlying Value at Acquisition Dates

This amount represents the excess cost of shares over net assets of subsidiaries which were not allocated to specific property interests at the time of acquisition and is carried on the balance sheet at cost less amounts written off.

G. Income Taxes

Full provision is made for income taxes using the full tax allocation method of accounting for income taxes. Deferred income taxes result primarily from:

- the difference between depreciation recorded for accounting purposes and capital cost allowance claimed for income tax purposes;
- certain development, leasing and carrying costs being capitalized or deferred for accounting purposes but claimed for income tax purposes.

H. Rental Revenue

Rental revenue includes rents earned from tenants under lease agreements, percentage participation rents, cost escalation amounts, incidental income and the net operating income from hotel operations and residential sales.

I. Operating Expenses

Operating expenses include actual costs incurred less amounts recoverable from those tenants who pay a pro rata share of utilities and other operating costs.

J. Property Taxes

Property taxes include actual taxes less amounts recoverable from tenants under the terms of lease agreements.

K. Depreciation

The Company follows the sinking fund method of depreciation. Under this method depreciation is charged to income in increasing annual amounts consisting of fixed annual sums together with compound interest so as to depreciate fully the properties over their estimated useful lives. All the Company's leasehold properties are situated on lands with leases having terms which extend beyond the period over which such properties are being depreciated.

The estimated useful lives of the buildings are: office buildings/regional shopping centres—50 years; hotels—40 years; and community shopping centres—35 years. All buildings are depreciated using a compound interest rate of 5% per year with the exception of hotels where the rate is 4% per year.

L. Foreign Exchange

Assets and liabilities in United States dollars are translated to Canadian dollars in the following manner:

- property interests and other capital assets and related depreciation and amortization at exchange rates prevailing at the dates such assets were acquired;
- long-term debt at the exchange rates prevailing when such funds were received;
- other assets and liabilities at the exchange rates in effect at March 31;
- income and expenses, except depreciation and amortization, at the average exchange rate during the year.

Gains or losses resulting from the above translations are deferred; gains or losses realized from exchange transactions are included in the statement of income.

M. Interest

Interest on specific debt secured by properties under development or held for future development is capitalized and included in the carrying value of such assets. Interest on specific debt secured by revenue producing properties is expensed except for interest capitalized during the initial lease up period (as set out in policy C above). Interest on all other debt is pooled. Appropriate interest relating to properties under development and held for future development is withdrawn from the pool and is capitalized. The balance remaining in the pool is charged to expense.

N. Per Share Calculations

Basic net income and cash flow per share are calculated using the weighted average number of common shares outstanding during the year after providing for the preference dividends. Fully diluted net income and cash flow per share reflect the dilutive effect (where applicable) of conversion of the notes, debentures and preference shares for the period each were outstanding. Provision is also made for imputed interest on the proceeds which would arise on conversion of Class A Preference Shares. Dividends and interest, net of income taxes, relating to the notes, debentures and preference shares have been eliminated when those securities are deemed to be dilutive.

CONSOLIDATED STATEMENT OF INCOME

	Year ended March 31	
	1979	1978
	(\$000)	(\$000)
Rental revenue	\$121,932	\$71,789
Operating expenses	31,175	14,999
Interest	48,214	34,082
Property taxes	13,045	6,885
Depreciation and amortization	7,111	4,562
	<u>99,545</u>	<u>60,528</u>
Operating profit from properties	22,387	11,261
Development and management fee income	3,261	2,912
Interest and other income	1,494	833
	<u>27,142</u>	<u>15,006</u>
General and administrative expenses	9,804	5,516
Interest on general borrowings	5,847	1,128
Minority interest in income	677	28
Income taxes	6,232	4,332
	<u>22,560</u>	<u>11,004</u>
Net income from operations	4,582	4,002
Net income from sale of assets (note 8)	1,754	230
Net income	<u>\$ 6,336</u>	<u>\$ 4,232</u>
Per common share		
Net income from operations		
Basic and fully diluted	33¢	30¢
Net income		
Basic	55¢	33¢
Fully diluted	54¢	33¢

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Year ended March 31	
	1979	1978
	(\$000)	(\$000)
Retained earnings, beginning of year	\$10,641	\$ 9,000
Net income	6,336	4,232
	<u>16,977</u>	<u>13,232</u>
Dividends — common	1,244	825
— preference	1,900	1,766
	<u>3,144</u>	<u>2,591</u>
Retained earnings, end of year	<u>\$13,833</u>	<u>\$10,641</u>

CONSOLIDATED BALANCE SHEET

	March 31	
	1979	1978
	(\$000)	(\$000)
ASSETS		
Properties (note 14):		
Revenue producing (note 1)	\$ 699,570	\$617,350
Under development	134,473	84,802
Held for future development (note 2)	89,429	64,856
	<u>923,472</u>	<u>767,008</u>
Cash	2,046	17,679
Amounts receivable (note 3)	32,024	36,422
Prepaid expenses and deposits	7,423	4,607
Investment in and advances to affiliate	-	899
Deferred charges (note 4)	27,534	19,507
Unallocated cost of subsidiaries' shares over underlying value at acquisition dates (note 14)	13,466	6,817
	<u>\$1,005,965</u>	<u>\$852,939</u>
LIABILITIES		
Liabilities on properties (note 5):		
Revenue producing	\$ 569,916	\$507,727
Under development	103,737	67,626
Held for future development	54,054	24,122
	<u>727,707</u>	<u>599,475</u>
Bank operating loans	70,539	50,077
Accounts payable and accrued liabilities	29,403	26,820
Notes and debentures (note 6)	25,961	42,726
Deferred income taxes	43,803	37,107
Minority interest	6,922	19,352
	<u>904,335</u>	<u>775,557</u>
SHAREHOLDERS' EQUITY		
Share capital (note 7)	87,797	66,741
Retained earnings	13,833	10,641
	<u>101,630</u>	<u>77,382</u>
	<u>\$1,005,965</u>	<u>\$852,939</u>

