

1981 REPORT



NABISCO
BRANDS

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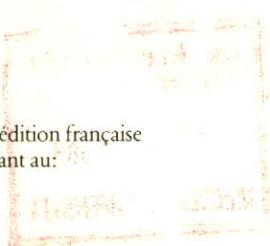
Inside Back Cover: Nabisco Brands Family of Products

Company Profile: Nabisco Brands Ltd. is one of Canada's foremost food and beverage manufacturers with annual sales of more than \$700 million. It is a wholly owned subsidiary of Nabisco Brands, Inc., New York and has an operational base that has been a growing part of the Canadian business scene since 1853. Many of its products are market leaders and its brand names have been household words for generations based on a tradition of quality that began in Canada more than 129 years ago.

Throughout this Report trade names, trade marks or brand names owned by or associated with Nabisco Brands Ltd. and its wholly owned subsidiaries are shown in *italics* in the body copy and in roman type in captions.

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Nabisco Brands Ltd. is a new company formed through the combination of two long established Canadian firms: Christie, Brown and Company, Limited and Standard Brands Limited. It is Canada's largest packaged food company and a major factor in the wines and spirits, and food-service industries. The new company manufactures and markets cookies, crackers, margarines, baking ingredients, confectionery products, cereals, coffees, pet foods, wines and spirits under a wide range of brand names that have been household words for generations. Nabisco Brands has a strong presence in every region with more than 5,000 employees and 26 of its 27 plants in Canada. A wholly owned subsidiary, The Hervin Company in Oregon manufactures and markets pet foods in the United States.

This report highlights the quality branded products that represent the strength of Nabisco Brands today and provide the promise for tomorrow.



In April 1982, the Foreign Investment Review Agency formally approved the joining together of Christie, Brown and Company, Limited and Standard Brands Limited into one organization known as Nabisco Brands Ltd.

This special report is about our new company: its roots, its products, its people and its reasons for being. It is a story about the unique blending of two long established Canadian companies into one cohesive organization sharing a legacy of leadership.

If there is one common denominator brought to our new company it is leadership, on a broad front. Our products display this leadership wherever they are sold.

We are Canada's leading producer of biscuits with market leaders like *Ritz*, *Premium Plus*, *Oreo* and *Chips Ahoy!* Our cereal products are led by *Shreddies*, *Shredded Wheat* and *Cream of Wheat*, breakfast favourites for generations.

With *Fleischmann's* and *Blue Bonnet* we are the country's largest margarine manufacturer and marketer.

In confectionery products we produce and market an industry leading array of box chocolates, bars, snacking nuts, candies and chewing gums. Our brand names are known to all: *Mois Pot of Gold* and *Almondillo* chocolates; *Oh Henry!* and *Eat-More* bars; *Ovation* chocolate mint sticks; *Planters* nuts; world famous *Life Savers* candy; *Care-Free* sugarless gum and *Bubble Yum* bubble gum.

We are Canada's leading manufacturer of pet foods with the *Dr. Ballard's* lines, *Milk-Bone* dog biscuits and *Miss Mew* luxury cat foods. Through The Hervin Company in Oregon, we manufacture and market *Blue Mountain* canned and dry pet foods for the western U.S. market.

We've been breakfast guests for generations.

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"Mr. Christie, you make good cookies!"



Certainly we are proud of our products and the recognition and loyalty they have earned with the Canadian public over many generations. Some of our brand names such as *Christie* and *Fleischmann's* predate Confederation. *Premium Plus* soda crackers had their beginning in 1877. *Planters* peanuts celebrated their 75th anniversary in 1981. *Calona* wines have been vinted in the Okanagan Valley for 50 years. Other names such as *Magic* baking powder, *Royal* desserts, *Cream of Wheat* cereal, *Chase & Sanborn* coffee and the *Oreo* cookie share a familiar past with consumers.

In our new company we are a major force in the fast growing foodservice industry and are the country's largest supplier of coffee to the thousands of restaurants, fast-food outlets, catering establishments and institutions in Canada. In order to improve our product scope and extend our customer service capabilities we have combined the former Food Service operations of *Christie*, *Brown* and *Standard Brands*.

Food Ingredients is another of our core businesses, serving the baking industry. *Reid Milling* manufactures a variety of specially milled baking flours for the production of our own products and for outside customers. The *Fleischmann* Company produces a wide range of ingredients for the baking industry. For more than a century *Fleischmann's* yeast has been the first choice of professional bakers and home cooks across Canada.

Finishing touches to a tasteful evening.



In addition to our strong presence in the food industry, we are one of the country's largest companies in the wines and spirits industry with McGuinness Distillers and Calona Wines. Some of our best known brands include *Silhouette* vodka, *Silk Tassel* whisky, *McGuinness* liqueurs and Canada's best selling white table wine, Calona's *Schloss Laderheim*.

