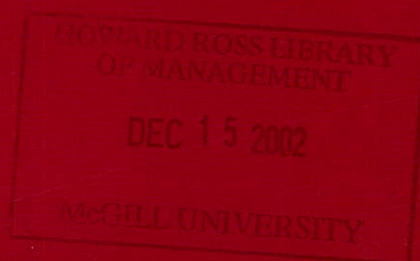


C

2001 Annual Report

Passion...



Founded in 1969, today MAAX Inc. is the leading Canadian manufacturer of bathroom products and spas. It ranks among the top five players in its industry across North America. The Company employs some 2,700 people throughout an infrastructure consisting of 23 plants – 12 in Canada, 10 in the United States and one in Europe – and seven distribution centres.

Over the years, MAAX has carved out a strong presence in two major segments of its industry: bathroom and kitchen, and spas. The Company thus has the required internal strengths to make its mark as a world leader by capitalizing on the unparalleled originality and quality of its products, its attention to customer service, and the commitment shared by all its employees to be a source of added value for its customers and shareholders. As a result, MAAX is moving ever closer to its goal of doubling its size within five years.

Like a team of athletes who have trained for years to compete in an event, MAAX's team is ready to take up the challenge and to meet the industry's highest standards. Every team member shares a passion to be the best!

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Financial Highlights

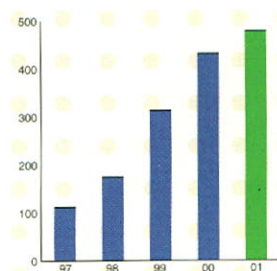
Fiscal years closed at the end of February
(in thousands of dollars, except per-share amounts)

	2001	2000 ⁽¹⁾	1999	Change 2001/2000
Operating Results				
Sales	\$ 477,796	\$ 431,876	\$ 312,895	10.6 %
Income before amortization of goodwill	\$ 24,762	\$ 20,707	\$ 20,703	19.6 %
Net income	\$ 21,981	\$ 18,367	\$ 19,193	19.7 %
Cash flow from operations	\$ 45,302	\$ 37,977	\$ 31,841	19.3 %
Per Share				
Income before amortization of goodwill	\$ 1.04	\$ 0.87	\$ 0.95	19.5 %
Net income	\$ 0.93	\$ 0.78	\$ 0.88	19.2 %
Fully diluted net income	\$ 0.89	\$ 0.75	\$ 0.84	18.7 %
Cash flow from operations	\$ 1.91	\$ 1.60	\$ 1.46	19.4 %
Book value	\$ 10.21	\$ 9.19	\$ 8.66	11.1 %
Financial Position				
Working capital	\$ 87,359	\$ 84,737	\$ 68,949	3.1 %
Total assets	\$ 408,196	\$ 396,931	\$ 277,796	2.8 %
Long-term debt	\$ 92,870	\$ 101,006	\$ 25,809	(8.1)%
Shareholders' equity	\$ 242,735	\$ 217,875	\$ 204,833	11.4 %
Financial Ratios				
Net income	4.6%	4.3%	6.1%	
Current ratio	2.52:1	2.19:1	2.61:1	
Long-term debt/ total capitalization	27.7%	31.7%	11.2%	
Return on weighted average equity	9.3%	8.8%	11.9%	
Return on total assets	5.5%	5.5%	8.6%	

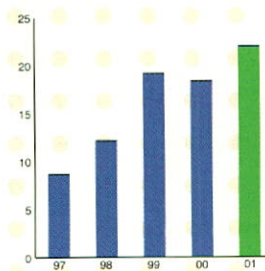
⁽¹⁾ Non-recurring expenses of \$8.8 million before income taxes were recorded in 2000.

...to Be the Best!

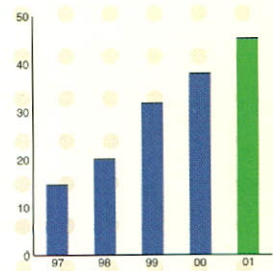
Sales*



Net Income*



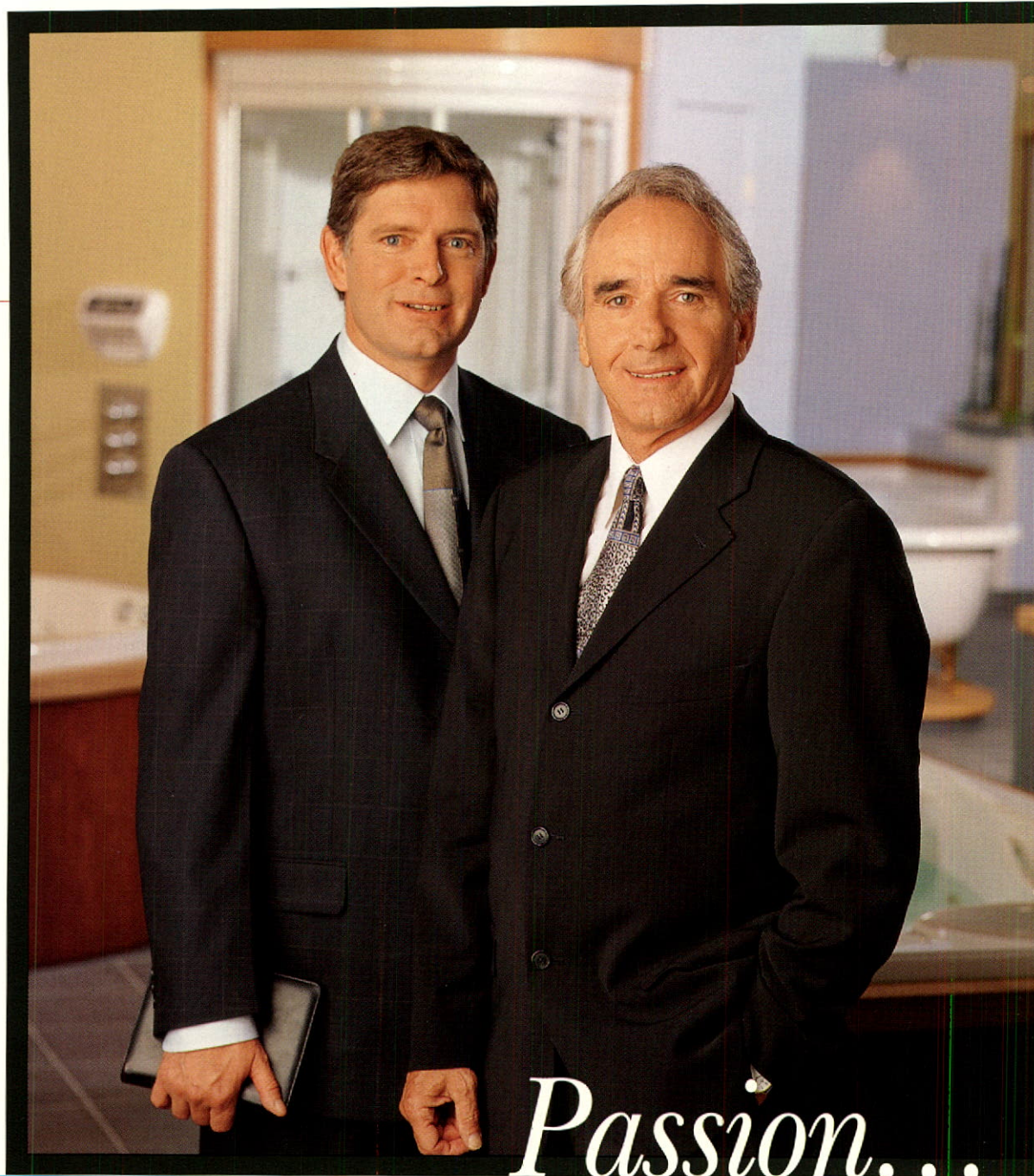
Cash Flow*



* in millions of dollars

André Héroux
President and
Chief Operating Officer

Placide Poulin
Chairman and
Chief Executive Officer



Passion...

MAAX has started out the new millennium by completing another instrumental phase in its development. Over the past year, our team efforts were focused on finalizing the re-engineering of our business processes to enable the Company to realize its full potential and to increase its edge through its product, service and performance excellence.

Despite a slowdown in the North American economy and price hikes in energy and certain raw materials, MAAX fulfilled its mission of offering value-added products and services while completing its integration. The fiscal year ended February 28, 2001, closed with a 10.6% increase in consolidated sales, which amounted to \$477.8 million. Net income rose 19.7% to \$22.0 million or \$0.93 per share. The last year financial results included non-recurring expenses of \$8.8 million before income taxes related to the integration of the many acquisitions made in recent years.

An Operational and Management Infrastructure Rooted in Excellence

MAAX thus has had a successful year from an operational and a strategic standpoint alike. We used this period to optimize every aspect of our business following the integration plan that we implemented the previous year. In order to excel equally on the commercial, operational and financial levels, we focused on optimizing our entire manufacturing, distribution, marketing, management and customer service processes during the last year. In so doing, we re-engineered our business methods to improve our logistics, consolidate our corporate functions, and set up solid management teams by business segment and by geographic region.

Passion to Excel

Fiscal 2001-2002 marks the start of a new era that will build its momentum upon the strategic pillars underpinning the success we have enjoyed for over 30 years. We intend to make the most of our new structure in order to promote accelerated, profitable growth in our two business segments and to create added value for our shareholders.

We are solidly positioned in markets with tremendous sales potential throughout Canada, the United States and Europe. While MAAX is the Canadian leader in bathroom products and spas, and the fifth largest company in those two segments in the United States, our market penetration is only just beginning and we have considerable leverage to continue to grow and to prosper.

To achieve its objectives, MAAX will capitalize on its leadership in the North American home improvement industry and will extend its reach nationally with the launch of new products and programs that harness its capacity to offer some 80% of all fixtures found in today's bathroom. And all the while maintaining the MAAX touch—an uncompromising approach to innovation, quality and service.

to Perform!