Approved by the Board:

Director John H. Greig

Director James A. Mitchinson

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended March 31	
	1979	1978
	(\$000)	(\$000)
Source of Cash:		
From operations—		
Net income from operations	\$ 4,582	\$ 4,002
Non-cash items included in net income from operations:		
Depreciation and amortization	7,111	4,562
Deferred income tax	5,271	4,099
Operating cash flow	16,964	12,663
Bank borrowings	-	39,482
Mortgages advanced and assumed	175,840	149,197
Issue of shares	13,062	38
Issue of notes and debentures	-	2,607
Sale of assets	32,186	7,759
Increase in payables	14,002	9,119
Other	2,201	5,677
	254,255	226,542
Use of Cash:		
Development expenditures	150,602	90,875
Payment for shares of subsidiaries and joint ventures	13,117	491
Mortgage repayments	24,422	7,912
Bank repayments	10,247	-
Payment of dividends	3,144	2,591
Purchase of revenue producing assets	19,579	78,429
Purchase of property held for future development	13,027	6,029
Acquisition of Y & R	23,849	23,659
Payment of notes and debentures	11,901	2,396
	269,888	212,382
Increase (decrease) in Cash	\$ (15,633)	\$ 14,160
Operating cash flow per common share		
Basic	\$ 1.86	\$ 1.45
Fully diluted	\$ 1.64	\$ 1.31

AUDITORS' REPORT

To the Shareholders of Oxford Development Group Ltd.:

We have examined the consolidated balance sheet of Oxford Development Group Ltd. as at March 31, 1979 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of those entities of which we are auditors was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of certain entities.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at March 31, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Alberta
May 23, 1979

Rice Waterhouse & Co.
Chartered Accountants

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. REVENUE PRODUCING PROPERTIES

	1979	1978
	(\$000)	(\$000)
Freehold properties (including land cost of \$97,786,000, 1978 — \$84,689,000)	\$620,176	\$545,335
Leasehold properties	104,537	93,622
	724,713	638,957
Less: Accumulated depreciation	25,143	21,607
	\$699,570	\$617,350

2. PROPERTIES HELD FOR FUTURE DEVELOPMENT

	1979	1978
	(\$000)	(\$000)
Original cost of properties	\$ 65,647	\$ 49,888
Preliminary development expenditures	2,748	2,322
Net carrying costs	21,034	12,646
	\$ 89,429	\$ 64,856

3. AMOUNTS RECEIVABLE

	1979	1978
	(\$000)	(\$000)
Tenants' rents and other charges	\$ 10,457	\$ 8,444
Amounts due from partners in joint ventures	1,074	1,958
Receivable from officers and employees		
Share purchase plans	7,639	8,318
Other	485	460
Accrued interest receivable	260	512
Mortgages and notes (average interest rate 10.5%, due 1979—1989)	8,901	7,899
Funds held by bond trustee	512	7,460
Sundry	2,696	1,371
	\$ 32,024	\$ 36,422

The 1979 amounts are receivable as follows:

1980	\$17,266,000			
1981	1,380,000		1983	\$1,088,000
			1984	1,110,000
1982	1,421,000		After 1984	9,759,000

4. DEFERRED CHARGES

	<u>1979</u>	<u>1978</u>
	(\$000)	(\$000)
Unamortized debt discount and issue expense	\$13,832	\$ 5,939
Unamortized leasing costs and building alterations	6,874	6,932
Investigative and development expenditures	1,991	3,464
Other	4,837	3,172
	<u>\$27,534</u>	<u>\$19,507</u>

5. LIABILITIES ON PROPERTIES

(In Thousands of Dollars)

	Mortgages and Agreements for Sale		Bank Loans		Construction Payables		Total	
	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>
Revenue producing	\$534,512	\$419,048	\$ 34,099	\$ 88,679	\$ 1,305	-	\$569,916	\$507,727
Under development	26,653	21,072	61,875	40,522	15,209	6,032	103,737	67,626
Held for future development	37,321	6,351	16,537	17,771	196	-	54,054	24,122
	<u>\$598,486</u>	<u>\$446,471</u>	<u>\$112,511</u>	<u>\$146,972</u>	<u>\$ 16,710</u>	<u>\$ 6,032</u>	<u>\$727,707</u>	<u>\$599,475</u>

The above mortgages and agreements for sale currently bear interest at a weighted average rate of 9.3% (1978—9%). The bank loans are secured in the amount of \$112,511,000 (1978—\$132,441,000).

Principal instalments payable on mortgages and agreements for sale within the next five years, which amounted to \$9,532,000 in the current year are as follows:

1980	\$32,797,000	1983	\$27,370,000
1981	15,842,000	1984	21,191,000
1982	11,013,000		

Liabilities on properties includes \$188,168,000 (1978—\$80,678,000) payable in United States dollars which are translated at exchange rates prevailing when the debt was incurred. These liabilities are secured on properties in the United States.