As Nabisco Brands, we share not only the product strengths of our predecessors but also a national manufacturing and distribution base unrivalled in the Canadian food industry. We make chewing gum, distilled spirits and box chocolates in the Maritimes; baking aids, pet foods, candy bars, biscuits and coffee in Quebec; cereals, cookies, pet foods, liqueurs, baking ingredients, coffee, snack foods and hard roll candies in Ontario.

From the Lakehead to the Rockies, our plants produce beverages for the foodservice industry, hot cereals, yeast, margarines, pet foods and Canadian whiskies. We make wines in British Columbia's Okanagan Valley and snack foods, pet foods and coffee in the Vancouver mainland area. Our distribution system reaches every type of customer from the corner grocery store to major airlines. It is supported by a national network of regional distribution centres and branch offices.

Undoubtedly, our major strength comes from the more than 5,000 men and women whose multiplicity of skills and experience make it all work: our employees.

Now, as one, we are Canada's largest packaged food manufacturer with an outlook of optimism based on the special strengths brought to the combination by each partner. Each of our businesses complements the others.

Our technological resources are now broadened and coupled with innovative marketing strategies will contribute to our leadership position. Our heritage of consumer goodwill, nurtured in Canada since 1853, gains new meaning within the expanded outlook of a single organization.

We also inherit a strong financial base that provides a firm foundation for future growth. Had we been operational in 1981 as Nabisco Brands Ltd., we would have reported sales of \$735 million and net earnings of \$37 million.

Our employees, our customers and our suppliers are invited to share our pride and excitement as we embark on a new beginning together.



H. F. Powell
President and Chief Executive Officer



J. R. MacDonald
Executive Vice President



Lloyd E. Weir
Executive Vice President



(left to right)
John R. MacDonald,
Lloyd E. Weir
and H. F. Powell.

In 1853, fourteen years before Confederation, a Scottish immigrant named William Christie joined with a baker named Alex Brown to form Christie, Brown and Company, in Toronto. Their product line was baked goods. It was the first of many historic combinations of interest leading to the formation of Nabisco Brands Ltd.

Shortly after, in 1877, The Fleischmann Company began operations in Toronto. Its product was bakers' yeast, that most perishable and important baking ingredient.

These two companies shared a firm belief in the need for painstaking quality in everything they produced. Then as now, quality products form a link between the many companies that are now together as Nabisco Brands Ltd.

In 1928, Christie, Brown broadened its product scope by joining the National Biscuit Company, forerunner of the Nabisco name. In the following year this led to our expansion into the cereal market through The Canadian Shredded Wheat Company.

Standard Brands Limited was formed in 1929, out of the union between the Fleischmann Company, the Chase & Sanborn Company and the E.W. Gillett Company. Many of the brands sold then are still sold and still respected: *Chase & Sanborn* coffee, *Magic* baking powder and *Fleischmann's* yeast.

Both Christie, Brown and Standard Brands grew with Canada. Christie, Brown became Canada's largest biscuit manufacturer with such brand favourites as *Ritz* crackers and *Oreo* cookies and a leading cereal producer with Nabisco *Shredded Wheat*, *Shreddies* and *Cream of Wheat*. It entered the pet food market with *Milk-Bone* dog biscuits, Canada's leading pet snack.

In the meantime, Standard Brands was broadening its own success story in the food industry with the addition of *Planters* nuts, *Chipits* chocolate chips, *Blue Bonnet* margarine and the development of *Fleischmann's* margarine, the first margarine made entirely from corn oil.

In the 1960's, the company began the most ambitious expansion program in its history. It entered the wines and spirits industry through Calona Wines and McGuinness Distillers. It moved into the confectionery industry with Moirs and Lowney's. It became Canada's major coffee supplier to the foodservice industry with such brands as *Club*, *Melrose* and *Dickson's*. In recognition of the fast growing pet food industry, Standard Brands entered this market with the *Dr. Ballard's* line.

By 1981, Christie, Brown and Standard Brands were two of Canada's leading food companies.

The brand names of both companies had become almost synonymous with the products they identified: *Planters*. *Chipits*. *Shreddies*. *Pot of Gold*. *Chase & Sanborn*. *Premium Plus*. *Fleischmann's*. *McGuinness Silk Tassel*. *Oreo*. *Blue Bonnet*. *Sommet Rouge*. *Triscuit*. *Cream of Wheat*. *Chips Ahoy!* *Dr. Ballard's*. *Milk-Bone*. The list was impressive. The products were compatible.

