

# AGRA

INDUSTRIES LIMITED

Engineering

Global

Solutions

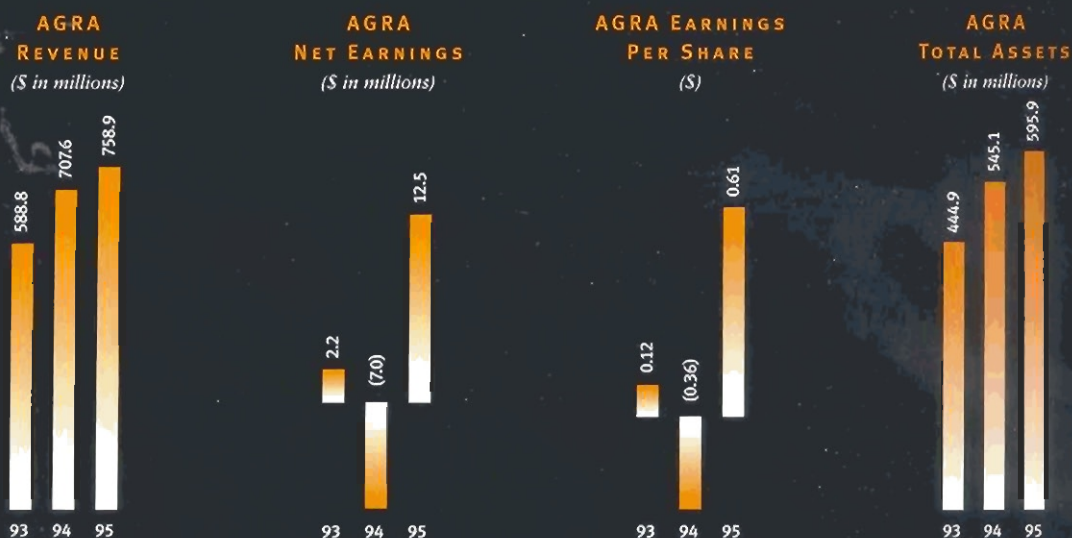
1995

ANNUAL REPORT

# FINANCIAL HIGHLIGHTS

For the year ended July 31, 1995	1995	1994*
<b>Operations</b> (in thousands of dollars)		
Revenue	\$ 758,871	707,566
Earnings		
From continuing operations	13,881	(5,672)
Discontinued operations	(1,363)	(1,372)
Net Earnings (Loss)	\$ 12,518	(7,044)
<b>Common Share Statistics</b> (per share)		
Earnings		
From continuing operations	0.67	(0.29)
Net earnings (loss)	0.61	(0.36)
Fully diluted earnings		
From continuing operations	0.62	(0.29)
Net earnings (loss)	0.56	(0.36)
Cash flow from operations	1.67	(0.11)
Dividends – Class A	0.14	0.14
Dividends – Class B	0.16	0.16
Equity	9.63	9.33
<b>Other Statistics</b> (in thousands)		
Average shares outstanding	20,614	19,525
Shareholders' equity	\$ 200,007	191,786
Working capital	\$ 73,786	69,894
<b>Segmented Information</b> (in thousands of dollars)		
<b>Revenue</b>		
Engineering, Construction & Technology	\$ 527,021	506,851
Resource Recovery & Recycling	70,818	57,396
Asset Development & Investments	161,032	143,319
	\$ 758,871	707,566
<b>Operating Profits</b> (before Interest and Taxes)		
Engineering, Construction & Technology	\$ 12,758	(20,495)
Resource Recovery & Recycling	6,588	4,055
Asset Development & Investments	21,934	15,675
	\$ 41,280	(765)

\*Comparative figures have been restated to reflect operations discontinued during the 1995 fiscal year



**AGRA is** an international corporation that provides engineering and construction, environmental and systems technology solutions to government and private sector customers around the world. Headquartered in Canada, AGRA employs 5,000 people in 135 offices in 20 countries.

With marketing leadership coordinated through AGRA International, the company is strategically focused on several international markets including the United States, China, South and Southeast Asia, the Middle East and Latin America.

AGRA's operations are divided into three sectors: Engineering, Construction & Technology (ECT); Resource Recovery & Recycling; and Asset Development & Investments. AGRA's core Engineering, Construction & Technology business is further subdivided into three groups:

GENERAL  
ENGINEERING &  
CONSTRUCTION  
GROUP



AGRA's core engineering expertise includes integrated design, procurement, construction and project management services in the areas of power, infrastructure, industrial and manufacturing facilities, process plants, telescopes, pipelines, foundation construction and marine infrastructure.

SYSTEMS  
ENGINEERING  
GROUP

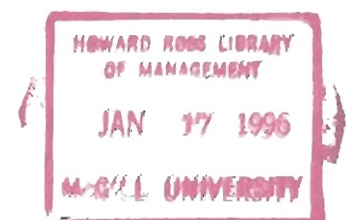


AGRA's core systems engineering expertise includes project management systems, systems integration services, radio spectrum management and telecommunications infrastructure, automated mapping, facilities management, geographic information systems and data conversion.

EARTH &  
ENVIRONMENTAL  
ENGINEERING  
GROUP



AGRA's core earth and environmental expertise includes environmental assessment and planning services, geotechnical and water resources engineering, materials testing, environmental monitoring and remediation.



## YEAR IN REVIEW

These are just a few of AGRA's significant project developments during fiscal 1995.

### HIBERNIA OFFSHORE OIL PROJECT, CANADA

*General Engineering & Construction*

AGRA participated in a joint venture providing engineering design for the Hibernia Gravity Base and Toppers facilities, and overall project management services for the owner of this multi-billion dollar project.



### HIGHWAY 407, CANADA

*General Engineering & Construction, Earth & Environmental Engineering*

AGRA is a participating partner in Canadian Highways International Corporation building Canada's first fully electronic toll expressway, Highway 407 at Toronto, Ontario.



### ZONGO VALLEY HYDROELECTRIC PROJECT, BOLIVIA

*General Engineering & Construction*

AGRA continued a 60-year relationship with the Bolivia Power Company winning a project to engineer and project manage the expansion of hydroelectric facilities in the Zongo Valley.



### CLEAN WATER PROJECT, ETHIOPIA

*Earth & Environmental Engineering*

AGRA provided design, training and operation services for a new water supply and distribution system for the Addis Ababa Water and Sewerage Authority.