6. NOTES AND DEBENTURES

	Due Date (Month/Year)	Common Shares Reserved	Conversion Price	Exercisable to (Month/Year)	Principal Amount	
					1979 (\$000)	1978 (\$000)
9.5% sinking fund debentures secured by a floating charge on specific assets	05/1992		(1)		\$ 8,587	\$ 8,887
10% unsecured convertible subordinated notes Series C	10/1984	442,858	8.75	09/1979	3,875	3,875
9.51% unsecured notes Series C (2)	06/1985				3,075	3,075
8.81% unsecured notes Series B (2)	07/1984				2,928	2,928
8% unsecured notes Series A (2)	01/1984				2,916	2,916
Bank prime + 1% unsecured convertible subordinated notes Series D	12/1984	354,454	8.06 (3)	(3)	2,858	2,939
8% secured subordinated debentures	02/1983				950	950
9% secured debentures	02/1981				473	691
Bank prime + 1% unsecured note	Demand				150	150
Bank prime + 1% unsecured note	09/1980				149	174
Other debt paid off or converted					-	16,141
		<u>797,312</u>			<u>\$25,961</u>	<u>\$42,726</u>

(1) Convertible into a 10.71% conventional debenture.

(2) Repayable in United States dollars \$9,000,000 (1978—\$9,000,000). These amounts are being repaid out of funds generated by United States operations.

(3) Convertible at \$8.06 to 12/1979 and thereafter at \$9.62.

Principal instalments payable over the next five years on the above are:

1980	\$1,005,000	1983	\$1,713,000
1981	1,104,000	1984	3,621,000
1982	763,000		

7. SHARE CAPITAL

	<u>1979</u>	<u>1978</u>
Shares Authorized:		
\$1.00 First Preference cumulative redeemable convertible par value \$11	5,000,000	5,000,000
Class A Preference no par value	974,000	974,000
8.25% Preference cumulative redeemable convertible par value \$100	24,927	-
\$1.75 Class Y Preference cumulative redeemable par value \$5	994,931	-
Common no par value	<u>12,813,070</u>	<u>12,000,000</u>
Shares Issued:		
\$1.00 First Preference	1,600,000	1,600,000
Class A Preference	942,413	914,750
8.25% Preference	24,927	-
\$1.75 Class Y Preference	10,342	-
Common	<u>8,889,079</u>	<u>7,620,158</u>
Amount Issued:	(\$000)	(\$000)
\$1.00 First Preference	\$17,600	\$17,600
Class A Preference	9,340	8,502
8.25% Preference	2,493	-
\$1.75 Class Y Preference*	259	-
Common	<u>58,105</u>	<u>42,232</u>
	<u>\$87,797</u>	<u>\$68,334</u>
Less held by a subsidiary at cost:		
Class A Preference	-	191
Common	-	1,402
	<u>\$87,797</u>	<u>\$66,741</u>
Authorized common shares reserved to meet:		
Conversion rights of convertible notes and debentures (note 6)	797,312	1,232,496
Conversion of \$1.00 First Preference; exercisable to July 2, 1981	1,600,000	1,600,000
Conversion of Class A Preference; exercisable in Series to December 31, 1988	942,413	914,750
	<u>3,339,725</u>	<u>3,747,246</u>

* Includes contributed surplus of \$207,000. The issuance and redemption of Class Y shares during the year resulted in the creation of contributed surplus of \$19,078,000 and a subsequent reduction of \$18,871,000.

During the year the following changes in authorized and issued share capital occurred:

- (a) the 122,800 common shares held by a subsidiary were sold directly to outside parties for a total consideration of \$1,574,418;
- (b) all Class A Preference shares held by a subsidiary were repurchased by the Company at cost and form part of the issue of Series 6 shares as described in (g) below;
- (c) 994,931 Class Y Preference shares were authorized and 953,918 were issued in exchange for the outstanding shares of Y & R Properties Limited. During the year, 943,576 of these shares were repurchased at \$25 per share for a total consideration of \$23,589,400 (see note 14);
- (d) an additional 813,070 common shares were authorized and issued in exchange for the outstanding common shares of Oxford Properties U.S., Ltd. (see note 14);
- (e) 24,927 - 8.25% Preference Shares were authorized and issued in exchange for the outstanding 6% Class A Preference Shares and 10% Class B Preference Shares of Oxford Properties U.S. Ltd. (see note 14);
- (f) 455,851 common shares were issued in the conversion of the Series A, B and D subordinated notes, 6% convertible debentures and Class A Preference Shares;
- (g) the issue of 100,000 Class A Preference Shares, Series 6 at \$11.50 per share and 79,500 Series 7 at \$14 per share for a total consideration of \$2,263,000 in the form of non-interest bearing demand loans, to be held in trust for certain employees. 7,500 of the Series 7 shares were repurchased by the Company at cost and the demand loans were reduced accordingly. Class A Preference Shares are preferred as to dividends in the amount of 2% per annum and participate with the common shares in dividends to a maximum of 6% per annum and may be converted on a share for share basis into common shares during the period December 31, 1980, through December 31, 1988 upon repayment of the loans.

8. NET INCOME FROM SALE OF ASSETS

Includes gains on sale of assets: \$3,180,000 (1978—\$1,212,000) offset by provisions for loss; \$803,000 (1978—\$751,000) and income taxes \$623,000 (1978—\$231,000).

9. CAPITALIZATION OF CARRYING COSTS

In accordance with the Company's Accounting Policies, certain carrying costs applicable to Revenue producing properties, Properties under development and Properties held for future development were capitalized as a part of the carrying value of these properties. These costs are a normal and essential cost of development and are funded out of interim construction loans and subsequently through permanent financing. Costs applicable to potential projects were capitalized as deferred charges.

Costs capitalized during the year include:

	1979	1978
	(\$000)	(\$000)
Interest	\$16,779	\$11,774
Property taxes	1,806	1,396
Development related general and administrative costs	4,675	4,142
	<u>\$23,260</u>	<u>\$17,312</u>

10. PENSION PLANS

The unrecorded past service pension plan liabilities totalling \$993,000 (1978—\$1,135,000) are being funded over an average of 15 years by annual payments of \$115,000, including interest.