Thus, in 1982, Christie, Brown and Standard Brands joined together to become Nabisco Brands Ltd. The new company represents a marriage of many strengths and shared goals. Through its combined family of brands it is Canada's largest packaged food company.



Since 1853, Canada's favourite cookies and crackers.

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The new company continues to emphasize quality products with the addition of the world famous line of *Life Savers* products to the Nabisco Brands family. The original "candy with a hole," *Life Savers* is Canada's best selling line of hard roll candies and mints. Other popular *Life Savers* products are *Care-Free* sugarless gum, *Breath Savers* mints and *Bubble Yum* bubble gum.

There are some aspects of history that carry no dates because they represent continuity.

One of the most important of these is the sense of community exhibited throughout the years by Christie, *Life Savers* and Standard Brands.

In every plant, warehouse and office location, Nabisco Brands Ltd. will continue to fulfill its responsibilities as a good citizen.

We will continue to set aside special funds for worthy causes whether they be in the areas of national concern or local participation.

Our people will continue to contribute their time, energy and knowledge within their communities and to those industry bodies organized for the betterment of products and services. Through our predecessors we have always done this. As Nabisco Brands we always will.

Nabisco Brands has much to live up to from the past. It's a challenge we accept.



We even package a zoo for young explorers.



Nabisco Brands' operations span the nation with 27 manufacturing plants, 11 regional distribution centres and branch sales offices in fourteen cities from coast to coast.

The company employs more than 5,000 people in its operations in Canada.

○ REGIONAL DISTRIBUTION CENTRES

● BRANCH SALES OFFICES

● PLANTS



NOVA SCOTIA

Amherst
Bridgetown
Dartmouth
QUEBEC

Gentilly
LaSalle

Montreal
Sherbrooke

ONTARIO

Bramalea
Don Mills
Etobicoke
Hamilton
Mississauga
Niagara Falls
Scarborough
Streetsville
Toronto
Toronto

MANITOBA

St. Boniface
Winnipeg
Winnipeg

SASKATCHEWAN

Weyburn

ALBERTA

Calgary

BRITISH COLUMBIA

Kelowna
Richmond
Vancouver
Vancouver

OREGON

Tualatin

*Chewing Gum
Distilled Spirits
Confectionery*

*Pet Foods
Yeast, Coffee, Tea, Desserts &
Baking Ingredients
Cookies, Crackers & Snacks
Confectionery*

*Pet Foods
Coffee
Distilled Spirits
Hard Roll Candy
Pet Foods
Cereals
Margarine
Flour Milling
Cookies, Crackers & Snacks
Nuts & Snack Foods*

*Pet Foods
Coffee
Hot Cereals*

Distilled Spirits

Margarines & Yeast

*Wines & Distilled Spirits
Pet Foods
Nuts & Snack Foods
Coffee & Food Service Products*

Pet Foods

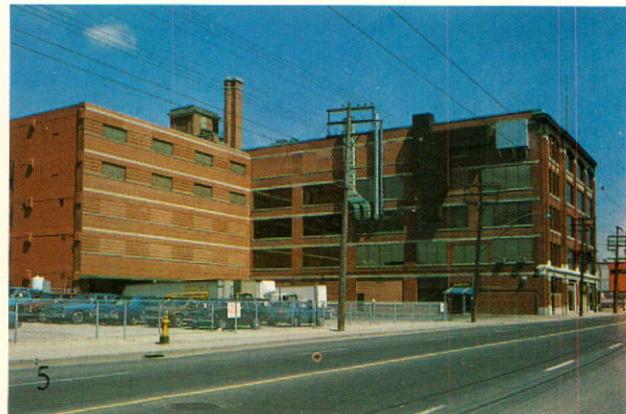
Producing quality products coast to coast featuring the latest in food and beverage technology.

1. Sherbrooke, Que. Confectionery
2. Niagara Falls, Ont. Cereals
3. Etobicoke, Ont. Distilled Spirits
4. Mississauga, Ont. Pet Foods
5. Toronto, Ont. Nuts & Snack Foods

6. Hamilton, Ont. Hard Roll Candy
7. Montreal, Que. Cookies, Crackers & Snacks
8. Toronto, Ont. Cookies, Crackers & Snacks
9. Tualatin, Oregon Pet Foods
10. Winnipeg, Man. Coffee

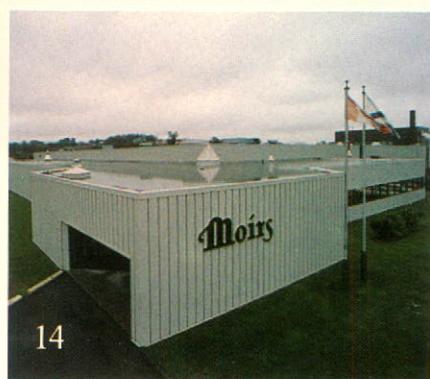


11. Calgary, Alta. Margarines & Yeast
12. Weyburn, Sask. Distilled Spirits
13. Kelowna, B.C. Wines & Distilled Spirits
14. Dartmouth, N.S. Confectionery
15. Vancouver, B.C. Coffee & Food Service Products



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Nabisco products go together to meet your festive needs.