### OIL SPILL CLEANUP, RUSSIA

#### Earth & Environmental Engineering

The World Bank and the European Bank for Reconstruction and Development called on AGRA to advise on the cleanup of one of the world's largest oil pipeline spills at Usinsk in The Commonwealth of Independent States (Russia).



### WOLSONG CANDU POWER UNITS, SOUTH KOREA

#### General Engineering & Construction

AGRA provided design, procurement and construction management for three 600-MW CANDU Nuclear Power units in South Korea through its ownership position in Canatom and Nuclear Project Managers.



### THREE GORGES PROJECT MANAGEMENT SYSTEM, CHINA

#### Systems Engineering

AGRA's project management system was selected for China's 18,500-MW Three Gorges Water Resources Project – the largest flood control hydroelectric and navigation project in the world.



### RADIO SPECTRUM MANAGEMENT, INDONESIA

#### Systems Engineering

AGRA won a \$44-million radio spectrum management contract to help Indonesia engineer, install and manage growing cellular telephone and other radio-based digital technologies.



**AGRA** completed a solid, profitable year of performance in fiscal 1995. Our consolidated revenues increased by more than \$50 million to \$758,871,000 and our net profits rose by more than \$19 million to \$12,518,000, or 61 cents per share. All three sectors of our business improved their revenues and earnings. While we were pleased with the significant turnaround in our core Engineering, Construction & Technology Sector, our strategic focus will continue to be on significantly enhancing performance in this sector in the future.

In fiscal 1995, we recorded strong performance from work on several large infrastructure projects including Ontario Highway 407, the Wolsong CANDU power project and the Hibernia offshore oil project. We expanded our international market penetration with 60% of our revenues now from outside of Canada. We also increased our backlog to \$672 million of work in our Engineering, Construction & Technology Sector.

During the year, we completed three turkey cogeneration plants, discontinued a few non-profitable operations in our construction business and continued to pursue fair compensation related to the Pearson Airport development project, details of which are dis-



ALEX TAYLOR

*President and Chief Executive Officer*

cussed in the notes to the consolidated financial statements in this report.

AGRA also achieved a number of important objectives including ISO 9001 registrations for Monenco AGRA's Oakville office and our associated company, Groupe Cartier of Montreal, which was the first engineering company to win this designation in Quebec. These subsidiaries now join Northern-Monenco AGRA which was re-registered for ISO 9001, Baymont which was re-registered for ISO 9002 and Coast Steel which was re-registered for ISO 9003.

#### ENHANCING SHAREHOLDER VALUE

We are on track with our strategic plan which is focused on enhancing shareholder value by improving performance in our core business sector, divesting non-core businesses as appropriate to recognize value, and marketing our services and packages to meet growing demands for total solutions in the international marketplace.

As we worked hard to deliver a \$33-million earnings turnaround in our core Engineering, Construction & Technology Sector, we also took a number of important steps to improve AGRA's longer term performance. Actions included a sharpened focus on customer services and continued investment in the development of leading systems technologies.

We also undertook a comprehensive review of our risk management control systems from the earliest stages of project bidding through to our partnering, project management and completion processes. As a result, we have moved forward with the implementation of an extensive new program of corporate policies and directives. These and other management improvements will continue into the future and we believe they will contribute significantly to ongoing performance improvement.

#### FOCUSING ON OUR CORE BUSINESS

The last three years have seen AGRA leave behind its conglomerate structure to emerge as a leading international engineering and construction company. We have divested several non-core assets while building a world-class

Engineering, Construction & Technology business with three key groups: General Engineering & Construction, Earth & Environmental Engineering and Systems Engineering. We will continue to consider the divestment of non-core assets when timing and other factors allow us to recognize significant value. In the meantime, we continue to build and recognize a high level of profitable returns from our Hyatt Regency Hotel in Grand Cayman, Alders Canada duty-free and specialty retailing, and our Resource Recovery & Recycling business.

### PROVIDING TOTAL SOLUTIONS

As we focus on our core business, we are enhancing our ability to put together financed project solutions for governments and other customers. With high levels of government debt putting pressure on infrastructure budgets, our customers are looking for total solutions. Public/private partnerships like the Highway 407 project will be an important part of our business in the future and they will include long-term operations and maintenance contracts that will significantly enhance our business by providing long-term revenues and steady profits that far exceed the relatively short-term revenues and profits obtained on specific build contracts.

We have organized our management to pursue this type of activity and have acquired an experienced Vice-President for Development and Project Finance to better coordinate our relations with the financial community and other partners.

### INTERNATIONAL GROWTH

In fiscal 1995, we expanded our international presence through aggressive marketing and new strategic partnerships in China, India, the Middle East and the Philippines. We believe that AGRA's current mix of core engineering and construction, systems and environmental businesses positions us well to meet the challenges of today's international marketplace. This was demonstrated in fiscal 1995 by our international power business, the selection of AGRA's project management system for the world's largest flood control, navigation and hydroelectric project



### AGRA INTERNATIONAL REVENUE

(millions of dollars)

- Canada Domestic
- Export from Canada
- International



### AGRA SECTOR OPERATING PROFITS

(millions of dollars)

- Asset Development & Investments
- Engineering, Construction & Technology
- Resource Recovery & Recycling

in China, and our emergence as one of North America's largest earth and environmental engineering companies serving customers in more than 15 countries outside of NAFTA. We see tremendous promise for growth and success in our growing international base of business.

### ACKNOWLEDGMENTS

I would like to acknowledge the dedication and hard work of AGRA's employees who are primarily responsible for AGRA's improved performance in 1995. I would also like to thank AGRA's board and you, our shareholders, for your ongoing support. With a solid plan for the building of shareholder value and great opportunities in our international markets, we look to the future with confidence and optimism.

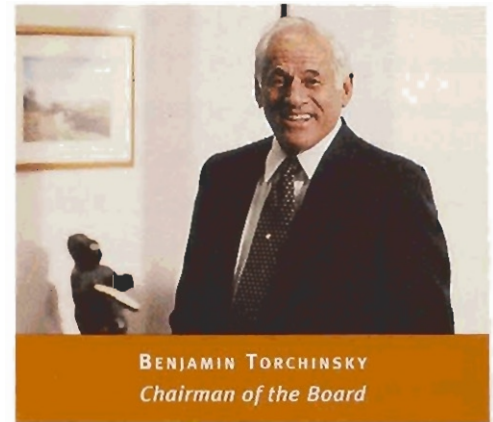
Alex Taylor  
President and CEO

**The** control of any corporation tests on a daily operating basis in the hands of its management. But major policy direction and strategies should be provided to management by the company's board of directors to whom management must answer and who must, in turn, answer to the shareholders. In fiscal 1995, AGRA took a number of steps to review its corporate governance procedures to ensure the corporation remains in step with recent reports and recommendations developed to protect and maximize the interests of shareholders and other corporate stakeholders.