11. STATUTORY INFORMATION

Remuneration paid during the year to directors and senior officers amounted to \$1,579,000 (1978—\$1,299,000).

12. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

- (a) Minimum annual land rents on leasehold properties amount to \$2,610,000.
- (b) The estimated total cost at completion of properties currently categorized as under development is \$362,278,000 (Company portion \$270,648,000) of which \$313,353,000 (Company portion \$229,798,000) has been committed to the Company under long-term mortgages or is currently being arranged.

13. JOINT VENTURES

The following amounts included in the consolidated financial statements represent the Company's proportionate interest in incorporated and unincorporated joint ventures and partnerships:

	<u>1979</u>	<u>1978</u>
	(\$000)	(\$000)
Assets	\$265,612	\$187,492
Liabilities	227,066	162,950
Revenues	21,966	9,696
Expenses	21,157	8,665

The Company has guaranteed certain of the obligations of its joint ventures and is contingently liable for the obligations of its associates in certain joint venture developments. The assets of the joint ventures are available and are sufficient for the purpose of satisfying such obligations.

14. ACQUISITIONS AND AMALGAMATION

On September 29, 1978, the Company obtained 994,931 common shares of Y & R Properties Limited (Y & R) representing the minority holders' 47.7% of the outstanding common shares, in exchange for 953,918 \$1.75 Class Y Preference cumulative redeemable shares of the Company and \$1,025,325. The Company then made an offer to repurchase for cash all the Class Y Preference Shares at a price of \$25 per share and by year-end had repurchased 943,576 shares for \$23,589,400. The acquisition of Y & R has been accounted for using the purchase method and the excess purchase price of the remaining Y & R shares acquired this year over their book value of \$12,582,000 has been allocated to specific assets and liabilities. To finance the acquisition of Y & R, and the subsequent Class Y Preference Share repurchase, the Company obtained a term bank loan, the outstanding balance of which is \$32,395,000 which is classified as Liabilities on properties. In the 1978 consolidated statement of income, no results of Y & R were included.

On September 29, 1978, under the provisions of The Companies Act of the Province of Alberta, Oxford Development Group Ltd. and two wholly owned subsidiaries, Oxlea Investments Ltd. and Y & R Properties Limited, were amalgamated into one company under the name, Oxford Development Group Ltd.

On November 1, 1978, the Company obtained 87,427 common shares of Oxford Properties U.S. Ltd. (Oxford U.S.) representing the remaining 46.7% of the outstanding common shares in exchange for 813,070 common shares of the Company. The Company also obtained 4,500, 6% Class A Preference Shares and 20,427, 10% Class B Preference Shares of Oxford U.S. representing 45% and 40.8% respectively of the outstanding Class A and B Preference Shares in exchange for 24,927, 8.25% Cumulative Redeemable Preference Shares of the Company. This exchange resulted in Oxford U.S. becoming a wholly owned subsidiary of the Company. This acquisition has been accounted for using the purchase method and the excess purchase price of Oxford U.S. shares acquired over their book value at the date of acquisition was \$9,983,000 of which \$3,358,000 was allocated to specific assets and \$6,625,000 was attributed to unallocated cost of subsidiary shares over underlying value.

On March 15, 1979, the Company entered into a 50/50 joint venture with the Southland Financial Corporation in Dallas, Texas. As a result, \$27,037,000 has been included representing the Company's portion of assets acquired at that date by the joint venture as well as associated debt of \$23,833,000.



*On display in St. Paul, Minnesota the proposed St. Paul Town Square.
(Inset) The four level public park at the heart of the complex. (model)*