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Nabisco Brands Ltd. is organized into five business operating segments based on historical marketing and distribution patterns: Foods; Biscuits; Confectionery; Wines & Spirits; and Food Ingredients.

The Foods Group is composed of three Canadian operating divisions: Grocery Products includes a broad range of consumer and pet food lines while Nabisco Foods represents our hot and cold cereal businesses. The Food Service division distributes Nabisco Brands products to the growing foodservice industry throughout Canada. The Foods Group is also responsible for the direction of The Hervin Company, our U.S. based pet food subsidiary.

Biscuit operations, under Christie, Brown & Co., include all of the Christie lines of crackers, cookies and snack products sold through grocery stores throughout Canada.

The Confectionery Group consists of the Lowney/Moirs, Life Savers and Planters divisions providing the company with a major presence in all segments of the confectionery market.

Wines & Spirits includes the operations of McGuinness Distillers Limited, Calona Wines Limited, and Canadian agency representation of a number of imported brands of wines, spirits and beers.

Food Ingredients covers operations of The Fleischmann Company and Reid Milling divisions.

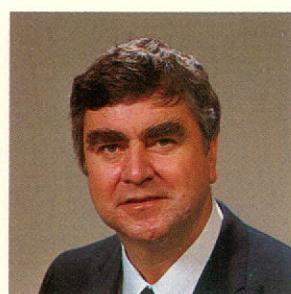
Each division operates with considerable autonomy on a daily basis, but is closely monitored through a comprehensive reporting system to both Group and Corporate Management. Economies of scale are achieved through the centralization of such functions as: Finance, Personnel, Industrial Relations, Legal, Corporate Affairs, and certain Operational Services.

The Corporate Management Committee meets formally at least once a month to establish policy and to review operational progress against predetermined plans and business strategies. Full meetings of the Board of Directors are conducted quarterly.

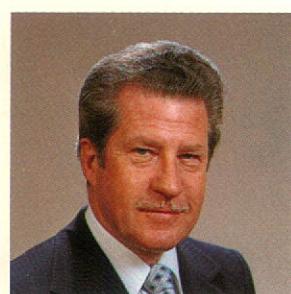
With this organizational framework plus the many manufacturing, financial and marketing strengths of the company, Nabisco Brands is uniquely positioned for excellence in business performance.



H. F. Powell
President and Chief
Executive Officer



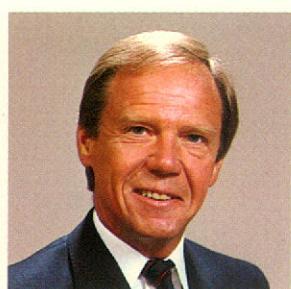
John R. MacDonald
Executive Vice President



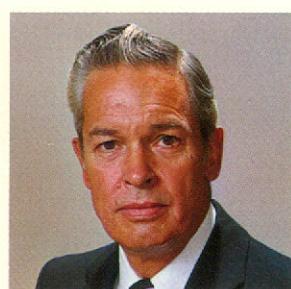
Lloyd E. Weir
Executive Vice President



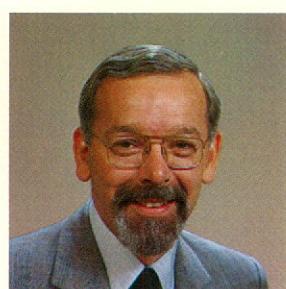
H. John Greeniaus
Senior Vice President and
Group Executive
Foods



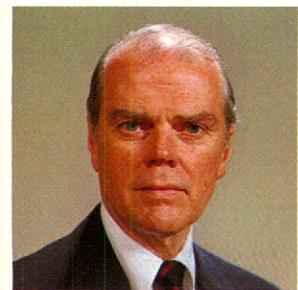
Edwin J. Korhonen
Senior Vice President and
Group Executive
Confectionery



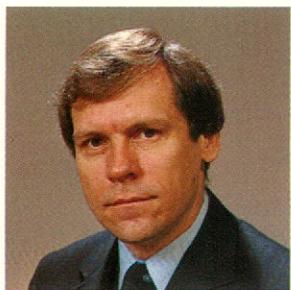
John B. McCrae
Senior Vice President and
President
Christie, Brown & Co.