In 1993, the Toronto Stock Exchange struck a Committee on Corporate Governance to analyse the way boards of directors of public companies were formed and how they operated. The committee's report, entitled "Where Were The Directors?," was reviewed extensively within the business, legal and accounting communities and resulted in a set of guidelines to assist corporations in their entire approach to corporate governance.

The Toronto Stock Exchange accepted the committee's report in December of 1994, embracing its outline of responsibilities for directors including the stewardship of the corporation; the strategic planning process; the identification and monitoring of the principle risks of the business; the appointment, development and succession of senior management; the implementation of an effective communications policy and the adoption of relevant and reliable internal systems to enable the board to fulfil these responsibilities.

The TSE's Committee on Corporate Governance also proposed a requirement that every company listed on the Toronto Stock Exchange disclose its approach to corporate governance and the make-up of the company's board and committees. AGRA has complied with this



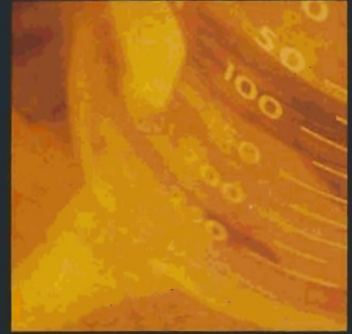
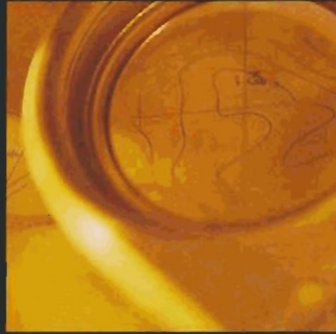
**BENJAMIN TORCHINSKY**  
Chairman of the Board

new requirement by providing, in our Proxy Circular, a list of the 14 specific guideline items listed in the TSE report and a summary of AGRA's position vis-a-vis each guideline item.

I believe that the make-up and operating procedures of AGRA's board of directors and its board committees are in general alignment with the TSE's guideline recommendations. In addition, we have formed a committee of unrelated directors to review and monitor our corporate governance practices and recommend any improvements on an ongoing basis. I know that every member of AGRA's board has taken his/her position seriously and has worked diligently on behalf of the company. I want to take this opportunity to thank them for the patience, loyalty and energy they have demonstrated as our company has grown and developed.

**B.B. Torchinsky**  
Chairman of the Board



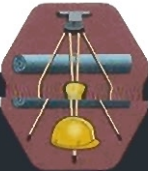


## **ENGINEERING, CONSTRUCTION & TECHNOLOGY SECTOR**

AGRA's core business is centred in its Engineering, Construction & Technology (ECT) Sector which provides 70% of the company's revenues. The ECT sector includes three business groups: General Engineering & Construction, Systems Engineering and Earth & Environmental Engineering. Each area of business adds value to the next, providing total engineering solutions for our customers around the globe.

**AGRA's** Engineering, Construction & Technology (ECT) Sector rebounded in fiscal 1995 with revenues increasing to \$527.0 million from \$506.9 million the previous year, and operating profits increasing by \$33.3 million to \$12.8 million from a loss of \$20.5 million in 1994. Backlogs for the sector stood at \$672 million as of July 31, 1995 compared to \$633 million at fiscal year end in 1994. While we were pleased with the turn-around in the core area of our business, AGRA is focused on significantly enhancing performance in this sector in the future. The following pages provide highlights for fiscal 1995 from the three groups within AGRA's ECT Sector.


Engineering, Construction & Technology Sector		
(millions of dollars)	1995	1994
Revenues	\$527.0	\$506.9
Operating Profits	\$12.8	\$(20.5)



**GENERAL ENGINEERING  
& CONSTRUCTION  
GROUP**

Revenues (millions of dollars)

1995	\$343.5
1994	\$354.6



**SYSTEMS  
ENGINEERING GROUP**

Revenues (millions of dollars)

1995	\$57.7
1994	\$42.4



**EARTH &  
ENVIRONMENTAL  
ENGINEERING GROUP**

Revenues (millions of dollars)