Besides these internal growth factors, MAAX will be able to count on the revival of its complementary business acquisition program. In this regard, we took a scheduled break to focus exclusively on optimizing our processes. With that now behind us, MAAX will be carrying on its geographic expansion to ensure greater coverage of North American and European markets.

The combination of internal growth and this acquisition strategy will enable us to attain our goal of increasing our sales by an average of 15% annually, and, thereby, doubling MAAX's size within the next five years.

We will continue to provide added value through customer service excellence and the development of trend-setting products. Whenever opportunities arise, we will strive to create synergies between our businesses in order to penetrate new markets and serve customers at the best cost. All in all, in an industry with a bright future, MAAX has entered the new millennium with passion and more aware than ever of its status as a world leader and as a source of growth and value.

Although MAAX is an industry trailblazer, its story is nonetheless just beginning. We would particularly like to thank our employees, customers, partners and Board members for their steadfast support and their contribution to our Company's continuing growth and success.

To everyone, we reaffirm our passion to keep MAAX ahead of the wave.



Placide Poulin
Chairman and
Chief Executive Officer



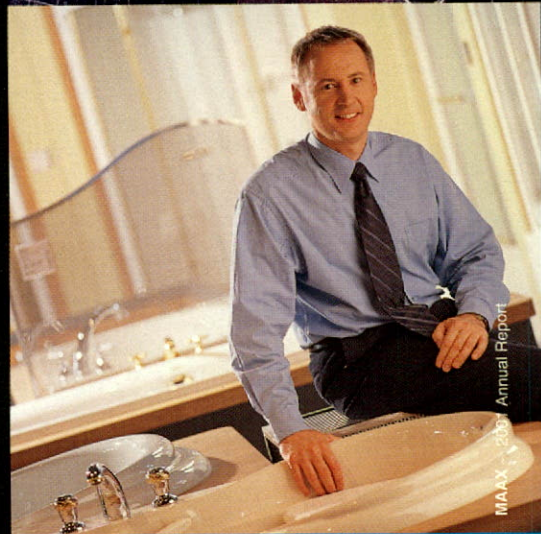
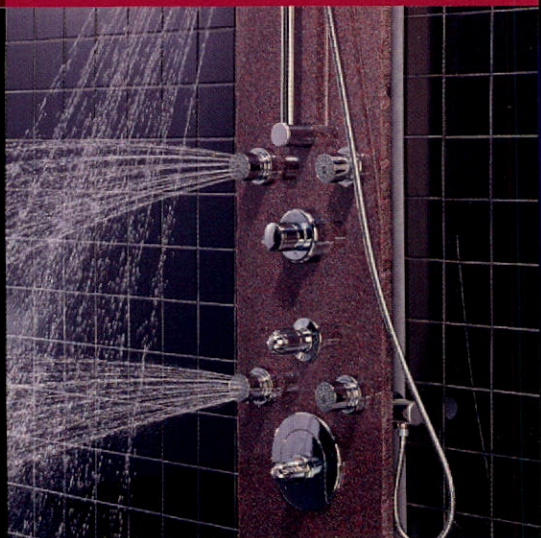
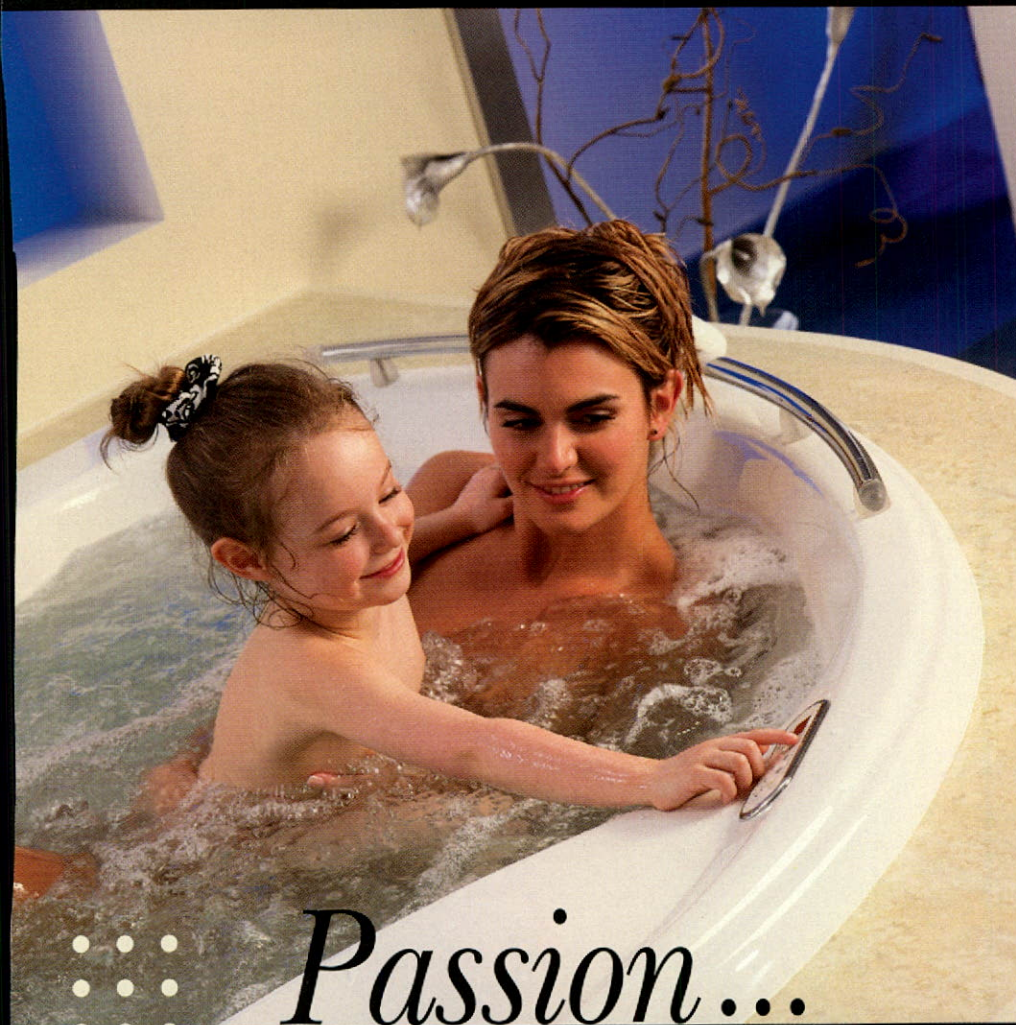
André Héroux
President and
Chief Operating Officer

April 2001



BATHROOM and KITCHEN

This segment includes all bathroom and kitchen product manufacturing operations. This sector's main products consist of bathtubs, whirlpool baths, bathtub surrounds, showers and shower doors, faucets, medicine cabinets, bathroom furniture and kitchen cabinets.



MAAX is the leading Canadian manufacturer of bathroom products, and ranks among the top five players in the U.S.

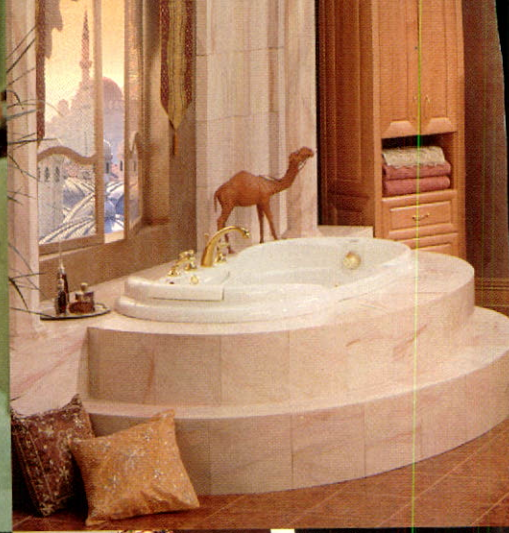
Dan Stewart

Vice-President General Manager,
MAAX-KSD

Patrice Hénaire

Corporate Vice-President,
Marketing – Bathroom Sector

BATHROOM and KITCHEN



Jean Rochette
Vice-President General Manager,
Bathroom Sector - Canada

Régent Girard
Corporate Vice-President, Sales -
Bathroom Sector

Production Infrastructure

Bathroom and kitchen products are manufactured at 20 plants across Canada, the United States and Europe:

- Ten plants in Canada: eight in Quebec, one in Alberta and one in British Columbia;
- Nine plants in the United States: two in Pennsylvania and one in each of the following states: Florida, Georgia, Indiana, Iowa, Minnesota, Washington and California; and
- One plant in Europe, located in Heinenoord, Netherlands.

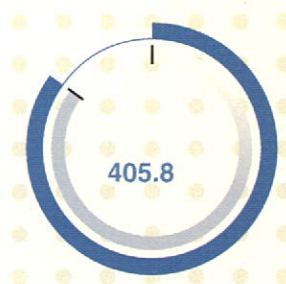
Achievements

- Increase of \$35.2 million or 9.5% in sales, which amounted to \$405.8 million thanks to SaniNova B.V.'s contribution for a full fiscal year and sustained sales growth.
- Efficiency gains throughout the production infrastructure.
- Pursuit of the automation program at MAAX's Beauce facilities and C.E. Cabinets' Laval plant.
- Development of new marketing strategies focused on trademark consolidation and streamlining, a more targeted approach by the various distribution networks, and a better match between their needs and the categories of products they are offered.
- Launch of a new line of bathroom and kitchen faucets, new bathroom furniture and several innovative products.
- Transfer of C.E. Cabinets' entire production from Ville d'Anjou to Laval, a 237,000-square-foot plant fitted out with state-of-the-art manufacturing and warehousing equipment.