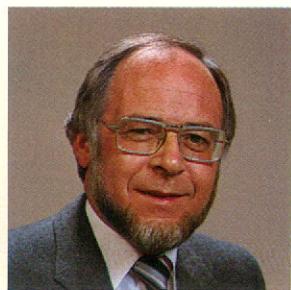
Peter A.K. Wood
Senior Vice President and
Group Executive
Wines & Spirits



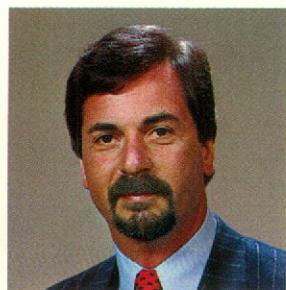
J. Boyce Donaldson
Senior Vice President
Operational Services



John C. Doran
Senior Vice President
Finance



Ronald A. Adlam
Vice President
Corporate Affairs



Simon Gulden
Vice President, General
Counsel and Secretary

Old-time favourites and new arrivals make Christie Canada's best sellers to young and old.



Christie, Brown & Co. is the organizational name for the Biscuit division of Nabisco Brands Ltd.

Christie is Canada's leading producer and marketer of biscuits. Manufacturing is centred in modern bakeries in Toronto and Montreal.

The Toronto plant produces some 90 cookie, cracker and snack products in a wide assortment of package varieties. The Montreal bakery produces approximately 30 different products. Both plants are highly automated.

An individual store-door delivery system to grocery retailers across the country supports the Christie consumer guarantee of quality and freshness implicit in every product.

Premium Plus is Canada's favourite soda cracker. The development of the crisp, yeast-free *Ritz* cracker in 1934 was a technological breakthrough in the baking industry. Today, *Ritz* is still unique and the market leader. The *Christie* line of cracker flavours and types is the country's largest and includes such brands as *Escort*, *Meal Mates*, *Sociables*, *Wheat Thins* and *Triscuit*.

Oreo is Canada's and the world's all-time favourite cookie, with more than

100 billion produced and sold throughout the world. Other popular varieties of *Christie* cookies include *Chips Ahoy!*, *Coffee Breaks*, *Pirate*, *Fig Newton*, *Fudgee-O*, *Arrowroot* and *Honey Maid* graham wafers. *Christie* snacks such as *Mister Salty* pretzels, *Bits & Bites*, *Cheddees* and *Mini Chips* are regular party favourites.

Three of the division's newest products are *Mr. Christie's Soft Cookies*, *Wheatsworth* stone ground wheat crackers and *Wheat Chips*—*Christie's* alternative to the ordinary potato chip. *Christie* also produces some 4 million boxes of *Girl Guide* cookies every Spring.



Our trucks display a personal touch.

The Grocery Products division markets consumer food products such as margarines, baking aids, coffees and desserts under such well-known brand names as *Fleischmann's*, *Blue Bonnet*, *Chipits*, *Magic*, *Chase & Sanborn* and *Royal*. Production is centred in LaSalle, Quebec; Scarborough, Ontario and Calgary, Alberta. The division also encompasses pet foods which are presented separately in this Report.

The division's flagship brand continues to be *Fleischmann's* margarine, a family of products in itself, with three varieties: Corn Oil, Salt-Free and Sunflower. It is Canada's most popular premium margarine brand. In the intermediate priced segment of the market, *Blue Bonnet* is a strong performer and combines with *Fleischmann's* to strengthen the Company's overall leadership in the margarine market.

Planters peanut oil is positioned as a premium specialty cooking oil and enjoys a growing reputation among gourmet chefs. The brand has benefitted significantly from the increasing popularity of Chinese wok cooking. In the baking aids market, *Fleischmann's* yeast, *Magic* baking powder and *Chipits* baking chips are market leaders.

Nabisco Foods produces ready-to-eat cereals like *Nabisco Shredded Wheat*, *Shreddies*, *4 Grain Team*, *Bran Crunchies*, and *Golden Honey*s. The division's newest product, *Bran Bites & Raisins*, combines crunchy wheat and bran with raisins and honey. In hot cereals, *Cream of Wheat* has been a breakfast favourite in Canadian homes for generations.

Nabisco Brands is Canada's second largest cereal manufacturer with plants in Niagara Falls, Ontario and Winnipeg, Manitoba.



Nabisco Brands Ltd. is Canada's largest marketer of pet foods with leading dry, regular and luxury canned products for cats and dogs under the brand names of *Dr. Ballard's*, *Miss Mew* and *Milk-Bone*.

Pet food products are manufactured in Gentilly, Quebec; Bramalea and Mississauga, Ontario; St. Boniface, Manitoba; Richmond, British Columbia and Tualatin, Oregon, U.S.A.

The pet food market is one of the largest segments of the retail food industry and our products have earned wide acceptance among pet owners.