1995	\$125.8
1994	\$109.9

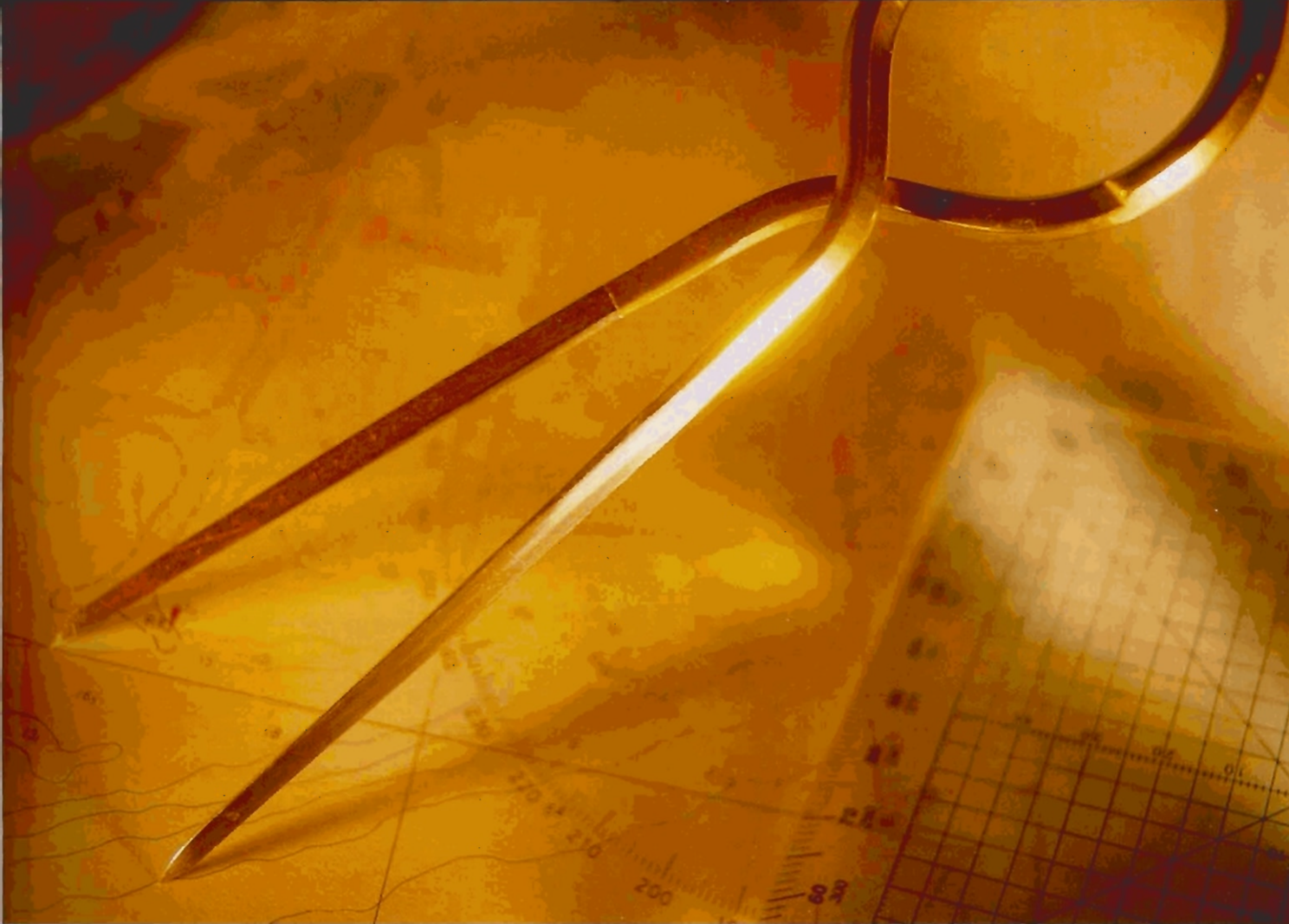


**AGRA GROUP BACKLOG**  
(millions of dollars)

- General Engineering & Construction
- Systems Engineering
- Earth & Environmental Engineering



**ENGINEERING,  
CONSTRUCTION & TECHNOLOGY  
SECTOR BACKLOGS**  
(millions of dollars)



## **GENERAL ENGINEERING & CONSTRUCTION GROUP**



AGRA's General Engineering & Construction Group delivers integrated design, procurement, construction and project management services in the areas of power, infrastructure, industrial and manufacturing facilities, process plants, telescopes, pipelines, foundation construction and marine infrastructure.

**A**GRA's General Engineering & Construction Group generated revenues of \$343.5 million in fiscal 1995 despite a sluggish North American market for construction and power engineering work. The group's backlog stood at \$450 million as of July 31, 1995, providing solid promise for the coming year. We continued to expand our international focus in fiscal 1995, with exciting developments in China, Southeast Asia, the Middle East and South America. North American highlights included the completion of three turnkey cogeneration plants, our work on Hibernia, the Ontario Highway 407 project and significant new pipeline

contracts in Canada and the United States.

We began the fiscal year with our participation in Prime Minister Chrétien's trade mission to China. During the trip, AGRA signed a \$35-million Memorandum of Understanding for systems and project management work on the \$27-billion, 18,500-megawatt (MW) Three Gorges Water Resources Project, the largest flood control, navigation and hydroelectric project in the world. We also announced the formation of AGRA Construction (Wuhan China) Limited, a joint venture with China's Bridge Machinery Works to conduct foundation construction work in the region, and we

established Canada-China Power Inc., a Canadian joint venture that will aggressively pursue the \$200-billion Chinese power market.

In China, work progressed on several projects including the 5,400-MW Longtan hydroelectric development on the Hongshui River, the \$11-million South China Strategic Energy Study to assist and train the Chinese in energy planning and sustainable development; and the \$9.1-million Civil Air Transport Training Program, a transport training project conducted in partnership with Canadian Airlines.

In Southeast Asia, AGRA won a \$4.5-million design contract from the National Power Corporation of

**SOUTH KOREA**



**Progress on Wolsong  
CANDU Power Units**

AGRA provided design, procurement and construction management services for three CANDU nuclear power units in Wolsong, South Korea through its associated companies, Canatom and Nuclear Project Managers.



**CHINA**



**AGRA Scores on Team Canada  
Mission to China**

AGRA International President Gord Gerry and Graham Williams, Senior Vice-President, Corporate Marketing, Monenco AGRA (third and eighth from left) are pictured with Prime Minister Jean Chrétien and Alberta Premier Ralph Klein (fourth and

sixth from left) during Canada's November 1994 trade mission to China.



the Philippines for the \$250-million Agbula hydroelectric project in northern Luzon. Ongoing work included an \$11-million engineering services project for design and management of the 800-MW Grati Pasaruuan combined cycle power plant in Indonesia, high voltage direct current consulting projects in Malaysia and Thailand by Teshmont Consultants, and completion of the Calaca II 300-MW thermal plant in the Philippines.

In South Korea, AGRA's associated company, Canatom Limited, made excellent progress toward completion of three 660-MW CANDU 6 reactors at Wolsong. The units are scheduled to go into

service in 1997, 1998 and 1999 and will join CANDU Wolsong I which has been operating since 1983.

In the Middle East, we partnered with a consulting group in Saudi Arabia to provide engineering and design specifications for a 1000-MW combined cycle power station at Shoaiba. Other general



**ART BIRCHENOUGH**, *Executive Vice President, Engineering Group, President and COO, Monenco AGRA Inc.*

engineering projects in the region included work on the combined cycle plant in Ghom, Iran and initiation of the Iran Energy Study which was awarded to Monenco AGRA in February. In Jordan, AGRA completed engineering, procurement and construction supervision for the \$10-million turnkey Alnejma Bulk Pharmaceutical plant, which will manufacture generic antibody medications.

In South America, Monenco AGRA was contracted by the Bolivia Power Company to carry out engineering, procurement, construction supervision and project management for the expansion of hydroelectric facilities and transmission lines in

 **JORDAN**



**AGRA Turns Over Pharmaceutical Plant**

AGRA completed turnkey engineering, procurement and construction for the \$10-million Alnejma Bulk Pharmaceutical plant in Jordan which will manufacture generic antibody medications.