Objectives

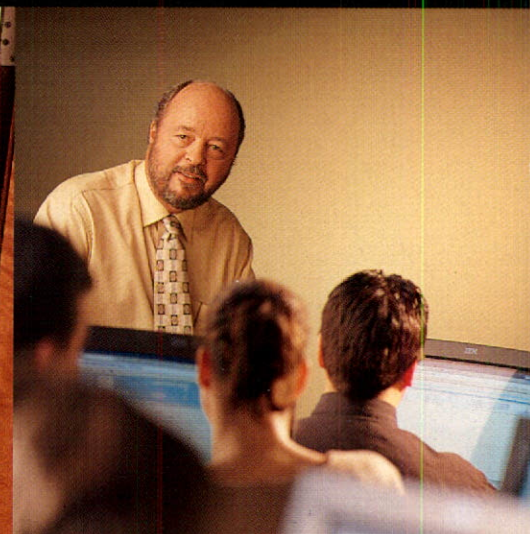
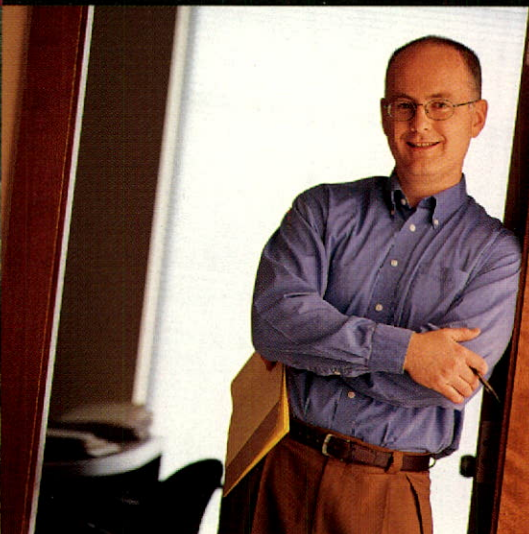
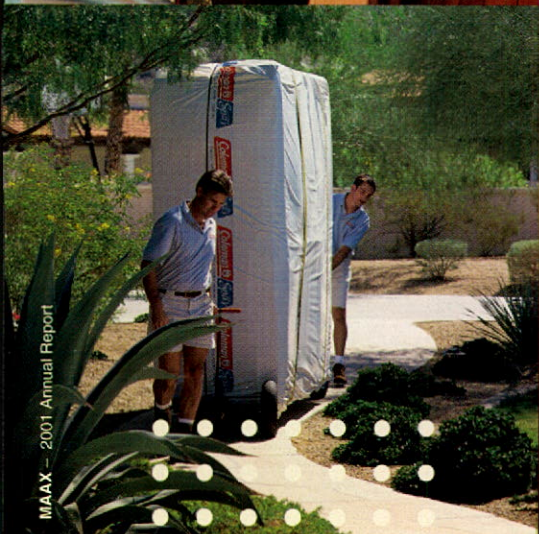
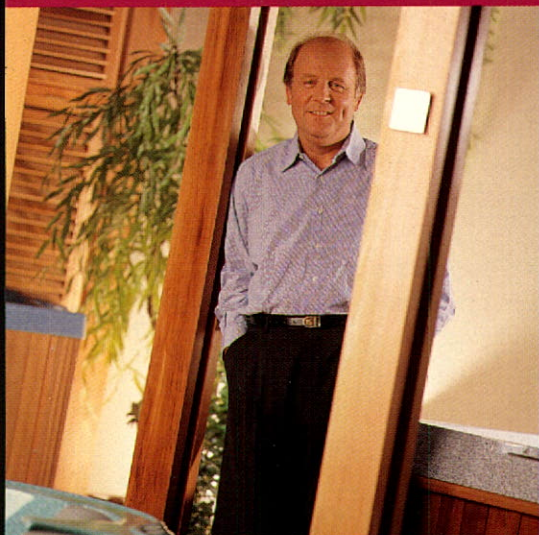
- Launch national programs across North America to achieve further breakthroughs with each product line, including the new Collection program which will take greater advantage of MAAX's high-end products and accelerate the development of its plumbing showroom clientele.
- Further expand the selection of complementary products to offer an even more integrated approach to bathrooms.
- Capitalize on the launch of several innovative products.
- Implement an extensive brand awareness program to increase our brands' value and commercial impact.
- Consolidate the shower door manufacturing segment by standardizing production processes.
- Finish breaking in C.E. Cabinets' new manufacturing equipment.
- Finalize the automation program at MAAX's Beauce plants.
- Generate sustained growth in Europe and complete the process of learning the particularities of this market.
- Optimize the use of our management information system to offer world-class customer logistics.

Segmented Sales (millions of \$)



SPAS

This segment includes all spa manufacturing operations, a product category served in part by a separate distribution network, i.e., spa and pool retailers and home improvement centres.



*MAAX is the fourth largest North American
spa manufacturer.*

Terry Rake
Vice-President
General Manager,
Spa Sector

Benoit Boutet, CA
Corporate Director
of Finance

Michel Tremblay
Vice President,
Management Information
Systems

Production Infrastructure

Spas are manufactured at three plants: two in Canada (Ontario and British Columbia) and one in the United States (Arizona).

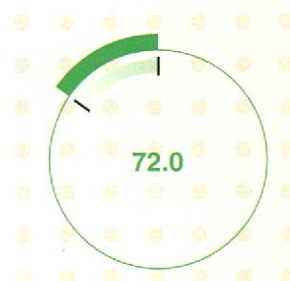
Achievements

- Growth of \$10.7 million or 17.6% in sales, which totalled \$72.0 million despite rather unfavourable weather conditions in the summer of 2000.
- Final breaking in of the MAAX Spas (Ontario) and MAAX Spas (B.C.) facilities after adding considerable manufacturing equipment in fiscal 2000 and relocating the MAAX Spas (B.C.) plant.
- Strengthening of the MAAX Spas (Arizona) marketing strategy by leveraging on Coleman brand recognition.
- Signing of a major contract with an important customer in the United States.
- Launching of three new product lines and several innovative products targeting our various customer bases.

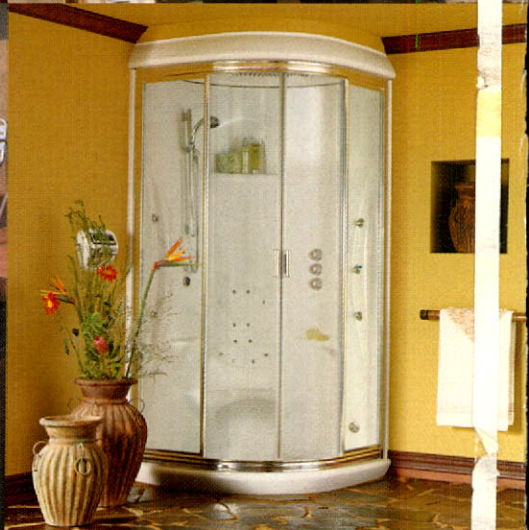
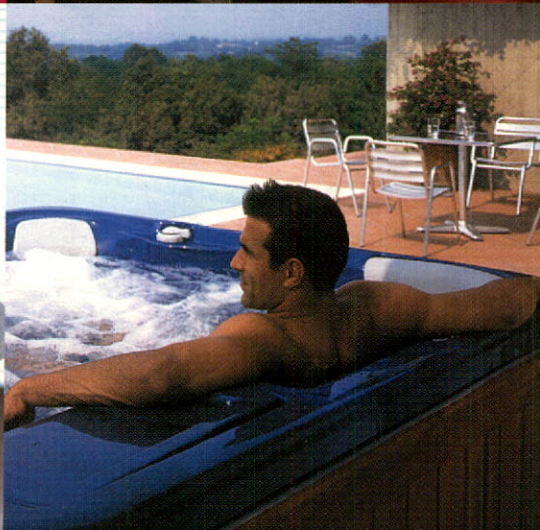
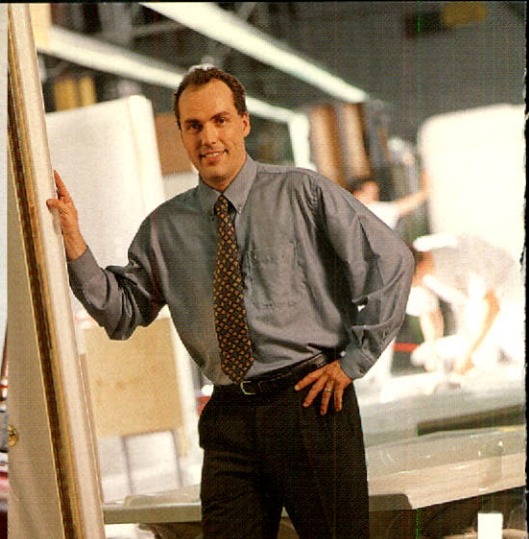
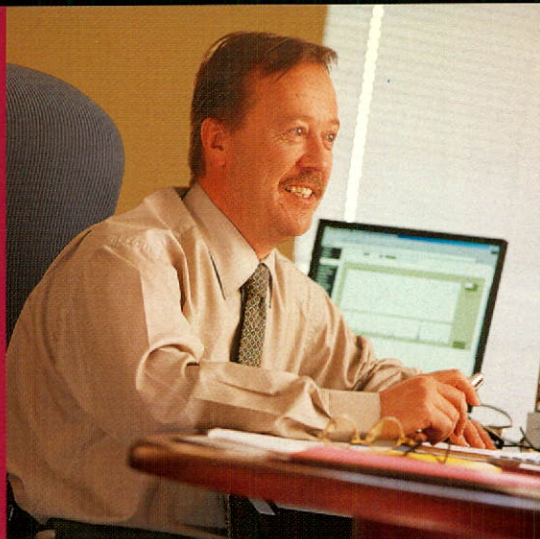
Objectives

- Enhance the synergies between the three divisions in this segment to achieve the expected gains in efficiency and profitability.
- Intensify marketing efforts and further expand the distribution networks to maximize the use of this segment's manufacturing capabilities and increase its contribution to the group's profitability.
- Continue to capitalize on the brisk demand for spas by developing new models incorporating the MAAX touch and distinctive features to increase market share.