For many years, *Dr. Ballard's* products have been independently monitored and tested by the Canadian Veterinary Medical Association as part of a commitment to improve the nutritional standards of pet foods. Every *Dr. Ballard's* brand cat food and dog food carries the C.V.M.A. certification, the only brand so recognized.

In cat foods, luxury canned *Miss Mew* dinners offer a wide range of thirteen flavours to tempt the cats of the nation.

Milk-Bone dog biscuits are Canada's most popular dog snack. They are nutritionally complete crunchy snacks that contribute to cleaner, whiter teeth and fresher breath.

Nabisco Brands Ltd. also manufactures and markets *Blue Mountain* brand canned and dry pet foods through its wholly owned subsidiary in Oregon, The Hervin Company. This successful line serves Western U.S. markets.

In the U.S. we make Blue Mountain pet foods at The Hervin Company, our subsidiary in Oregon.





(Top) Dr. Ballard's, market leader in a dog's world.

(Middle) Our top-selling dog snack: Milk-Bone biscuits.

(Bottom) Miss Mew, premium dinner for the feline set.

The Confectionery Group comprises three divisions: Lowney/Moirs, Life Savers and Planters.

Lowney candy bars including *Oh Henry!*, *Cherry Blossom*, *Glosettes* and *Eat-More* are produced at our Sherbrooke, Quebec facility. The Moirs line of box chocolates features such well-known brands as *Pot of Gold* and *Almondillos*. These are produced at Dartmouth, Nova Scotia. Exciting new products that respond to changing con-

sumer needs are a key ingredient to success in this market. Our latest entries, *Lowney Peanut Butter Cups* and *Ovation* chocolate mint sticks have achieved strong consumer acceptance.

Life Savers produces a wide range of hard roll candies, mints and chewing gums. In Hamilton, Ontario we produce *Life Savers* candy and *Breath Savers* mints. *Care-Free* sugarless gum and *Bubble Yum* bubble gum are produced in Amherst, Nova Scotia.

A buffet of treats from Canada's only full-line confectionery manufacturer.



The Group is strongly positioned for growth with a number of market leaders. In bars, *Oh Henry!* is one of Canada's first choices. We are one of the country's leading makers of box chocolates with brands like *Pot of Gold*, *Almondillos* and *Ovation*.

With world-famous *Life Savers*, the Group is Canada's only full-line confectionery manufacturer and marketer... with bars, box chocolates, hard roll candies and chewing gum.



Life Savers, another world-famous brand of Nabisco Brands.



The Planters division of the Confectionery Group manufactures and markets an extensive line of nuts and other snack foods.

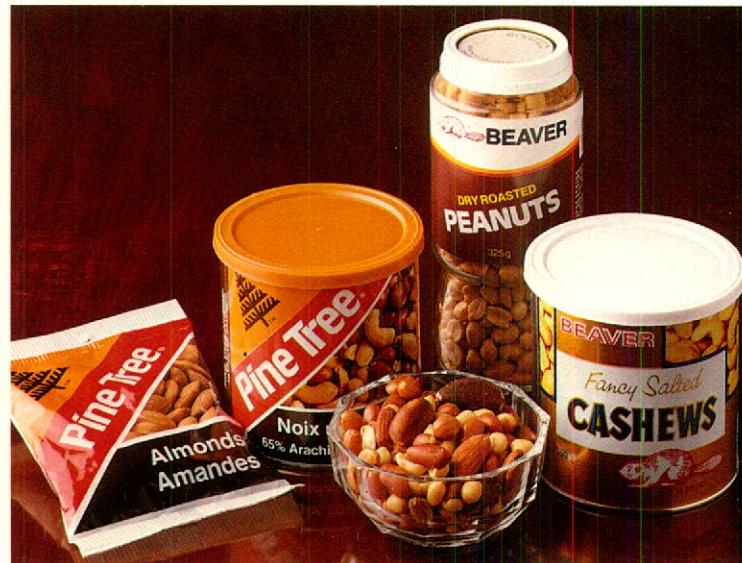
The leading nut line in the country is *Planters*, a brand name that celebrated its 75th birthday in 1981. Its facility in Toronto uses the latest in electronic sorters, energy-efficient roasters and precise high speed packaging equipment to guarantee the quality of freshness that is part of the *Planters* and *Mr. Peanut* heritage.

Regionally, the division is strongly represented by *Beaver* nuts in Ontario and *Pine Tree* in Western Canada.

As Canadians trend toward a more relaxed, health conscious life-style they also look for more nutrition in the packaged snack foods they buy—packaged snacks that are fun to eat and fun to serve. As a natural source of protein, peanuts offer a sensible snack alternative.