SUMMARY OF REVENUE PRODUCING PROPERTIES

OFFICE PROPERTIES AND INTEGRATED DEVELOPMENTS

COMPLETED	YEAR OF COMPLETION (ACQUISITIONS)	Approximate Net Rentable Area (Sq. Ft.)				OXFORD RENTABLE
		OFFICE	RETAIL	TOTAL	% OXFORD	
CANADA						
Victoria, British Columbia						
Bank of Commerce Building	1971	108,000	16,000	124,000	100	124,000
Prince George, British Columbia						
Royal Bank Building	1969	55,000	-	55,000	100	55,000
Oxford Building	1973	33,000	7,000	40,000	100	40,000
Edmonton, Alberta						
Royal Bank Building	1965	109,000	17,000	126,000	100	126,000
Imperial Oil Building	1969	366,000	23,000	389,000	100	389,000
McLeod Building	(1973)	65,000	-	65,000	100	65,000
Edmonton Centre—Stage I	1975	214,000	598,000	812,000	40	325,000
—Stage II	1976	333,000	-	333,000	40	133,000
—Stage III	1978	-	12,000	12,000	40	5,000
—Stage IV	1978	306,000	-	306,000	40	122,000
Calgary, Alberta						
Toronto Dominion Square—Phase I	1977	392,000	217,000	609,000	51	311,000
—Phase II	1977	376,000	-	376,000	51	192,000
Winnipeg, Manitoba						
Mall Centre Building	1964	61,000	61,000	122,000	100	122,000
Royal Bank Building	1966	156,000	3,000	159,000	100	159,000
Windsor, Ontario						
Bank of Commerce Building	1974	100,000	5,000	105,000	100	105,000
London, Ontario						
Royal Bank Building	1970	130,000	40,000	170,000	100	170,000
IBM Building	(1973)	63,000	-	63,000	100	63,000
Kitchener, Ontario						
Market Square	1974	92,000	290,000	382,000	51	195,000
Toronto, Ontario						
Guardian of Canada Tower	1975	284,000	18,000	302,000	100	302,000
Federal Building	(1978)	120,000	18,000	138,000	100	138,000
National Building	(1978)	52,000	5,000	57,000	100	57,000
Essex House	(1978)	56,000	6,000	62,000	100	62,000
Foy Building	(1978)	43,000	4,000	47,000	100	47,000
Sterling Tower	(1978)	89,000	3,000	92,000	100	92,000
111 Richmond Street West	(1978)	193,000	12,000	205,000	100	205,000
790 Bay Street	(1978)	154,000	14,000	168,000	100	168,000
Richmond-Adelaide Centre	(1978)	422,000	39,000	461,000	100	461,000
IBM-Parkway Place	(1978)	174,000	1,000	175,000	100	175,000
Allstate-Parkway Place	(1978)	196,000	-	196,000	50	98,000
390 Bay Street	(1978)	355,000	16,000	371,000	100	371,000
Lummus-Parkway Place	(1978)	183,000	2,000	185,000	100	185,000
Continental Court	(1978)	187,000	25,000	212,000	100	212,000
Tower II-Parkway Place	(1978)	245,000	5,000	250,000	100	250,000
Montreal, Quebec						
Edifice Universite	(1974)	144,000	16,000	160,000	100	160,000
Place Delormier	(1974)	95,000	9,000	104,000	100	104,000
Halifax, Nova Scotia						
Bank of Commerce Building	1977	206,000	1,000	207,000	50	103,000
Royal Bank Building	1968	125,000	5,000	130,000	50	65,000
UNITED STATES						
Denver, Colorado						
Anaconda Tower	1978	646,000	11,000	657,000	70	460,000
Republic Building	(1978)	139,000	14,000	153,000	70	107,000
Colorado Springs, Colorado						
Colorado Square	1977	173,000	21,000	194,000	70	136,000
Dallas, Texas						
Southland Center	(1979)	483,000	33,000	516,000	50	258,000
Minneapolis, Minnesota						
Cargill Building	(1977)	329,000	41,000	370,000	100	370,000
Northstar Building	(1977)	8,000	10,000	18,000	100	18,000
Pillsbury Building	(1977)	258,000	22,000	280,000	100	280,000
Baker Building	(1977)	73,000	17,000	90,000	100	90,000
Multifoods Building	(1977)	329,000	49,000	378,000	100	378,000
Peavey Building	(1977)	249,000	27,000	276,000	100	276,000
Roanoke Building	(1977)	144,000	26,000	170,000	100	170,000
Lake Buena Vista, Florida						
Sun Bank Building	1978	78,000	-	78,000	100	78,000
		<u>9,191,000</u>	<u>1,759,000</u>	<u>10,950,000</u>		<u>8,577,000</u>

SUMMARY OF REVENUE PRODUCING PROPERTIES

continued

UNDER CONSTRUCTION

Approximate Net Rentable Area (Sq. Ft.)

CANADA	OFFICE	RETAIL	TOTAL	% OXFORD	OXFORD RENTABLE
Toronto, Ontario Continental Bank of Canada Building	605,000	15,000	620,000	100	620,000
Halifax, Nova Scotia Barrington Place	-	52,000	52,000	50	26,000
UNITED STATES					
St. Paul, Minnesota Town Square	431,000	231,000	662,000	100	662,000
Denver, Colorado Great-West Plaza—Phase I	323,000	-	323,000	70	226,000
—Phase II	330,000	-	330,000	70	231,000
Phoenix, Arizona United Plaza—Phase I	324,000	-	324,000	100	324,000
Dallas, Texas Southland Center—Phase I	479,000	2,000	481,000	50	240,000
	<u>2,492,000</u>	<u>300,000</u>	<u>2,792,000</u>		<u>2,329,000</u>
	<u>11,683,000</u>	<u>2,059,000</u>	<u>*13,742,000</u>		<u>10,906,000</u>

*Excludes managed office space of 1,358,000 sq. ft.

SHOPPING CENTRES	YEAR OF COMPLETION (ACQUISITION)	TOTAL RETAIL AREA (SQ. FT.)	AREA FROM WHICH OXFORD DERIVES INCOME (SQ. FT.)	% OXFORD	OXFORD RENTABLE (SQ. FT.)
COMPLETED					
Regional Centres					
Calgary, Alberta Chinook Centre*	(1970)	947,000	947,000	100	947,000
Windsor, Ontario Devonshire Mall	(1975)	775,000	433,000	50	216,000
Waterloo, Ontario Waterloo Square*	(1972)	320,000	320,000	100	320,000
Conestoga Mall	1978	351,000	351,000	50	175,000
Brantford, Ontario Lynden Park Mall	(1975)	305,000	305,000	50	152,000
Burlington, Ontario Burlington Mall	(1975)	573,000	491,000	100	491,000
Newmarket, Ontario Upper Canada Mall	(1975)	356,000	235,000	50	117,000
Niagara Falls, Ontario Niagara Square	1977	358,000	358,000	50	179,000
Toronto, Ontario Gerrard Square	(1975)	329,000	329,000	100	329,000
Belleville, Ontario Quinte Mall	(1975)	352,000	352,000	100	352,000
Ottawa, Ontario Bayshore	(1975)	595,000	595,000	67.5	402,000
Hull, Quebec Les Galeries de Hull	(1975)	334,000	334,000	70	234,000
Montreal, Quebec Place Vertu	1975	671,000	465,000	37.5	174,000
Trois Rivieres, Quebec Les Rivieres	(1975)	333,000	120,000	70	84,000
Chatham, Ontario Chatham Place	(1977)	250,000	250,000	50	125,000