Segmented Sales (millions of \$)



An INTEGRATED VISION



During the 2001 fiscal year, MAAX put most of its efforts into finalizing its optimization strategy in the wake of the integration plan it implemented a year earlier.

Marie-France Poulin
Executive Vice-President

Richard Garneau
Executive Vice-President and
Chief Financial Officer

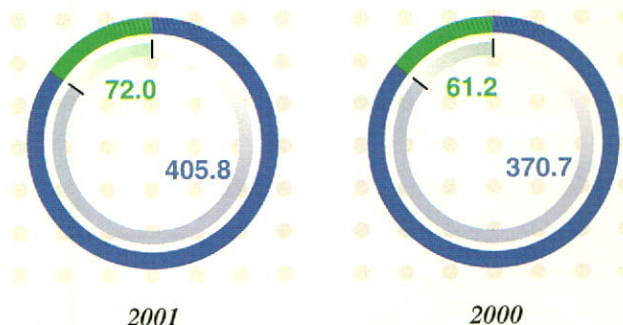
David Poulin
Executive Vice-President,
Operations

From an operational viewpoint, the past year was intense yet productive, as **MAAX** achieved a long-standing goal, namely optimizing all of its internal processes to secure solid bases on which to build its future growth. Every aspect of the Company was re-engineered and improved to capitalize on its leadership in both of its activity sectors, i.e. bathroom and kitchen, and spas.

Passion to Deliver!

Segmented Sales (millions of \$)

— Bathroom and kitchen
— Spas



Sales Growth and Increase in Market Share

Fuelled by sustained internal growth and SaniNova B.V.'s contribution for a full fiscal year, sales of bathroom and kitchen products rose 9.5% to \$405.8 million, thereby accounting for 85.0% of consolidated sales. In the spa segment, the past two years' investments in production capacity gains and the intensive development of the distribution network helped offset the effects of last summer's poor weather conditions, leading to an increase of 17.6% in sales, which totalled \$72.0 million, or 15.0% of MAAX's consolidated sales.

During fiscal 2001, MAAX recorded 66.9% of its sales in the United States, 28.9% in Canada and 4.2% in international markets. U.S. sales rose 10.0% to \$319.4 million despite a slight decline in housing starts. In Canada, sales totalled \$138.1 million, an increase of 2.5%. Finally, SaniNova B.V.'s contribution for a full fiscal year enabled the Company to post growth of \$13.4 million in its overseas sales, which rose to a total of \$20.3 million or 4.2% of consolidated sales.

Over the past year, MAAX achieved further breakthroughs in home improvement centres with sales in this area rising 22.4% to \$191 million. Sales to plumbing wholesaler and specialty shop clientele held fairly steady at \$222 million, while sales to spa retailers grew by 12.1% to total \$65 million.

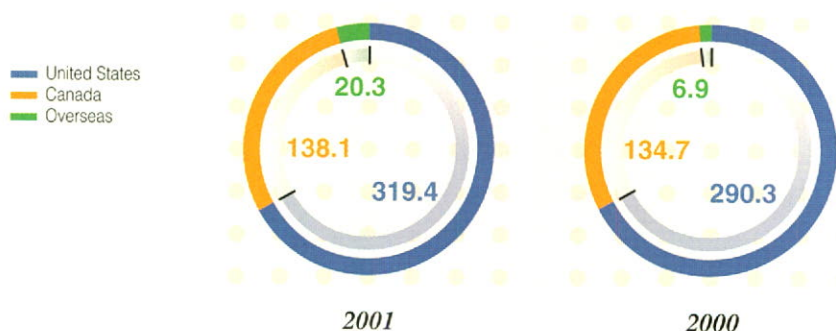
Process Optimization

Fiscal 2001 was truly a year of business process optimization throughout the Company.

Below are a few examples of the measures that were taken:

- closing our Anjou kitchen cabinet plant and relocating its production to Laval;
- pursuing the automation program at our MAAX Beauce plants;
- closing the kitchen cabinet distribution centre in Toronto, Ontario and transferring its operations to the Mississauga distribution centre;
- mapping out new marketing strategies in the bathroom and kitchen segment and consolidating our sales force by region;
- setting up North American programs to better meet our regional customers' needs;
- building up our spa clientele after signing agreements with several top retailers in Canada and the U.S.;
- strengthening our management team in leading change with the addition of experienced managers; and
- implementation of the new management information system at MAAX's Beauce facilities.

Sales by Geographic Region (millions of \$)



Research and Development

MAAX's growth, reach and ability to consistently attract new customers depend largely on R&D investments in new products and manufacturing processes. During the past year, about \$2.8 million was allocated to research and development. Our ability to continually innovate, launching some 35 new products every year, showcases the creativity, know-how and ingenuity of the some 45 designers, engineers and technicians working in our four R&D centres. That is why we are confident that we can maintain and intensify our product line leadership across North America—within both of our business segments.

Human Resources

Team spirit has always been highly valued at MAAX and is a key factor to our sustained growth.

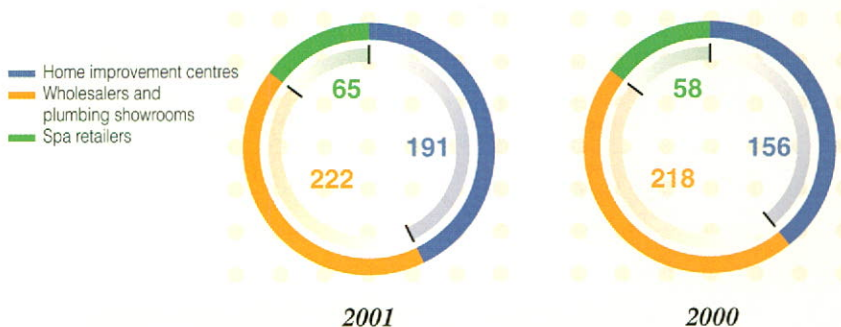
The rationalization, integration and optimization measures implemented in the past two years have been both demanding and exciting for the 2,756 employees – 1,801 in Canada, 892 in the United States and 63 in Europe – working for our Company at the end of fiscal 2001. With about the same number of employees as last year, we posted growth of about \$46 million while at the same time improving our business processes.

These achievements would not have been possible without an ongoing, open dialogue and, above all, the core values in which MAAX takes pride:

- customer satisfaction;
- innovation and creativity;
- employee empowerment;
- quality and productivity;
- openness and communication; and
- focus on optimal results.

Over the past four years, MAAX has successfully met the challenges of exceptional growth as sales have tripled and we have integrated some 1,100 employees. This has entailed imparting our corporate values, and their unmitigated endorsement, to our employees company-wide. Today, all employees share a common vision of MAAX's future and how we will get there.

Sales by Distribution Network (millions of \$)



Outlook

The North American economy is likely to see slower growth this year. However, we remain confident that we can pursue our growth since 70% of our sales come from the home improvement market, which is much less affected by economic slumps than housing starts. This is even truer when there is a downward trend in interest rates, as it is currently the case.

More specifically, we plan to further capitalize on product lines targeting to mid-range and high-end renovations because although these two segments of the home improvement industry account for only 28% of all bathroom and kitchen remodeling projects, they represent close to 70% of the total renovation dollars customers spend on these two rooms.

This is why we have opted to strengthen our niche-specific program. In so doing, we are targeting a customer base whose home improvement expenditures are not only considerable, but also less affected by fluctuations in the economy.

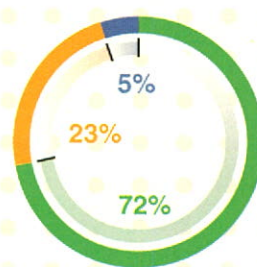
In 2001, we will continue to focus on carrying out our strategic plans in each of our business segments. We intend to build upon our assets, and we are confident that we can further increase our market share.

Marie-France Poulin
Executive Vice-President

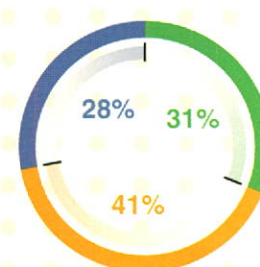
Bathroom and Kitchen Renovations

Category

- Low-cost
- Mid-range
- High-end



Percentage of renovation projects



Percentage of dollars spent

Passion...

The fiscal year ended February 28, 2001, was dedicated to establishing strong bases for managing future growth in terms of manufacturing, distribution, logistics, and business management.

... to Achieve!

This management's discussion and analysis of the Company's operating results and changes in financial position for the fiscal year ended February 28, 2001, as well as its financial position at that date, should be read in conjunction with the consolidated financial statements appearing in this annual report.

Operating Results

During the fiscal year ended February 28, 2001, MAAX achieved sales of \$477.8 million, compared with \$431.9 million during the previous fiscal year. This increase of 10.6% or nearly \$46.0 million was due to internal growth of 7.3% and the contribution for a full fiscal year of the businesses acquired in fiscal 2000, specifically SaniNova B.V. and Imperial Woodcraft.

On a segmented basis, sales of bathroom and kitchen products grew by 9.5% to reach \$405.8 million, thereby accounting for 85% of consolidated sales. Sales of spas rose 17.6% to \$72 million, or 15% of the Company's total sales.

The geographic breakdown of sales for fiscal 2000 was as follows: 66.9% of sales were recorded in the United States, 28.9% in Canada and 4.2% in international markets.

Operating income (before research and development costs, financial expenses, depreciation and amortization) for the past fiscal year totalled \$65.0 million, up from \$62.3 million for the previous fiscal year. This growth of 4.4% was achieved despite higher energy and raw materials costs, combined with a loss in operational effi-

ciency due to the relocation and restart of the MAAX Spas (B.C.) and C.E. Cabinets' plants.