 **PHILIPPINES**

**AGRA Completes Philippines Thermal Plant**

AGRA completed work on the Calaca II 300-MW steam power plant for the Philippines National Power Corporation.



the Zongo Valley near La Paz. This \$142-million project is expected to be completed by mid-1998. Monenco AGRA has served as lead engineering firm for the Bolivia utility for more than 60 years and we are pleased to continue this relationship. We are also conducting feasibility studies for potential future hydropower expansions required to keep pace with Bolivia's expanding power needs.

In North America, AGRA derived steady revenues from the construction of Ontario's Highway 407, which continues to progress on schedule and on budget. This project will be Canada's first fully electronic toll expressway, acting as

a 69-kilometre bypass around the northern perimeter of Toronto. At nearly \$1 billion, it is the largest contract of its type ever awarded in Canada. Through our partnership in Canadian Highways International Corporation, we are actively pursuing new projects in Eastern Canada, the Philippines, India, Israel,

China and Chile.

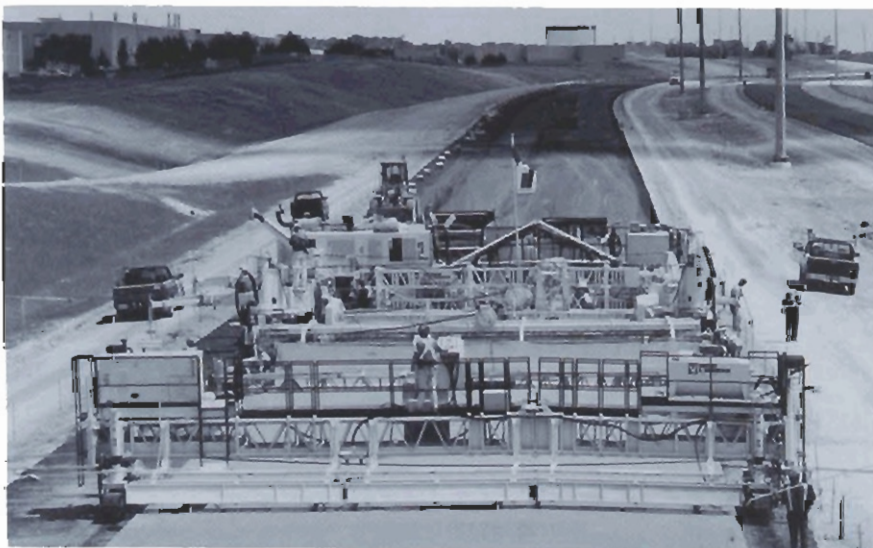
In 1995, we celebrated the 25th anniversary of our western Canadian road engineering subsidiary, Torchinsky Engineering in Alberta. Now the largest engineering firm specializing in road and highway construction in the province, the company has benefited from Alberta's privatization of transportation engineering services and has recently expanded into the western United States, winning contracts for the Arizona and Nevada State Highway Departments.

Our Quebec-based associated company, Groupe Cartier, also had a successful year, negotiating a \$8-million engineering contract for a



**BILL PEARSON**

*President, Engineering Group  
and Chairman, Canadian Highways  
International Corporation*



### AGRA Makes Progress on Highway 407 Project

AGRA, through its partnership in Canadian Highways International Corporation, made excellent progress on the construction of Canada's first fully electronic toll expressway, Highway 407, with 75 bridges and interchanges completed or under construction.



thermal rehabilitation plant for Hydro-Quebec and becoming the first engineering firm to obtain its ISO 9001 registration in that province. Groupe Cartier also continued work on the 310-MW Laforge II power plant project in James Bay, a \$30-million multi-year contract.

Other highlights in North America included our work on the Hibernia offshore oil project, which has been a major revenue generator for our subsidiary ShawMont Newfoundland Limited. We continue to play a major role in the overall project management and engineering of this multi-billion-dollar project. AGRA also completed and turned over to clients the Potter, Cardinal

and Corinth cogeneration plants and won a new 110 MW cogeneration plant engineering and procurement assignment for Destec at Kingston, Ontario.

AGRA's pipeline business had a strong year with major contract wins by Midwest Pipelines for West Coast Energy in British Columbia and by our new Houston-based subsidiary, U.S. Pipeline, Inc., which won a 477-kilometre, 16-inch crude oil pipeline contract for CENEX Inc. in Montana.

In 1995, AGRA brought four of its foundation and marine construction companies together under the AGRA name. Western Caissons Limited has been renamed

AGRA Foundations Limited; Frontier Foundations Inc. became AGRA Foundations Inc.; MCI Pile Driving became AGRA Foundations (Pacific) Limited, and Hanlon Construction Limited became AGRA Marine Construction Limited.

Marine and foundation construction work included western Canadian projects and large diameter piling work for the light rail transit

**REVENUE**  
General  
Engineering &  
Construction  
Group  
*(\$ in millions)*



 **NORTH AMERICA**

**AGRA Delivers Three Cogeneration Plants**

AGRA completed three cogeneration plants for North American clients in fiscal 1995 including the 40-MW Potter Station project at Timmins, Ontario; the 156-MW Cardinal project; and the 130-MW project for Indeck Energy Services Inc. in Corinth, New York, featured here.



**AGRA Opens AGRA Construction (Wuhan China) Limited**

AGRA announced the formation of AGRA Construction (Wuhan China) Limited, a joint venture with China's Bridge Machinery Works now conducting foundation construction work in the region.

 **CHI**

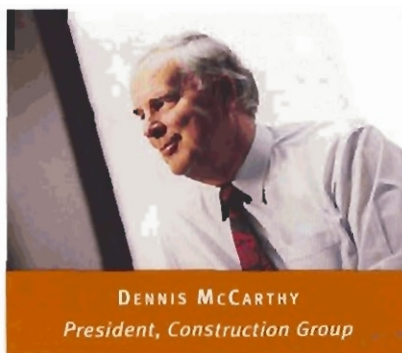
extension in San Diego, California. Our 50%-owned associate company, Seacore Limited of the United Kingdom, conducted rock socket pile work for the Prince Edward Island Bridge project and the Holyhead Pier at Anglesey in the United Kingdom. Seacore also won a \$5.2-million contract to install foundation shafts for a 1,700-metre-long outfall tunnel in Hong Kong, scheduled to begin in November of 1995.