SUMMARY OF REVENUE PRODUCING PROPERTIES

continued

SHOPPING CENTRES		TOTAL	AREA FROM WHICH		
COMPLETED	YEAR OF	RETAIL	OXFORD	%	OXFORD
Community Centres	COMPLETION	AREA	DERIVES	OXFORD	RENTABLE
	(ACQUISITION)	(SQ. FT.)	INCOME		(SQ. FT.)
Windsor, Ontario					
Tecumseh Mall	(1975)	256,000	256,000	100	256,000
University Mall	(1975)	151,000	151,000	100	151,000
Ouellette Avenue	(1975)	85,000	85,000	100	85,000
Steinberg's Downtown	(1975)	197,000	197,000	100	197,000
Ottawa, Ontario					
K-Mart Plaza	(1975)	112,000	112,000	100	112,000
Saint John, New Brunswick					
Lancaster Mall	(1975)	184,000	184,000	100	184,000
		<u>7,834,000</u>	<u>6,870,000</u>		<u>5,282,000</u>

UNDER CONSTRUCTION

Cornwall, Ontario					
Cornwall Square		278,000	278,000	33.3	93,000
Weyburn, Saskatchewan					
Weyburn Square +		154,000	154,000	50	77,000
		<u>432,000</u>	<u>432,000</u>		<u>170,000</u>
		<u>8,266,000</u>	<u>7,302,000</u>		<u>5,452,000</u>

*Includes office space of 36,000 sq. ft. for Chinook and 42,000 for Waterloo Square.

+ Includes office space of 44,000 sq. ft. for Weyburn.

HOTELS

	NUMBER OF	%	OXFORD
	ROOMS	OXFORD	INTEREST
Tahsis Chalet, Tahsis, British Columbia	22	100	22
North Star Inn, Minneapolis, Minnesota	226	100	226
Sheraton Dallas, Dallas, Texas	540	50	270
Four Seasons, Edmonton, Alberta	322	40	129
	<u>1,110</u>		<u>647</u>

UNDER CONSTRUCTION

CANADA			
Barrington Place, Halifax, Nova Scotia	203	50	102
UNITED STATES			
Fairmont Hotel, Denver Square, Denver, Colorado	550	70	385
	<u>753</u>		<u>487</u>
	<u>1,863</u>		<u>1,134</u>

99.9% OXFORD SHOPPING CENTRES LTD.

Owens and operates shopping centres throughout Canada.

100% CAMBRIDGE LEASEHOLDS LIMITED

JOINT VENTURES

66 $\frac{2}{3}$ %
Bayshore Shopping Centre Limited. Ivanhoe Limited (Steinberg's) owns 33.3% of this company.

50%
Regional Shopping Centres Limited. Kerrybrooke Development Limited owns 50% of this company.

70%
Centres Commerciaux Regionaux Du Quebec Limitee. Ivanhoe Limited and Kerrybrooke Development Limited (Sears) each own 15% of this company.



**OXFORD
DEVELOPMENT
GROUP
LTD**

CORPORATE STRUCTURE

100% OXFORD PROPERTIES, INC. *

Management and Development in United States

70%
Oxford-Ansco Development Company. Colorado Square, Denver Square, Great West Plaza and planned developments in Colorado. The Anschutz Corporation owns 30% of this company.

100%
Oxford-Texas Development Company holds assets located in Texas. Southland Financial Corporation owns 50% of Southland Center in Dallas.

100%
Kimberly Homes Inc. Residential Development, Houston.

100%
Oxford Development Minnesota, Inc. holds all assets located in Minnesota.

*The United States corporate structure reflects the amalgamation of Oxford Development Group Ltd., with its wholly-owned subsidiary, Oxford Properties U.S. Ltd., and transfer of remaining U.S. assets to Oxford Properties, Inc. on or about July 1, 1979.

CANADIAN JOINT VENTURES

34%
Eau Claire Estates Ltd. Mixed residential/commercial development in downtown Calgary.

40%
The Edmonton Centre Limited. Edmonton Centre, Edmonton, Woodward's Stores and a Canadian chartered bank own 60% of this company.

51.2%
Calford Properties Ltd. Toronto Dominion Square, Calgary. Great-West Life, Dome Petroleum and others own 48.8% of this company.

51%
M.S.K. Limited. Market Square, Kitchener. The T. Eaton Co. Ltd. owns 49% of this company.

60%
Oxrapp Limited. Planned development in Toronto. M.H. Rapp owns 40% of this company.

50%
Durham Leaseholds Limited. Barrington Place, Bank of Commerce Building, Royal Bank Building, Halifax, Halifax Developments Limited own 50% of this company.

33.3%
Edmonton Four Seasons Hotel Company. Baker Developments Ltd. and Four Seasons Hotels Limited own 66.6% of this company.



Chinook Shopping Centre, Calgary, Alberta.



Toronto Dominion Square, Calgary, Alberta.
(Foreground) The Devonian Gardens. (Inset) Devonian Gardens.

DEVELOPMENT PROJECTS

Projects which are either under construction or in the various stages of the development process during the year are briefly summarized below:

IN CANADA:

EDMONTON CENTRE, EDMONTON, ALBERTA

Stage III of Edmonton Centre, the Four Seasons Hotel, opened as scheduled on May 31, 1978. Construction of Stage IV, the Oxford Tower was completed on schedule and the first tenants moved in during December. Plans are underway for the addition of Stages V and VI on the entire block immediately west of the Four Seasons Hotel. Included will be office towers, extensive parking facilities and retail stores connected by a skywalk to the existing complex. Demolition of the buildings on the site is virtually complete.