Research and development expenses grew by 10% to total \$2.8 million. Financial expenses rose 15% to \$9.3 million on account of an increase in indebtedness. Fixed assets and deferred costs amortization expenses grew by 33.9% to total \$17.2 million. This higher amount reflects the recognition of the results of SaniNova B.V. and Imperial Woodcraft for a full fiscal year as well as substantial investments in production infrastructure improvements.

The Company thus posted income before income taxes and goodwill amortization of \$35.9 million, compared with \$30.2 million in fiscal 2000.

The Company's effective tax rate matches the weighted average of international statutory tax rates. The effective tax rate went from 32.3% in 2000 to 32.2% in 2001.

Net income rose 19.7% to \$22.0 million or \$0.93 per share, up from \$18.4 million or \$0.78 per share a year earlier. It should be noted that MAAX recorded non-recurring expenses of \$8.8 million before income taxes at the end of fiscal 2000 subsequent to the implementation of a restructuring plan aimed at optimizing its operational and organizational efficiency as part of integration measures of its latest acquisitions.

Cash Flow

Cash flow from operations grew by 19.3% to total \$45.3 million or \$1.91 per share, compared with \$38.0 million or \$1.60 per share a year earlier. Excluding non-recurring expenses, cash flow from operations for fiscal 2000 amounted to \$43.9 million or \$1.85 per share. After accounting for non-cash working capital items, operating activities provided cash of \$55.3 million over the past year, \$17.5 million of which arose from the sale of accounts receivable.

With regard to inventories, the turnover ratio held steady at 6.0, which is identical to a year earlier.

The average accounts receivable collection period went from 60 days in fiscal 2000 to 67 days over the past fiscal year as a result of a different breakdown of sales by customer and an economic slowdown.

During fiscal 2001, MAAX earmarked \$30.4 million for its capital expenditure program, specifically to purchase new production equipment for C.E. Cabinets, to carry on the plant automation program and to acquire a new management information system.

These investments were financed by cash flow from operations, which also served to repay a net sum of \$13.0 million in long-term debt.

After accounting for the aforementioned cash inflows and outlays, the Company showed a bank overdraft of \$0.6 million as at February 28, 2001.

Financial Position

During fiscal 2001, MAAX improved its financial position while sustaining a large-scale capital expenditure program.

MAAX's total assets increased by \$11.3 million to reach \$408.2 million as at February 28, 2001, including \$128.8 million attributable to goodwill. Working capital rose 3.1% to \$87.4 million, for a current ratio of 2.52:1 compared with 2.19:1 at the close of fiscal 2000.

Long-term debt fell from \$101.0 million to \$92.9 million while shareholders' equity amounted to \$242.7 million or \$10.21 per share, up 11.4% over the previous fiscal year. The long-term debt on total capitalization ratio went from 31.7% in 2000 to 27.7% in 2001.

Outlook, Requirements and Sources of Funds

Management is confident that MAAX can deliver a solid financial performance during the 2002 fiscal year. To offset the impact of the economic downturn on housing starts, the Company intends to actively promote its home improvement products, which account for 70% of its consolidated sales. The Company might also make further acquisitions matching its criteria in Canada, the United States and Europe.

The capital expenditure program is estimated at \$15.0 million for the purchase of new equipment at C.E. Cabinets, the continuing implementation of a new management information system, and the ongoing plant automation program.

For fiscal 2002, cash flow from operations should be sufficient to cover most of the funds needed for these projects and the scheduled repayment of at least \$7 million in long-term debt. If applicable, any additional funding requirements would be derived from unused credit facilities of more than \$35 million.



Richard Garneau
Executive Vice-President and
Chief Financial Officer

Financial Retrospective

(in thousands of dollars except per-share amounts)

	2001	2000 ⁽¹⁾	1999	1998	1997	1996
Operating Results						
Sales	\$477,796	\$431,876	\$312,895	\$174,841	\$112,086	\$85,902
Operating income ⁽²⁾	\$ 65,026	\$ 62,296	\$ 47,807	\$ 30,528	\$ 21,118	\$ 12,054
Income before amortization of goodwill	\$ 24,762	\$ 20,707	\$ 20,703	\$ 13,181	\$ 9,166	\$ 3,926
Net income	\$ 21,981	\$ 18,367	\$ 19,193	\$ 12,224	\$ 8,657	\$ 3,514
Cash flow	\$ 45,302	\$ 37,977	\$ 31,841	\$ 20,084	\$ 14,713	\$ 7,750
Per Share ⁽³⁾						
Income before amortization of goodwill (basic)	\$ 1.04	\$ 0.87	\$ 0.95	\$ 0.73	\$ 0.55	\$ 0.24
Net income (basic)	\$ 0.93	\$ 0.78	\$ 0.88	\$ 0.68	\$ 0.53	\$ 0.22
Net income (fully diluted)	\$ 0.89	\$ 0.75	\$ 0.84	\$ 0.66	\$ 0.50	\$ 0.22
Cash flow	\$ 1.91	\$ 1.60	\$ 1.46	\$ 1.11	\$ 0.89	\$ 0.48
Book value	\$ 10.21	\$ 9.19	\$ 8.66	\$ 4.57	\$ 3.67	\$ 2.72
Shares outstanding (in thousands)	23,774	23,717	23,644	18,332	17,770	16,306
Financial Position						
Working capital	\$ 87,359	\$ 84,737	\$ 68,949	\$ 29,679	\$ 7,193	\$ 10,792
Fixed assets	\$126,809	\$109,721	\$ 70,503	\$ 48,800	\$ 43,354	\$ 34,266
Total assets	\$408,196	\$396,931	\$277,796	\$168,735	\$117,881	\$82,861
Long-term debt	\$ 92,870	\$101,006	\$ 25,809	\$ 49,350	\$ 19,416	\$ 22,995
Shareholders' equity	\$242,735	\$217,875	\$204,833	\$ 83,641	\$ 65,210	\$ 44,252
Financial Statistics						
Net income	4.6%	4.3%	6.1%	7.0%	7.7%	4.1%
Current ratio	2.52:1	2.19:1	2.61:1	1.94:1	1.24:1	1.75:1
Long-term debt/ total capitalization	27.7%	31.7%	11.2%	37.1%	22.9%	34.2%
Return on weighted average equity (net)	9.3%	8.8%	11.9%	16.6%	17.1%	8.3%
Return on total assets	5.5%	5.5%	8.6%	8.5%	8.6%	4.9%

(1) Non-recurring expenses of \$9.8 million before income taxes were recorded in fiscal 2000.

(2) Before depreciation, amortization, research and development expenses, financial expenses and income taxes.

(3) Per-share amounts have been restated to account for the two-for-one stock split as at April 3, 1997.

Management's Report

The consolidated financial statements of MAAX Inc. and the other financial information contained in this annual report are the responsibility of the Company's management and have been approved by the Board of Directors. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include amounts established according to the most probable assumptions made by management and based on prudent judgment.

To fulfill its obligations, the Company's management sees to the maintenance of adequate accounting records, the establishment of satisfactory internal controls to safeguard its assets, and the development of policies and procedures to provide assurance as to the reliability of the information.

The external and internal auditors have unrestricted access to the Audit Committee to discuss any matter relevant to their audit. This Committee is responsible for examining the financial statements and recommending their approval to the Board. It is also responsible for recommending the appointment or renewal of the term of the external auditors.

The external auditors appointed by the shareholders are responsible for auditing the consolidated financial statements and expressing an opinion based on their audit.



Placide Poulin
Chairman and Chief Executive Officer
Sainte-Marie, Quebec
April 20, 2001



Richard Garneau
Executive Vice-President and Chief Financial Officer

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of MAAX Inc. as at February 28, 2001, and February 29, 2000, and the consolidated statements of income and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2001 and February 29, 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Quebec, Canada
April 20, 2001

Consolidated Balance Sheets

As at February 28, 2001 and February 29, 2000
(in thousands of dollars)

	2001	2000
Assets		
Current assets:		
Immigrant investment	\$ -	\$ 3,695
Accounts receivable	61,474	70,712
Inventories (note 2)	73,158	72,141
Income taxes recoverable	3,147	4,888
Prepaid expenses	5,026	4,566
Future income taxes (note 7)	2,187	-
	144,992	156,002
Fixed assets (note 3)	126,809	109,721
Goodwill (note 4)	128,783	127,173
Other assets	4,020	4,035
Future income taxes (note 7)	3,592	-
	\$ 408,196	\$ 396,931
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank overdrafts	\$ 644	\$ 4,486
Bank loans (note 5)	5,312	5,479
Accounts payable and accrued liabilities	44,948	49,937
Current portion of long-term debt (note 6)	6,729	11,363
	57,633	71,265
Long-term debt (note 6)	92,870	101,006
Future income taxes (note 7)	14,958	6,785
Shareholders' equity:		
Capital stock (note 8)	143,940	144,333
Balance payable in shares on business acquisition (note 8)	960	1,200
Retained earnings	90,230	72,069
Cumulative translation adjustment	7,605	273
	242,735	217,875
Commitments and contingencies (note 16)		
	\$ 408,196	\$ 396,931

See accompanying notes to consolidated financial statements.

On behalf of the Board,


Director


Director

Consolidated Statements of Income

Years ended February 28, 2001 and February 29, 2000
(in thousands of dollars, except per share amounts)

	2001	2000
Sales	\$ 477,796	\$ 431,876
Expenses:		
Operating	412,770	369,580
Research and development	2,751	2,499
Financial expenses (note 9)	9,253	8,048
Amortization (note 9)	17,168	12,817
	441,942	392,944
Income before non-recurring expenses	35,854	38,932
Non-recurring expenses (note 10)	—	8,765
Income before income taxes and goodwill amortization	35,854	30,167
Income taxes (note 7)	11,092	9,460
Income before goodwill amortization	24,762	20,707
Goodwill amortization, net of income taxes (note 7)	2,781	2,340
Net income	\$ 21,981	\$ 18,367
Income per share:		
Before goodwill amortization	\$ 1.04	\$ 0.87
Net income	\$ 0.93	\$ 0.78
Fully diluted income per share:		
Before goodwill amortization	\$ 0.99	\$ 0.84
Fully diluted income	\$ 0.89	\$ 0.75

See accompanying notes to consolidated financial statements.