Specialty construction work by our subsidiary Coast Steel included completion of the Keck II observatory structures in Hawaii, work on the Japan National Large Telescope, also in Hawaii, and manufacturing

work for the Gemini eight metre telescopes in Hawaii and Chile. Coast Steel also won more than \$15 million in new contracts including the manufacturing and construction of service and enclosure base buildings for the Gemini telescope in Hawaii, and for the construction of structural components for three container cranes at Vancouver's new

container terminal.

AGRA's Cayman condominium construction company, Ellesmere Britannia Ltd. completed construction of 18 new condominium units at our property in Grand Cayman and registered more than \$18 million of condominium and land sales in fiscal 1995. Phase III, which consists of complete infrastructure and land development to accommodate 23 single family luxury residences, was also completed during the year. In addition, stage one of Phase IV, consisting of six semi-detached homes, 12 condominiums and a pool, spa and fitness centre is about to begin.



DENNIS MCCARTHY  
President, Construction Group

NORTH AMERICA



Pipeline Projects

AGRA worked on several pipeline projects in fiscal 1995 including the 1994 Mainline looping for Pacific Northern Gas Ltd. in British Columbia, shown here.



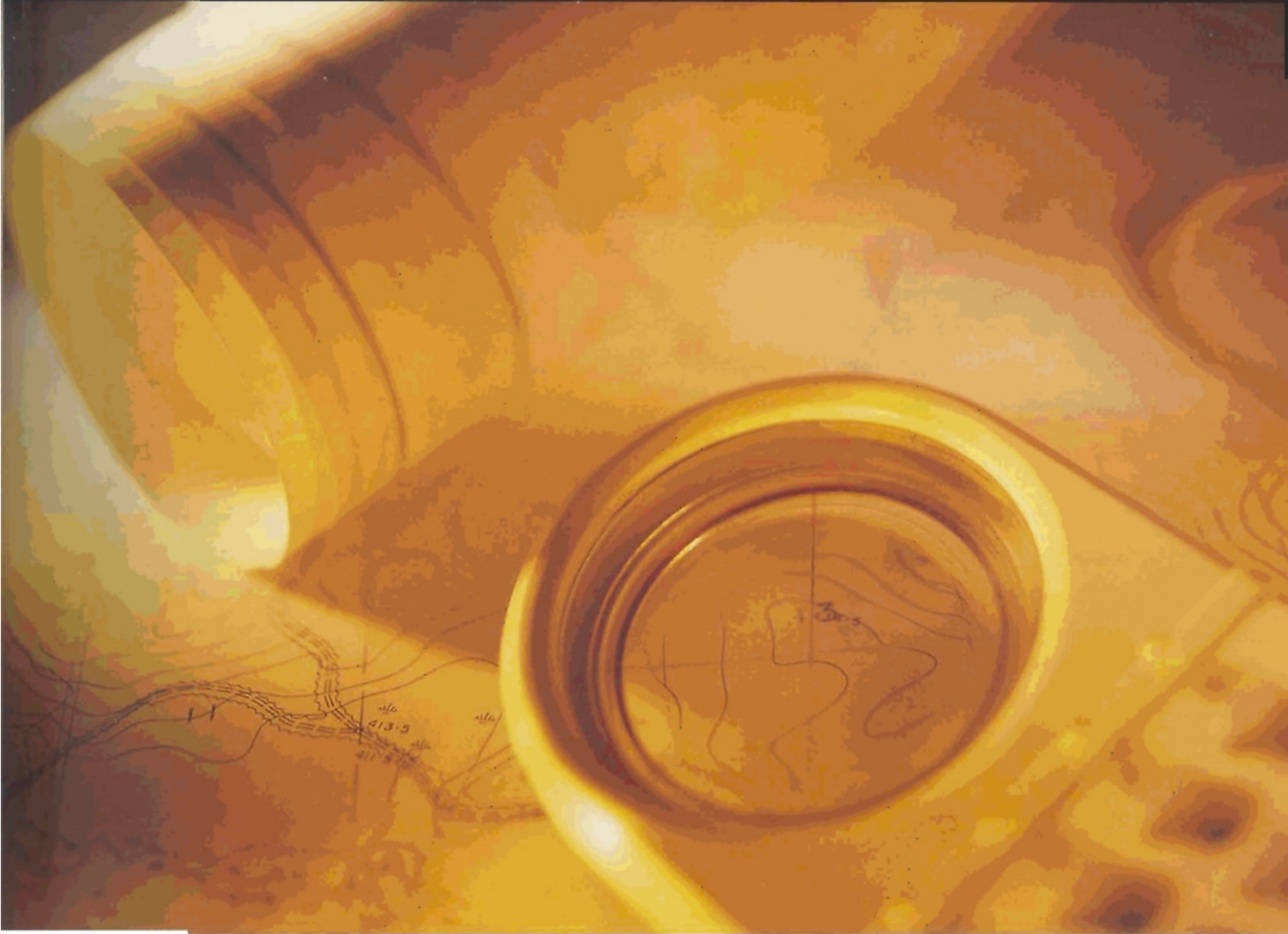
Condominium Construction in Grand Cayman

Ellesmere Britannia Ltd. completed construction of 18 new condominium units at our property in Grand Cayman and registered more than \$18 million of condominium and land sales in fiscal 1995.

BRITISH WEST INDIES







## SYSTEMS ENGINEERING GROUP



AGRA's Systems Engineering Group delivers systems integration, project management services, radio spectrum management and telecommunications infrastructure, automated mapping, facilities management, geographic information systems and data conversion.

**A**GRA's Systems Engineering Group is now comprised of Baymont Technologies Inc., Monenco AGRA Systems Limited, SPECTROCAN Engineering Inc., FastMAN Software Systems Inc. and Vadeko AGRA Technologies Inc. The group's revenues were \$57.7 million for fiscal 1995 and systems backlogs stood at \$92 million as of July 31, 1995.

AGRA's systems capabilities won international recognition in 1995 when the China Yangtze Three Gorges Development Corporation selected AGRA's proprietary project management system to help manage construction of China's Three Gorges Water Resources Project.

AGRA will customize its system and provide project management training for this \$27 billion multi-purpose project.

In fiscal 1995, Hydro Quebec also selected AGRA's project management system for exclusive use on their future projects, a promising development for future work in Quebec.