Planters responds to changing consumer needs with nut mixes and flavours such as Sesame Nut Mix, Bar B Q Peanuts and Hickory Smoke Flavoured Almonds; premium products like the *Planters* Dry Roasted line; and specialty products like *Planters* Unsalted Dry Roasted Peanuts.

The nuts and snack foods market is growing. With *Planters*, *Beaver* and *Pine Tree*, Nabisco Brands is well positioned for continued growth.



Strong regional brands bolster our national leadership in nuts and snack products.

Pass around Planters at your next get-together, they're Canada's favourite nuts.





(above) McGuinness offers Canada's most extensive line of flavour choices.

(left) Good taste comes in all ages and styles.

(below) Home-grown table wines with international recognition.



McGuinness Distillers Limited and Calona Wines Limited are the two main companies in the Wines & Spirits Group. McGuinness is responsible for the manufacturing and marketing of the Group's domestic brands of distilled spirits. Through its agency operation it also imports a selected line of beers, spirits and wines.

Calona Wines, located in the Okanagan Valley in British Columbia, manufactures and markets an extensive line of domestic wines, including *Schloss Laderheim*, the country's best selling domestic white table wine. Founded in 1932, Calona is now celebrating its 50th anniversary.

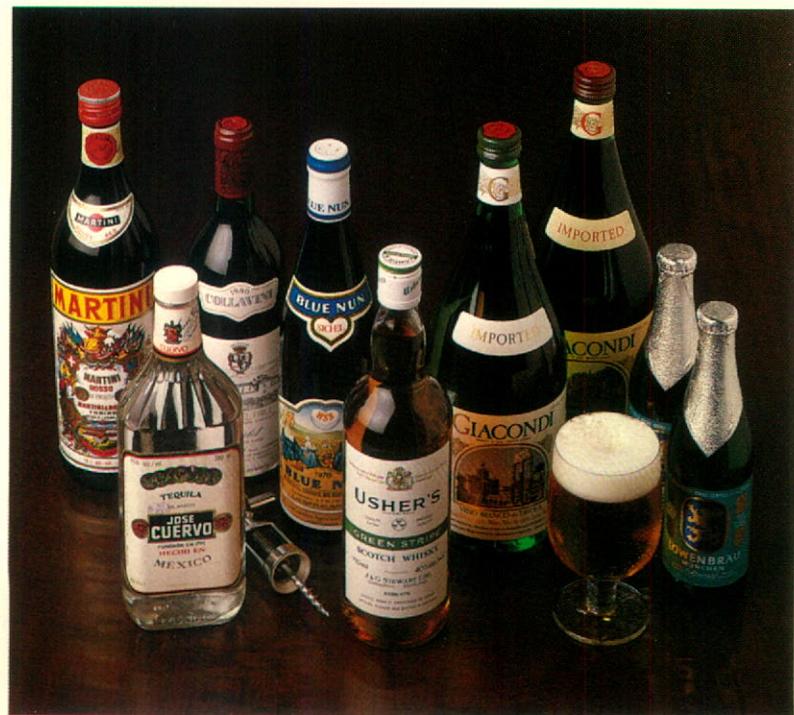
The Group also produces under license a number of internationally known brands such as *Booth's High and Dry* gin, *Don Q* rums and *Yukon Jack* liqueur.

In this highly competitive and closely regulated market, McGuinness liqueurs

are market favourites and the Group has at least one brand in the top five in every segment of the domestic spirits market. Notable among these are *Silk Tassel* whisky, *McGuinness* rum, *Marble Arch* gin, *Red Tassel* vodka and *D'Eaubonne* brandy. Its newest product, *Kemper's Bavarian Cream* is Canada's fastest growing new brand in the cream liqueur market.

In domestic wines, Calona is at the forefront in developing and bringing to market new brands of fine Canadian wines. Included in these are the award-winning *Sommet Blanc*, *Sommet Rouge*, *Haut Villages* and *Festspiel* table wines.

Our Group's import selection features world famous brands like *Martini & Rossi*, *Blue Nun* and *Lowenbrau*. Canadian distilleries are located in Bridgetown, Nova Scotia; Toronto, Ontario and Weyburn, Saskatchewan. Calona's Okanagan Valley winery is located in Kelowna, British Columbia.



We also bring you a select choice of brands from around the world.

The Food Service division of the Foods Group is responsible for distributing Nabisco Brands products for Canadians to enjoy with meals away from home.

The division is a truly national operation with strong sales, service and warehousing capabilities from coast to coast. The role of the division is to supply and service the wide ranging market segments of the foodservice industry in Canada.