Consolidated Statements of Retained Earnings

Years ended February 28, 2001 and February 29, 2000
(in thousands of dollars)

	2001	2000
Retained earnings, beginning of year	\$ 72,069	\$ 55,688
Change in accounting policy (note 1b)	(99)	—
Beginning of year, restated	71,970	55,688
Net income	21,981	18,367
	93,951	74,055
Premium paid on redemption of shares	(394)	(329)
Dividends	(3,327)	(1,657)
	(3,721)	(1,986)
Retained earnings, end of year	\$ 90,230	\$ 72,069

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended February 28, 2001 and February 29, 2000
(in thousands of dollars)

	2001	2000
Cash provided by (used in):		
Operations:		
Net income	\$ 21,981	\$ 18,367
Items not affecting cash:		
Amortization	17,168	12,817
Amortization of goodwill	3,410	3,023
Amortization of financial expenses	665	1,218
Future income taxes	2,078	2,552
Operating cash flows	45,302	37,977
Changes in non-cash operating working capital (note 11)	9,957	(20,767)
	55,259	17,210
Financing:		
Increase (decrease) of bank loans	(346)	2,156
Increase in long-term debt	1,783	72,079
Repayment of long-term debt	(14,805)	(6,021)
Proceeds of issuance of shares	661	480
Redemption of shares	(1,689)	(1,042)
Dividends paid	(3,327)	(1,657)
	(17,723)	65,995
Investments:		
Business acquisitions, net of bank overdrafts (note 12)	(873)	(53,422)
Additions to fixed assets	(30,383)	(33,128)
Proceeds from disposal of fixed assets	520	178
Goodwill	(482)	(1,658)
Other assets	(2,277)	(2,790)
	(33,495)	(90,820)
Increase (decrease) in cash	4,041	(7,615)
Translation adjustment on bank overdrafts denominated in foreign currencies	(199)	-
Cash (bank overdrafts), beginning of year	(4,486)	3,129
Bank overdrafts, end of year	\$ (644)	\$ (4,486)

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended February 28, 2001 and February 29, 2000
(tabular amounts are expressed in thousands of dollars)

The Company is incorporated under the Quebec Companies Act. Its principal business activity is to design, develop, manufacture and distribute bathroom and kitchen products and spas.

1. Significant Accounting Policies:

a) Consolidation:

The consolidated financial statements include the accounts of the Company and all its subsidiaries.

b) Change in accounting policy:

On March 1, 2000, the Company adopted retroactively, without restatement of prior years' financial statements, the new recommendations of the Canadian Institute of Chartered Accountants' Handbook, section 3465, Income Taxes.

The cumulative effect of adopting the new recommendations was to increase future income taxes liabilities and to decrease retained earnings at beginning of year by \$99,000.

c) Immigrant investment:

The immigrant investment, stated at cost, which approximates the fair value, consisted of term deposits bearing interest at 7%.

d) Inventories:

Raw materials are valued at the lower of cost and replacement cost. Work in progress and finished goods are valued at the lower of cost and net realizable value.

Cost is determined using the first-in, first-out basis.

e) Fixed assets:

Fixed assets are stated at cost, net of government grants and investment tax credits. Amortization is calculated using the following methods, rates and periods:

Assets	Methods	Rates and periods
Paving	Diminishing balance	4%
Buildings	Straight-line	40 years
Moulds and dies	Straight-line	2 to 7 years
Furniture and equipment	Diminishing balance	10% and 20%
Data processing system	Diminishing balance or straight-line	15% and 30% or 15 years
Automotive equipment	Diminishing balance	20% and 30%

f) Goodwill:

Goodwill represents the excess of the purchase price over the fair value of net assets of acquired businesses and is amortized using the straight-line method over periods not exceeding 40 years.

The unamortized portion of goodwill is regularly compared with its fair value based on expected undiscounted future income and, in case of impairment, the carrying value of goodwill would be written down.

g) Other assets:

Deferred costs, stated at cost less accumulated amortization, are amortized using the straight-line method over 3 and 5 years.

1. Significant Accounting Policies (cont'd):

h) Revenue recognition:

Sales are recognized upon the delivery of the products and at the date the transfer of ownership risks and benefits to the customers occurs. Sales represent gross sales less volume rebates, customers' discounts and transportation expenses.

i) Income taxes:

The Company uses the asset and liability method to account for income taxes. Future income taxes originating from temporary differences between the carrying value and the tax basis of assets and liabilities are measured using enacted or substantially enacted tax rates and tax laws in effect for the year in which those temporary differences are expected to be recovered or settled.

j) Foreign currency translation:

Self-sustaining foreign operations

Net assets of self-sustaining foreign operations are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Revenue and expenses are translated using the average exchange rate of the year. Exchange gains and losses arising from the translation are deferred and included in a separate item of shareholders' equity and will be included in income when there will be a reduction in the net investment in these foreign operations.

Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the end of the year. Other assets and liabilities are translated at exchange rates prevailing at the respective transaction dates. Exchange gains or losses are included in income. Items affecting income are translated at the exchange rate prevailing at the respective transaction dates.

k) Stock-based compensation plan:

The Company has a stock-based compensation plan, which is described in note 8. No compensation expense is recognized for this plan when stock options are issued to employees. Any consideration paid by employees on exercise of stock options is credited to capital stock.

l) Derivative financial instruments:

The Company uses various derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. The income or expense resulting from the use of these instruments is included in net income for the period and in the same financial statement category as the income or expense arising from the corresponding hedged position. Unrealized gains and losses are not recognized until the maturity of the underlying instrument.

m) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Significant areas requiring the use of management estimates relate to the useful life of assets for amortization purposes and for the evaluation of their net recoverable amount, the provisions for doubtful accounts, obsolete inventory, warranty and income taxes. Accordingly, actual results could differ from these estimates.

1. Significant Accounting Policies (cont'd):**n) Income per share:**

Income per share is calculated using the weighted average number of shares outstanding during the year. The method of revenues attributable to funds that would have been obtained from the exercise of options or their equivalents was used to determine the potential dilution effect.

2. Inventories:

	2001	2000
Raw materials	\$ 41,609	\$ 40,797
Work in progress and finished goods	31,549	31,344
	\$ 73,158	\$ 72,141

3. Fixed Assets:

	Cost	Accumulated amortization	2001 Net book value	2000 Net book value
Lands and paving	\$ 9,137	\$ 209	\$ 8,928	\$ 8,527
Buildings	66,848	8,549	58,299	44,824
Moulds and dies	18,863	10,481	8,382	10,400
Furniture and equipment	60,311	28,604	31,707	25,326
Data processing system	9,066	5,186	3,880	4,500
Automotive equipment	6,217	3,589	2,628	2,649
Projects in progress:				
Buildings	—	—	—	9,426
Equipment	6,085	—	6,085	4,069
Data processing system	6,900	—	6,900	—
	\$ 183,427	\$ 56,618	\$ 126,809	\$ 109,721

4. Goodwill:

	2001	2000
Goodwill at cost	\$ 141,638	\$ 136,314
Less accumulated amortization	12,855	9,141
	\$ 128,783	\$ 127,173

5. Bank Loans:

Bank loans, of an authorized amount of US\$3,000,000 and NLG 5,000,000, bear interest at the bank prime rate and the bank prime rate plus 1% respectively. As at February 28, 2001, these rates are 8.5% and 6.5% respectively.

Notes to Consolidated Financial Statements

6. Long-Term Debt:

	Effective interest rates	Years of maturity	2001	2000
Revolving credit (a)	6.15%	2004	\$ 87,470	\$ 90,679
Debenture	4%	2002	2,000	4,000
Note payable, NLG 2,000 (NLG 4,000 in 2000)	Without interest	2002	1,287	2,537
Loan, NLG 2,188 (NLG 2,812 in 2000), secured by land, buildings and other assets	5.6%	2002-2005	1,408	1,784
Revolving loan, NLG 4,813 (NLG 5,000 in 2000), secured by land, buildings and other assets (b)	5.8%	2002-2022	3,098	3,172
Loan, secured by land, a building and certain equipment	9.4%	2002	2,065	2,269
Loan, secured by a building and certain equipment (c)	8.1%	2002	115	475
Notes payable	8.5%	2002-2004	1,686	-
Other	Various	2002-2005	470	7,453
			99,599	112,369
Current portion of long-term debt			6,729	11,363
			\$ 92,870	\$ 101,006

- a) The Company has a revolving credit of an amount of \$150,000,000 or the equivalent in U.S. dollars to finance its current operations, capital expenditures and business acquisitions. The revolving credit may be extended annually subject to the approval of the lender. In the case of non-renewal, the revolving credit will become a term loan payable in two years. The agreement governing this credit contains covenants including the maintaining of certain financial ratios.

The revolving credit bears interest at floating rates based on banker's acceptance rate, bank prime rate or LIBOR.

- b) The revolving loan bears interest at the Euribor rate plus 1%.

- c) The loan bears interest at the lender's basic rate plus 2.25%.

The principal repayments on long-term debt, excluding the revolving credit, for each of the next five years are as follows: 2002 - \$6,729,000; 2003 - \$1,293,000; 2004 - \$1,206,000; 2005 - \$443,000, and 2006 - \$164,000.