Our Systems Engineering Group received contracts for the expansion and modification of the Ontario Government's Earth Resources and Land Information System (ERLIS), a public access computer service that enables users to search and retrieve maps and information from the province's mining assessment files.

The contracts provide for systems upgrading and installation at government offices in Timmins and Thunder Bay.

Other projects in fiscal 1995 included AGRA's systems work on the Ontario Investment Service project which provides on-line multi-media service to promote investment in Ontario; the Reserve Integrated Information Project to streamline administration of Canada's reserve forces; the National

**REVENUE**  
Systems Engineering Group  
(\$ in millions)



**AGRA Systems Selected for World's Largest Hydro Project**

AGRA will customize its proprietary project management system and provide project management training for the \$27-billion Three Gorges Water Resources Project which will add more than 10% to China's current total electricity supply and provide flood control, improved river navigation and economic development opportunities for the population of Hubei and Szechuan provinces.



Energy Board's Electronic Regulatory Filing Project; and the Department of Human Resources' Income Security Programs Redesign Project.

AGRA also moved forward with its 40% interest in FastMAN, a proprietary PC-based planning software for use by manufacturers in managing materials and inventory planning. While sales were slower than expected in fiscal 1995, we remain optimistic that this systems product will do well in the future.

AGRA's subsidiary Baymont Technologies experienced tremendous growth and emerged as a global leader in the automated mapping, facilities management, geographic information systems (AM/FM/GIS)

business in 1995. Baymont specializes in high-quality, high-volume records conversion services, transforming client records to digital or computer-based records.

In fiscal 1995, Baymont won significant new contracts for data conversion work with U.S. West, Hong Kong Telephone, British Telecom, Alberta Government

Telephones, CSX Real Property Inc., Kansas City Power and Light and Florida Power and Light.

Baymont also expanded its data conversion capacity through an 11% equity investment in long-time partner Saztec Philippines, Inc. Under the agreement, Baymont has trained 500 additional production personnel at Saztec's facility located near Manila. The agreement builds upon a positive multi-year working relationship between the two firms.

In July of 1995, AGRA's radio spectrum management company, SPECTROCAN Engineering Inc., was awarded a \$44-million contract by Indonesia's Department of Tourism, Posts and Telecoms to extend

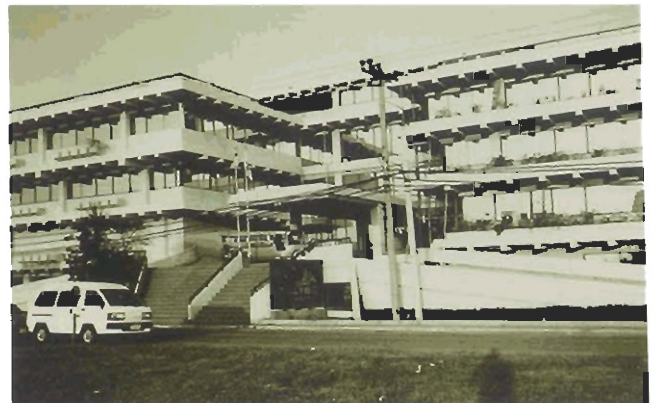


**BOB BROWN, President,**  
*Baymont Technologies*



### Baymont Expands With Philippines Partner

AGRA's subsidiary Baymont Technologies emerged as a global leader in its field. To help address growing backlogs, Baymont took an 11% equity position in Saztec of the Philippines, pictured here.



the Department's existing radio operating system, originally installed by SPECTROCAN in 1990. With this and other smaller automated frequency management system (AFMS) contracts won in Morocco and Qatar, SPECTROCAN further consolidated its leadership in this growing global niche market. The company is actively pursuing new market opportunities in the Far East, South America, Africa and the Eastern European countries.

SPECTROCAN assists government agencies around the world to respond to the explosion of cellular telephone, paging and other radio based digital technologies by providing comprehensive spectrum

management solutions. Through a Government/Industry Transfer of Technology Agreement, the company has integrated and commercialized Industry Canada's world-leading spectrum management technology. SPECTROCAN has now introduced AFMS 4.0, a continuation of the AFMS product family incorporating the latest in client-server technolo-

gies and fourth-generation programming languages and techniques.

Fiscal 1995 also saw Vadeko AGRA Technologies shift its primary focus to its Currency Security Materials business. Under licence from the Bank of Canada, Vadeko AGRA began manufacturing Optical Security Material for use on other currencies in fiscal 1995, the first examples of which were released by Romania this past year. The company also developed a new high volume security material application process called OPTINOTA C in partnership with De La Rue Giori of Switzerland, the world's largest producer of bank-note printing machinery.



INDONESIA



**POSTEL Selects SPECTROCAN AFMS System**

AGRA's subsidiary SPECTROCAN Engineering Inc. was awarded a \$44-million systems engineering contract to help Indonesia manage the explosion of cellular telephone, paging and other radio-based digital technologies in the region.





## EARTH & ENVIRONMENTAL ENGINEERING GROUP



AGRA's Earth & Environmental Engineering Group delivers environmental assessment and planning services, geotechnical and water resources engineering, materials testing and environmental monitoring and remediation services to clients in North America and around the world.

**A**GRA's Earth & Environmental Engineering Group experienced steady growth in fiscal 1995, building revenues to \$125.8 million. Backlog for the group, with its large number of varying term contracts, would represent about one year of work or \$130 million. We expanded our earth and environmental business with the addition of six new offices in Ontario and we enhanced our full-service environmental management and engineering services. The company now stands as one of the largest North American-based earth and environmental businesses, employing over 1,100 professional engineers, scientists, technicians and

managers in 56 offices around the world.

While AGRA Earth & Environmental (AEE) is focused primarily in North America, the group's international work extended to the United Kingdom, Russia, China, Japan, the Czech Republic, Indonesia, Thailand, Philippines, India, Ethiopia, Tanzania, South Africa, Mexico, Ecuador, Brazil and Argentina in fiscal 1995.

International highlights for the year included the provision of consulting services to U.S., Russian and European-based companies developing oil and gas fields in western Siberia and other parts of the Commonwealth of Independent States.