EAU CLAIRE ESTATES, CALGARY, ALBERTA

The Company's application for rezoning of this property for the project was successful, enabling Eau Claire Estates to proceed with its residential and commercial development. The preparation of a development agreement with the City is now in process. Following the necessary documentation, demolition and construction can commence.

In May 1979, Nu-West Development Corporation Ltd., decided to sell its one-third interest in Eau Claire Estates Ltd. The shares will be purchased by the remaining partners in that company, Oxford and a group of Calgary businessmen.

WEYBURN SQUARE, WEYBURN, SASKATCHEWAN

Construction started on this \$8 million complex in February 1979.

The retail area is scheduled to open in the spring of 1980 and the office complex during the summer. Major tenants will be a Bay department store and the Government of Saskatchewan.

BRANDON GALLERY, BRANDON, MANITOBA

Construction of a \$10 million shopping centre in Brandon started in May 1979. This 440,000 square foot project includes a retail mall, enclosed parking for 386 cars, a new Safeway and a Bay department store that will connect with Eatons and the Royal Bank Building. Official opening of the complex is scheduled for September 1980.

KILDONAN PLACE, WINNIPEG, MANITOBA

A \$25 million regional shopping centre is planned for Winnipeg with construction scheduled to start in the fall of 1979. This 450,000 square foot project will include two department stores, the Bay and Sears, 80 retail stores and parking for 2,500 cars. This development is expected to open in the spring of 1981.

CONESTOGA MALL, WATERLOO, ONTARIO

The official opening of this regional centre took place in August 1978. Conestoga Mall was 99% leased for the opening and retail sales to date are encouraging.

CORNWALL SQUARE, CORNWALL, ONTARIO

Construction of this \$10 million regional shopping centre started on schedule in January 1979. Major tenants in this project will be a Sears department store and a Steinberg supermarket. Cornwall Square is now 100% leased and the official opening is scheduled for October 1979.

CONTINENTAL BANK OF CANADA BUILDING, TORONTO, ONTARIO

This 620,000 square foot building

which will be the head office of the Continental Bank of Canada will open in June 1979. The office tower extends Richmond-Adelaide Centre, a major central business district development consisting of four office buildings with enclosed parking and a retail concourse.

BURLINGTON MALL EXPANSION, BURLINGTON, ONTARIO

A \$4.5 million expansion programme on this regional shopping centre is scheduled to start in May 1979. Major tenants in the expansion are K-Mart, Dominion Stores, Collegiate Sports and a Family Fair Department Store. Construction is scheduled for completion in August 1980.

OAKVILLE PLACE, OAKVILLE, ONTARIO

Construction is scheduled to start this fall on a 400,000 square foot regional shopping centre in Oakville. This \$27 million project will include two department stores, a Bay and Simpsons, with 75 smaller stores. Parking will be provided for 2,200 cars. The opening is planned for the spring of 1981.

DEVONSHIRE MALL, WINDSOR, ONTARIO

It is planned to add 230,000 square feet to this shopping centre in Windsor, with construction scheduled to start in the fall of 1979. This \$13 million expansion will feature a major department store with 40 new retail stores, as well as additional parking.

LANCASTER MALL, SAINT JOHN, NEW BRUNSWICK

The expanded and renovated Lancaster Mall opened officially on March 21, 1979. The mall is initially fully leased and the bright new addition adds a new dimension to this shopping centre.

**BARRINGTON PLACE,
HALIFAX, NOVA SCOTIA**

Construction on this \$14 million project commenced in August and is on schedule. The project includes a 203-room hotel and a 52,000 square foot retail mall. Barrington Place is being developed by Durham Leaseholds Ltd., a joint venture with Halifax Developments Limited and Oxford. Barrington Place Inn is scheduled to open early in January, 1980 and the retail mall area in March.

**GREAT-WEST PLAZA,
DENVER, COLORADO**

The 29-storey Great-West Life Tower was topped off in February, 1979. Construction of Tower II started in February, 1978 and will be ready for occupancy in the spring of 1980.

**DENVER SQUARE,
DENVER, COLORADO**

The Anaconda Tower is fully leased and occupied. The 600-car garage and the two-level retail pavillion are also substantially completed. Construction of the 550-room Fairmont Hotel is on schedule and will be ready for guests late this summer.

**SOUTHLAND CENTER,
DALLAS, TEXAS**

Construction of a 31-storey office tower that will connect to the existing Southland Life Tower, started in May, 1979. This \$29 million project will add over 481,000 square feet to the Southland Center complex which also features the Dallas Sheraton Hotel.

**MINNEAPOLIS CITY CENTER,
MINNEAPOLIS, MINNESOTA**

Acquisition of the site is proceeding and this project is now tentatively scheduled to start construction late in 1979. Plans call for a new Donaldson's Department Store, at

least two large office towers, a retail complex and a new Western International Hotel.

**ST. PAUL TOWN SQUARE,
ST. PAUL, MINNESOTA**

Construction of a \$40 million downtown redevelopment project continues on schedule with a completion date set for the summer of 1980. The complex will feature a Donaldson's Department Store, a three-level shopping concourse and two office towers. Forming an integral part of the development will be a glass covered four-level city park, parking for 500 cars and a new 250-room Radisson Plaza Hotel.

**LOUISVILLE GALLERIA,
LOUISVILLE, KENTUCKY**

Construction of Phase I of this downtown redevelopment project is expected to start in the summer of 1979. The project will include office buildings, a department store, retail mall and parking facilities. Tenant commitments for office and retail areas are proceeding satisfactorily.

**LAKE BUENA VISTA
OFFICE PLAZA,
LAKE BUENA VISTA, FLORIDA**

The first building of this proposed complex, the Sun Bank Building was officially opened in July, 1978. Discussions continue with prospective tenants for the second office building.