7. Income Taxes:

Total income tax expense is allocated as follows:

	2001	2000
Income taxes	\$ 11,092	\$ 9,460
Goodwill amortization	(629)	(683)
	\$ 10,463	\$ 8,777

Income tax expense attributable to income consists of:

	2001	2000
Current	\$ 8,385	\$ 6,225
Future	2,078	2,552
	\$ 10,463	\$ 8,777

7. Income Taxes (cont'd):

The reconciliation between income tax expense calculated using combined statutory and effective tax rates is as follows:

	2001		2000	
	\$	%	\$	%
Income tax expense calculated using international statutory rates	12,070	37.2	9,475	34.9
Add (deduct) tax effect of the following:				
Credit for manufacturing and processing profits	(713)		(223)	
Permanent differences	142		107	
Federal tax on large corporations and other differences	(1,036)		(582)	
	(1,607)	(5.0)	(698)	(2.6)
	10,463	32.2	8,777	32.3

The tax effects of significant items comprising the Company's net future tax liability are as follows:

	2001
Operating losses carried forward	\$ 3,183
Difference in accounting and tax basis for:	
Current assets and liabilities	2,395
Fixed assets	(9,533)
Goodwill	(4,937)
Other assets	(239)
Other	52
Valuation allowance	(100)
Total future income taxes	\$ (9,179)
Future income taxes are as follows:	
Future income tax asset – current portion	\$ 2,187
Future income tax asset – long-term portion	3,592
Future income tax liability – long-term portion	(14,958)
Total future income taxes	\$ (9,179)

The Company has not recognized a future tax liability for the undistributed earnings of its subsidiaries in the current and prior years because the Company currently does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future. A future tax liability will be recognized when the Company expects that it will recover those undistributed earnings in a taxable manner, such as sale of the investment or through receipt of dividends.

8. Capital Stock:

Authorized in unlimited number and without par value:

Class A and class B preferred shares, non-participating and non-voting. The Company's statutes authorize the issuance of class A and class B preferred shares in one or several series and allow directors to determine the quantity and designation of each series of shares and their attributes, without requiring the approval of the shareholders.

Common shares.

	2001	2000
Issued and paid:		
23,773,559 common shares (23,716,659 in 2000)	\$ 143,940	\$ 144,333

8. Capital Stock (cont'd):*Redemption:*

In March 2000, the Company redeemed 62,000 common shares for a cash consideration of \$772,000, including an amount of \$394,000 recorded as a reduction of retained earnings.

In January 2001, a loan of \$917,000, recorded as a reduction of capital stock, was granted to a director for the purchase of 100,000 common shares of the Company. This loan is payable over three years and bears interest, payable quarterly, at lender's rate. Interest income, net of related income taxes, will be credited to retained earnings. The loan is secured by the shares and they will be released proportionally to the cash consideration received by the Company. As at February 28, 2001, the market value of these shares is \$915,000.

In February 2000, the Company redeemed 83,900 common shares for a cash consideration of \$1,042,000, including amounts of \$208,000 and \$329,000, which were recorded as a reduction of the contributed surplus and retained earnings respectively.

Shares reserved:

The Company has reserved 60,000 common shares (75,000 in 2000) at \$16 per share, in connection with the balance payable in shares on business acquisition, which will be issued over a three-year period. As of February 28, 2001, 15,000 common shares were issued and an amount of \$240,000 has been credited to the capital stock.

Stock option purchase plan:

Under the 1987 stock option purchase plan for the benefit of senior executives and management of the Company, 3,572,980 common shares were reserved. The exercise price of each option granted is based on the closing price on the Toronto Stock Exchange market on the day prior to the granting of such option. The plan provides for a maximum option term of ten years, or earlier in cases of termination of employment, retirement or death. The holder may exercise these options, subject to an annual limit of 20%, such limit being cumulative during the first five years.

A summary of the status of the stock option purchase plan as at February 28, 2001, and February 29, 2000, and changes during the years ended on those dates is presented below:

	Options	2001 Weighted- average exercise price	Options	2000 Weighted- average exercise price
Outstanding at beginning of year	1,450,900	\$ 11.71	1,339,500	\$ 10.27
Granted	460,000	11.11	426,000	14.57
Exercised	(103,900)	6.37	(156,600)	3.08
Cancelled	(109,800)	14.79	(158,000)	15.78
Outstanding at end of year	1,697,200	\$ 11.68	1,450,900	\$ 11.71
Options exercisable at end of year	799,800	\$ 10.50	704,900	\$ 9.41

The following table summarized information about stock options outstanding at February 28, 2001:

Range of exercise price	Number	Options outstanding		Options exercisable	
		Average remaining life	Weighted-average exercise price	Number	Weighted-average exercise price
\$ 1.75 to \$ 6.20	297,200	4.2 years	\$ 4.92	297,200	\$ 4.92
\$ 9.25 to \$13.00	912,000	7.9 years	11.18	274,000	11.05
\$15.40 to \$19.05	488,000	7.7 years	16.73	228,600	17.09
\$ 1.75 to \$19.05	1,697,200	7.3 years	\$ 11.68	799,800	\$ 10.50

Under this plan, 524,780 stock options may be granted at the end of the year.

9. Information on the Statement of Income:

	2001	2000
Financial expenses:		
Interest on long-term debt	\$ 8,304	\$ 4,023
Other interest and financial expenses	738	3,101
Amortization of deferred exchange losses	—	906
Amortization of deferred financing charges	665	312
Interest income	(454)	(294)
	\$ 9,253	\$ 8,048
Amortization:		
Fixed assets	\$ 15,534	\$ 11,472
Deferred costs	1,634	1,345
	\$ 17,168	\$ 12,817

10. Non-Recurring Expenses:

During the prior year, as a result of the implementation of its integration plan, the Company recorded non-recurring expenses of \$8,765,000. This plan included specialization and automation of production lines and also consolidation of product lines and trademarks.

If these non-recurring expenses, net of income taxes of \$2,848,000, had not been recorded in the books, net earnings would have amounted to \$24,284,000 and to \$1.03 on a per share basis.

11. Supplemental Cash Flows Information:

	2001	2000
Changes in non-cash operating working capital:		
Accounts receivable	\$ 11,434	\$ (12,496)
Inventories	621	(25,294)
Prepaid expenses	(349)	(1,066)
Accounts payable and accrued liabilities	(7,171)	12,929
Income taxes	1,727	(5,288)
Immigrant investment	3,695	(3,695)
Working capital acquired through business acquisitions	—	14,143
	\$ 9,957	\$ (20,767)
Non-cash transactions excluded from consolidated cash flows:		
Write-off of accounts payable in reduction of goodwill	\$ 485	\$ 452
Acquisition of fixed assets included in the accounts payable at year-end	894	1,643
Balance payable in shares on business acquisition	—	1,200
Balance payable in cash on business acquisition	—	2,637
Issuance of common shares in partial settlement of a business acquisition	240	—
Cash outflows during the year related to:		
Interest on long-term debt	8,964	3,768
Income taxes	7,892	10,542

12. Business Acquisition:

During the year, the Company has paid contingent consideration based on earnings to the sellers of businesses acquired in previous years amounting to \$873,000. Also, a purchase price decrease of \$485,000 has been recorded in connection with a business acquired in a prior year. The net amount resulting from these purchase price adjustments has been accounted for as goodwill.

12. Business Acquisition (cont'd):

During the past year, the Company acquired, through a subsidiary, all outstanding shares of SaniNova B.V., a Netherlands company specialized in the design, development, manufacturing and distribution of bathroom products.

This business acquisition has been accounted for using the purchase method, and the results of operations are included from the date of acquisition. The fair value of net assets acquired is as follows:

Net operating working capital	\$ 14,143
Fixed assets	17,589
Other assets	521
Goodwill	39,462
Bank overdraft	(3,262)
	68,453
Bank loan	(1,570)
Long-term debt	(13,227)
Fair value on net assets acquired	\$ 53,656
Consideration:	
Cash	\$ 50,160
Note payable without interest (NLG 4,000)	2,637
Balance payable in shares on business acquisition (note 8)	1,200
	53,997
Deemed interest on purchase price	(341)
	\$ 53,656

13. Financial Instruments and Risk Management:

The Company operates and sells its products internationally and is therefore exposed to risks related to foreign exchange fluctuations and credit risk.

Foreign exchange risk management:

The Company uses certain derivative financial instruments to reduce its exposure to foreign currency risk. The notional amounts of derivative financial instruments shown in the following table represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market or credit risk of such instruments. The notional amounts represent the amounts to which an exchange rate will be applied to determine the amount of cash flows to be exchanged. None of these instruments is held or issued for speculative purposes.

Forward exchange contracts in U.S. dollars:

Maturity	Notional amounts	2001 Average rate	Notional amounts	2000 Average rate
2001	\$ -	-	\$ 30,000	1.4690
2002	38,550	1.4714	38,750	1.4711
2003	27,000	1.4907	11,000	1.4585

Credit risk management:

The Company is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the Company monitors the financial condition of its customers on a regular basis and establishes the credit rating of all new customers. An allowance for doubtful accounts is established to cover the specific credit risk of its customers, historical trends and economic circumstances. The Company does not believe that it is exposed to an unusual level of credit risk.

13. Financial Instruments and Risk Management (cont'd):

The Company believes that the diversity of its customer base, by product and by region, reduces its credit risk and the impact of abrupt fluctuations in product demand.

Fair value of financial instruments:

The carrying amount of accounts receivable, bank overdrafts, bank loans, accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these items.

The carrying amount of the long-term debt approximates its fair value because the interest rates are close to the market rates as at February 28, 2001.

The fair value of the derivative financial instruments, being the difference between the notional amounts and the fair value of the forward exchange contracts estimated by obtaining quotes from counterparties for same or similar financial instruments, is approximately \$2,544,000 lower than its notional value.

14. Segmented Information:

The Company designs, develops, manufactures and distributes products in two business segments, those being: bathroom and kitchen, and spas. Until February 29, 2000, the Company managed kitchen cabinets as a distinct segment. Since that date, this segment is included with bathroom products to form our bathroom and kitchen segment, and, accordingly, comparative figures have been reclassified. The bathroom and kitchen segment includes sales of bathtubs and showers made of acrylic, fiberglass and ABS, as well as shower doors and medicine and kitchen cabinets. The business segments are managed separately because each business requires different technologies and marketing strategies. The management of the Company evaluates the performance of each segment based on income before income taxes and goodwill amortization. Operations are located in Canada, United States and Europe.