We undertook geotechnical engineering and environmental protection planning work for the first two of eight pipelines to be laid under the 70-kilometre Baydaratskaya Bay as well as environmental impact assessment and planning for the Caspian Pipeline, which will stretch from oilfields near the Caspian Sea to a seaport on the Black Sea. At Usinsk, Russia, AEE carried out a comprehensive environmental, socio-economic and pipeline engineering assessment as part of the European Bank For Reconstruction and Development and the World Bank's loan appraisal process for one of the largest oil spills in the world.

## RUSSIA



### AGRA Responds to Massive Oil Spill in Russia

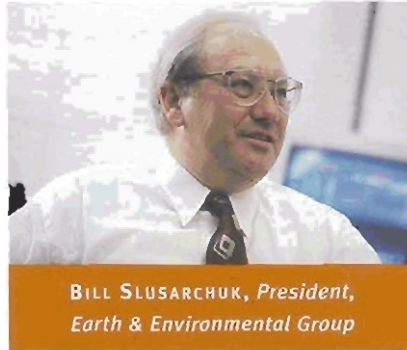
AGRA carried out a comprehensive environmental, socio-economic and pipeline engineering assessment as part of the European Bank For Reconstruction and Development and the World Bank's loan appraisal process for one of the largest oil spills in the world at Usinsk, in the Komi Republic.



In Ethiopia, AEE provided training, design and operation services for a new water supply and distribution system for the Addis Ababa Water and Sewerage Authority. The joint venture project is designed to meet the area's rapidly growing water requirements. The project's training and technology transfer aspects are funded by the African Development Bank.

In North America, AEE successfully completed the amalgamation of its Canadian and U.S. operations, and through the acquisition of Dominion Soils, we have added new offices in Windsor, Waterloo, Sudbury, Scarborough, Sarnia and London, Ontario.

In Canada, AEE continued work on a number of nation-wide projects for important clients in the real estate and merchandising sectors. Our National Partner Agreement with Wal-Mart continued whereby the retailer's acquisition of 122 stores in Canada was assessed according to a well-developed process employed by the client. In



**BILL SLUSARCHUK, President,**  
*Earth & Environmental Group*

acknowledging the work AEE carried out with their transition team, Wal-Mart noted that, "the transition has been considered an unprecedented success."

Environmental engineering revenues were especially strong in Ontario where the Highway 407 project required environmental regulatory approvals management. This unique project has become a model for environmental planning for similar engineering construction and development efforts in major cities across North America.

In Calgary, we constructed a mobile window performance laboratory, a significant step forward in the testing of windows throughout



**ETHIOPIA**

**Addis Ababa  
Water Supply Project**

AGRA Earth & Environmental provided training, design and operation services for a new water supply and distribution system for the Addis Ababa Water and Sewerage Authority.



**Remediation Project for  
U.S. Army Corps of Engineers**

AGRA Earth & Environmental expanded work on its \$12-million remediation contract for the design and monitoring of expansive bio-venting systems at Eielson Air Force Base in Alaska.



**ALASKA**

**REVENUE**  
Earth & Environmental Engineering Group  
(\$ in millions)



the region. This provides a flexible value-added alternative to standard "stationary" laboratory testing procedures.

In the United States, our Phoenix office carried out geotechnical investigations at a new \$1.3-billion Intel microchip manufacturing facility in Chandler, Arizona, and provided recommendations for building foundations, pavement designs and grading. In Reno, Nevada, AEE

provided extensive geotechnical and construction inspection services for the project management group at the Silver Legacy Casino, a \$310-million hotel and casino resort covering two city blocks and housing 1,760 rooms in three towers.

In Alaska, we further expanded work on our \$12-million U.S. Army Corps of Engineers remediation contract for the design and monitoring of expansive bio-venting systems adjacent to the active runway at Eielson Air Force Base. In Tacoma, Washington, we were awarded a contract by General Metals to design a stormwater control system for a 26-acre scrap metal recycling facility. This project has been nom-

inated for the U.S. Environmental Protection Agency's 1995 National Stormwater Control Program Excellence Award.

Another highlight of the 1995 fiscal year was the expansion of AEE's Mining Group with several North American mining contracts including ongoing work related to Suncor's Fort McMurray oil sands expansion project; new work for several other mining companies throughout Canada and the United States; and an exciting new mining project in Kirgizistan.

**NORTH AMERICA**



**AGRA Introduces Mobile Window Performance Laboratory**

AGRA Earth & Environmental constructed a mobile Window Performance Laboratory, providing a flexible value-added alternative to the standard "stationary" laboratory testing procedures.



**AGRA's Mining Group**

AGRA Earth & Environmental's Mining Group conducted several North American mining projects including ongoing work related to Suncor's Fort McMurray oil sands expansion project.



**A**GRA's Resource Recovery and Recycling Sector had a very successful year marked by significant growth in revenues to \$70.8 million from \$57.4 million the previous year. Operating profit reached a record \$6.6 million compared to \$4.0 million in fiscal 1994.

Fiscal 1995 saw significant growth in our California deposit and redemption subsidiary, Contain-A-Way Holdings, which collects materials through its 20/20 Recycling Centres and processes and markets the recyclable materials. The company was awarded two major contracts by large grocery chains, helping to increase the number of its recycling sites by 22%. Contain-A-Way also

began purchasing newsprint at its recycling centres and entered the business of processing and brokering materials for other recyclers. For the past 20 years, AGRA has also held a modest deposit and redemption management contract with Alberta's beverage bottlers. This relatively small contract was not renewed in 1995.

Strong results were recorded at AGRA's Edmonton-based recycling company, AGRA Recycling, which processes used polyethylene terephthalate (PET) beverage containers and either sells the resulting material to other manufacturers or converts it into sheet. Strong demand for recycled materials resulted in the plant operating at full capacity during the

latter part of 1994 and in 1995.

AGRA Plasrics had another year of growth in the manufacture of rigid plastic containers but pricing was volatile during the year due to cost surges of raw materials. Our profitability was impaired by an inability to pass on increased costs on all contracts. This business settled down towards year end and we look forward to strong improvement in the coming year.

REVENUE  
Resource  
Recovery &  
Recycling  
Sector  
*(\$ in millions)*



**Contain-A-Way Extends Centres**

AGRA's Resource Recovery company, Contain-A-Way, was awarded two major contracts by large grocery chains, helping to increase its recycling sites by 22%. With strong prices for newspaper and aluminum, revenues reached all-time highs.

**AGRA Recycling Responds to Strong Demand**

Strong demand for recycled materials saw AGRA Recycling's plant operating at full capacity.