IN THE UNITED STATES:

**UNITED PLAZA,
PHOENIX, ARIZONA**

Construction on the 28-storey United Bank Tower started in May 1978. As of March, 1979, the building had reached the 18th floor. To respond to the growing demand for office space in Phoenix, the design of United Plaza has been changed to incorporate a possible six towers to be constructed in phases on this 10-acre site.

CORPORATE DIRECTORY

DIRECTORS

GORDON E. ARNELL
Executive Vice-President Development
Oxford Development Group Ltd.

WALTER A. BEAN
Deputy Chairman
The Canada Trust Company
and Canada Trustco Mortgage Company

JAMES R. CRYSDALE
Senior Vice-President Investments
The Great-West Life Assurance Company

* G. CLARENCE ELLIOTT
President
Stoneheugh Enterprises Ltd.

** JOHN H. GREIG
Secretary-Treasurer
Soalta Development Limited

** DONALD M. HAINES
Investment Vice-President
Property Investments
Confederation Life Insurance Company

* F. NEWTON HUGHES
Company Director

* G. DONALD LOVE
Chairman and President
Oxford Development Group Ltd.

DONALD A. MACHUM
Executive Vice-President Operations
Oxford Development Group Ltd.

** E. DONALD L. MILLER
Vice-President Corporate Affairs
The Canada Trust Company

JAMES A. MITCHINSON
Vice-President Real Estate Investments
The Great-West Life Assurance Company

EDMOND G. ODETTE
President
Eastern Construction Company Limited

* GEORGE E. POOLE
Company Director

* JOHN E. POOLE
Company Director

* Members of the Executive Committee
** Members of the Audit Committee

OFFICERS

CHAIRMAN OF THE BOARD AND PRESIDENT

G. DONALD LOVE

DAVID J. THOMSON
Development, Canada

EXECUTIVE VICE-PRESIDENTS

GORDON E. ARNELL
Development

VICE-PRESIDENTS

WILLIAM F. CHANDLER
Property Acquisitions

DONALD A. MACHUM
Operations

MICHAEL J. DICKENS
Design & Construction

SENIOR VICE-PRESIDENTS

J. LORNE BRAITHWAITE /
Shopping Centre Division

CHARLES R. GARDNER
Finance

KENNETH I. GRAHAM
Administration

GRAHAM A. BROWN
Operations

ROBERT V. HOVELSON
Development, United States

ROBERT J. FRENCH
Finance, Treasurer & Chief Financial
Officer

ROBERT T. LEGO
General Counsel, Development

HARRY HENKE III
Development, Western United States

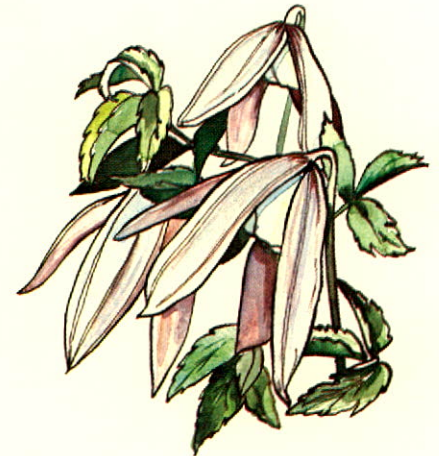
HELMUT J. RICHTER
Design & Construction

E. ALFRED PICARDI
Design & Construction

MAURY G. VAN VLIET
Secretary

ROBERT J. SANDERMAN
Development, Eastern United States

JON N. HAGAN
Controller



Blue Clematis (Minnesota)
Clematis alpina

Originally from china the clematis alpina grows in very cold climates preferring full sunlight but tolerating part shade.

CORPORATE INFORMATION

HEAD OFFICE

2300 Royal Trust Tower
Edmonton Centre
Edmonton, Alberta T5J 3A4

PRINCIPAL OFFICES

Oxford Shopping Centres Ltd.
390 Bay Street
Suite 400
Toronto, Ontario M5H 2Y2

Y & R Properties Division
390 Bay Street
Suite 300
Toronto, Ontario M5H 2Y2

Oxford Development Minnesota, Inc.
400 Baker Building
Minneapolis, Minnesota
U.S.A. 55402

Oxford Properties, Inc.
900 Anaconda Tower
Denver Square
555—17th Street
Denver, Colorado
U.S.A. 80202

AUDITORS

Price Waterhouse & Co.
Edmonton, Alberta

REGISTRAR AND TRANSFER AGENT

The Canada Trust Company
Halifax, Toronto, Winnipeg, Regina,
Edmonton, Calgary, Vancouver

SHARE LISTINGS

First Preference Shares—Series A
Toronto, Alberta and Winnipeg
Stock Exchanges

JOINT VENTURES AND PERCENTAGE INTERESTS

Kimberly Homes 75%
Oxford-Ansco Development Company 70%
Durham Leaseholds Limited 50%
The Edmonton Centre Limited 40%
Eau Claire Estates Ltd. 34%
Edmonton Four Seasons Hotel Company 33.3%

SUBSIDIARY COMPANIES

Calford Properties Ltd.
Cambridge Leaseholds Limited
MCC Development Company, Inc.
M.S.K. Developments Limited
Oxford Development Minnesota, Inc.
Oxford Properties, Inc.
Oxford Properties U.S. Ltd.
Oxford Shopping Centres Ltd.
Oxford-Texas Development Company
Oxrapp Limited

ANNUAL MEETING

The Annual Meeting will be held at
3:30 p.m. on June 27, 1979 at the
Four Seasons Hotel, Edmonton,
Alberta.