The accounting policies used in these business segments are the same as those described in the significant accounting policies. Intersegment sales are recorded at the exchange value, which is the amount agreed to by the parties.

Approximately 28% (25% in 2000) of total sales originate from one client.

Reconciliations with the financial statements of revenues and assets by business segment and geographic segment are:

	2001	2000
By business segment:		
Sales:		
Bathroom and kitchen	\$ 405,843	\$ 370,662
Spas	71,969	61,517
	477,812	432,179
Intersegment sales:		
Bathroom and kitchen	15	9
Spas	1	294
	16	303
Net sales:		
Bathroom and kitchen	405,828	370,653
Spas	71,968	61,223
	\$ 477,796	\$ 431,876

14. Segmented Information (cont'd):

	2001	2000
By business segment (cont'd):		
Income before income taxes and goodwill amortization:		
Bathroom and kitchen	\$ 35,271	\$ 31,555
Spas	583	(1,388)
	\$ 35,854	\$ 30,167
Amortization of fixed assets and goodwill:		
Bathroom and kitchen	\$ 16,963	\$ 12,852
Spas	1,981	1,643
	\$ 18,944	\$ 14,495
Assets:		
Bathroom and kitchen	\$ 357,735	\$ 351,392
Spas	50,461	45,539
	\$ 408,196	\$ 396,931
Additions to fixed assets and goodwill:		
Bathroom and kitchen	\$ 31,413	\$ 34,321
Spas	2,110	2,108
	\$ 33,523	\$ 36,429
By geographic segment:		
Net sales, from Canadian facilities:		
Canada	\$ 137,534	\$ 134,689
United States	97,072	86,881
Overseas	3,162	2,647
	237,768	224,217
Net sales, from American facilities:		
Canada	523	51
United States	222,343	203,372
Overseas	—	954
	222,866	204,377
Net sales, from European facilities:		
Overseas	17,162	3,282
	\$ 477,796	\$ 431,876
Fixed assets and goodwill:		
Canada	\$ 141,350	\$ 126,203
United States	85,418	82,443
Europe	28,824	28,248
	\$ 255,592	\$ 236,894

15. Related Party Transactions:

Under an agreement signed with a shareholder company, the Company is committed to pay on an annual basis management fees and a 5% bonus calculated on consolidated income before bonus and income taxes. This agreement expired on February 28, 2001.

Under this agreement, the Company recorded the following transactions during the year:

	2001	2000
Management fees	\$ 633	\$ 613
Bonus	1,803	1,515
	\$ 2,436	\$ 2,128

This agreement has been renewed up to February 29, 2004 as follows: management fees of \$1,117,500 and a 4.3% bonus calculated on consolidated income before bonus and income taxes.

16. Commitments and Contingencies:

a) Business acquisition:

The acquisition agreement of Novi includes a price adjustment clause based on the final value of net assets acquired on a \$1 for a \$1 basis if these net assets are different from the amount stipulated in the agreement. The parties to this agreement are in arbitration process.

b) Contingent payment:

Some business purchase agreements provide for a contingent payment of a maximum amount of \$18,527,000 based on future income of the acquired businesses up to February 2005.

c) Operating leases:

The Company rents fixed assets under operating leases whose rentals total \$19,798,000. Annual rentals under these leases for each of the next five years are as follows: 2002 – \$6,152,000; 2003 – \$5,245,000; 2004 – \$3,051,000; 2005 – \$2,062,000; 2006 – \$1,489,000 and thereafter – \$1,799,000. In addition, the Company must pay, for certain leases, its share of the annual operating expenses.

Furthermore, the Company has two purchase options on buildings of \$4,000,000 and \$3,500,000 beginning in January 2002.

d) Acquisition of fixed assets:

The Company entered into an agreement with a supplier regarding the purchase of equipment totalling \$6,000,000, of which \$2,500,000 has not yet been incurred.

e) Royalties:

In connection with the purchase of Coleman Spas, Inc., the parties entered into a ten-year licensing agreement to use the Coleman Spas trademark and associated logos. As defined in the licensing agreement, beginning October 1, 2001, the Company will be required to make royalty payments equal to 1.5% of net sales and 3% of net sales for the period from October 1, 2004, to September 30, 2007.

17. Comparative Figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Directors

Placide Poulin
Chairman and
Chief Executive Officer, MAAX Inc.

André Héroux
President and
Chief Operating Officer, MAAX Inc.

Richard Garneau
Executive Vice-President and
Chief Financial Officer, MAAX Inc.

Marie-France Poulin
Executive Vice-President, MAAX Inc.

David Poulin
Executive Vice-President,
Operations, MAAX Inc.

Jean-Pierre Chartrand
Vice-President,
Novacap Investments Inc.

Dennis Wood
Chairman and
Chief Executive Officer,
C-MAC Industries Inc.

Louis Garneau
President and Designer,
Louis Garneau Sports Inc.

Raymond Garneau¹
Chairman,
Industrial Alliance
Life Insurance Company

Paul Bilodeau^{1,2}
Chartered Administrator

Me Jacques A. Vachon
Corporate Secretary

¹ Member of the Audit Committee

² Member of the Environmental Committee

Officers

Members of the Executive Committee

Placide Poulin
Chief Executive Officer

André Héroux¹
President and
Chief Operating Officer

Richard Garneau¹
Executive Vice-President
and Chief Financial Officer

Marie-France Poulin¹
Executive Vice-President

David Poulin¹
Executive Vice-President,
Operations

Members of the Strategic Committee

Benoit Boutet
Régent Girard
Patrice Hénai
Terry Rake
Jean Rochette
Dan Stewart
Michel Tremblay
Larry Winters

¹ Member of the Strategic Committee

Head Office

640 Cameron
Sainte-Marie, Quebec
G6E 1B2 Canada
Telephone: (418) 387-4155
Fax: (418) 386-4520
www.maax.com

Subsidiaries

Canada

Imperial Woodcraft
Cuisine Expert – C.E. Cabinets Inc.
MAAX (Lachine, Qc) Inc.
MAAX Spas (B.C.) Inc.
MAAX Spas (Ontario) Inc.
MAAX Westco Inc.
Manhattan Products (Canada) Ltd.

United States

MAAX Hydro Swirl Manufacturing Corp.
MAAX-KSD Corporation
MAAX Midwest, Inc.
MAAX Southeast, Inc.
MAAX Spas (Arizona), Inc.
Manhattco Products, Inc.
Pearl Baths, Inc.

Europe

SaniNova B.V.

Plants by Sector

Bathroom and Kitchen

C.E. Cabinets, Laval, QC
Imperial Woodcraft, Cookshire, QC
MAAX Hydro Swirl, Bellingham, WA
MAAX-KSD, Ontario, CA
MAAX-KSD, Riviera Beach, FL
MAAX-KSD, Southampton, PA (2 plants)
MAAX, Lachine, QC
MAAX Midwest, Bremen, IN
MAAX Midwest, Cedar Rapids, IA
MAAX, Sainte-Marie, QC (3 plants)
MAAX Southeast, Valdosta, GA
MAAX, Tring-Jonction, QC
MAAX Westco, Airdrie, AB
MAAX Westco, Armstrong, BC
Manhattan, Anjou, QC
Pearl Baths, Minneapolis, MN
SaniNova, Heinenoord, Holland

Spas

MAAX Spas (Arizona), Chandler, AZ
MAAX Spas (B.C.), Maple Ridge, BC
MAAX Spas (Ontario), Beamsville, ON

Distribution Centres

Airdrie, Alberta
Berlin, New Jersey
Columbus, Ohio
Lakewood, New Jersey
Langley, British Columbia
Mississauga, Ontario
Sacramento, California

Registrar and Transfer Agents

General Trust of Canada
Montreal, Quebec
Computershare Trust Company of Canada Inc.
Toronto, Ontario

Auditors

KPMG LLP
Quebec City, Quebec

Legal Counsel

Desjardins, Ducharme, Stein, Monast
Quebec City, Quebec
Vachon, Besner & Ass.
Sainte-Marie, Quebec

Financial Institution

National Bank of Canada

Listing

Ticker Symbol: MXA
Toronto Stock Exchange

Recent Financial Comments

CIBC World Markets, May 2001
Nesbitt Burns, March 2001
Merrill Lynch, January 2001
RBC Dominion Securities, January 2001
Sprott Securities, January 2001

Annual Information Form

A copy of our Annual Information Form, filed with the Securities and Exchange Commissions of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and a copy of our *Notice annuelle*, filed with the *Commission des valeurs mobilières du Québec*, may be obtained on written request from the Corporate Secretary.

Annual General Meeting of Shareholders

July 4, 2001, at 11:30 a.m.
Queen Elizabeth Hotel
Marquette Room
900 René-Lévesque Blvd. West
Montreal, Quebec

Pour recevoir la version française de ce rapport, veuillez vous adresser à :

MAAX Inc.

a/s Marie-Michelle St-Jacques

640, Cameron

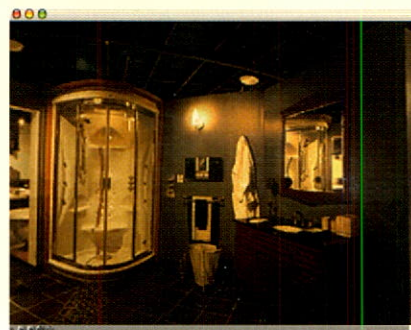
Sainte-Marie (Québec)

G6E 1B2 Canada

ou communiquer par courriel : mmstjacques@maax.com



VIRTUAL
Showroom



W W W . M A A X . C O M

640 Cameron, Sainte-Marie
Quebec G6E 1B2 Canada

Tel.: (418) 387-4155

Fax: (418) 386-4520