Our primary strength in this market is coffee. We are Canada's largest coffee maker and serve the industry with such brands as *Becharas*, *Chase & Sanborn*, *Club*, *Dickson's*, *Eze Brew*, *Mellocup*, *Melrose* and *Mojabo*. Food Service coffees are roasted and ground at locations in LaSalle, Quebec; Don Mills, Ontario; Winnipeg, Manitoba and Vancouver, British Columbia.

We also supply the industry with such items as portion packs of *Fleischmann's* margarine and *Christie Premium Plus* crackers, *Nabisco* cereals, *Royal* desserts and *Planters* peanut oil along with other related food products. For counter and vending sales we provide portion packs of such well known brands as *Oreo*, *Fig Newton*, *Chips Ahoy!*, *Bits & Bites*, and *Mr. Salty*.

As a single, broadly based Food Service division, we are well-positioned for growth. We are also committed to providing a consistent level of service and personal contact to ensure that our customers are always able to serve quality products to their customers.



Our Food Service division provides a wide selection of specially packed products for the restaurant and institutional market.



When Canadians enjoy coffee away from home it's probably made from one of our brands. Last year we served an industry-leading 1.3 billion cups through our customers.



The Fleischmann Company and Reid Milling are two long established companies in the baking industry.

The Fleischmann Company is Canada's oldest yeast manufacturer, distributing nationally from production facilities in LaSalle, Quebec and Calgary, Alberta.

Fleischmann products cover a broad range of ingredients for the baking industry. In addition to yeast, the company makes dough improvers, baking powders, shortenings and specialty products. It also makes *Fleischmann's* active dry yeast for distribution to grocery stores by our Foods Group. Quality made *Fleischmann's* has been the first choice of Canadian professional bakers and home cooks for over a century.

Reid Milling, located in Streetsville, Ontario, produces cracker and cookie flour for our Biscuit division and outside customers. The flours are milled to exacting specifications to assure the consistency demanded by high production baking facilities. Reid is the largest soft wheat miller in Canada.

In today's highly automated baking industry, quality is vital. Quality is all that we sell. It's all that we've ever sold.



At Reid Milling, we make the premium quality flours for our biscuits and crackers.



For more than a century, Fleischmann's yeast has been the bakers' choice.

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and Retained Earnings
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in Financial Position
40 Combined Balance Sheet
42 Notes to Financial Statements

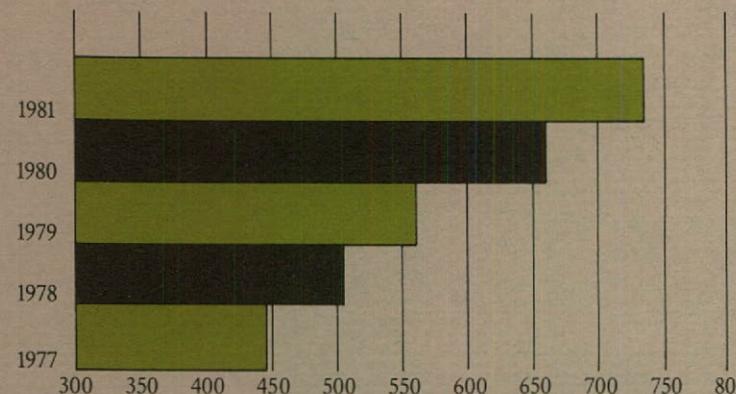
ANALYSIS OF GROSS REVENUE DOLLAR

	1981	1980
Materials	45.3 %	47.5 %
Other Operating Expenses	25.5 %	24.5 %
Paid to Employees	14.5 %	14.5 %
Income, Sales and Excise Taxes	8.9 %	8.1 %
Net Income	4.8 %	4.0 %
Depreciation	1.0 %	1.4 %
	100.0 %	100.0 %

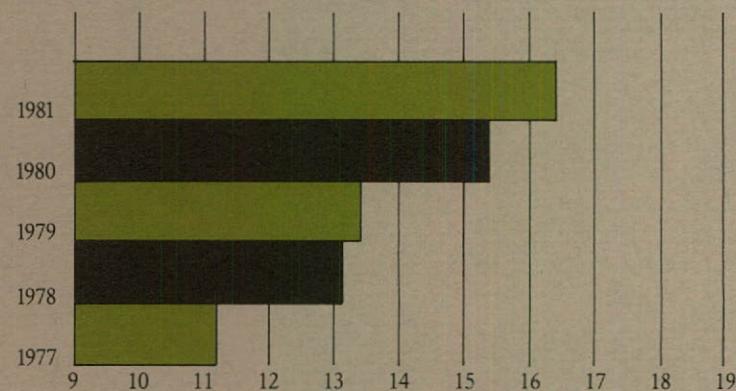
FINANCIAL HIGHLIGHTS

Nabisco Brands—Canadian Operations
December 31/1981, 1980, 1979, 1978 and 1977

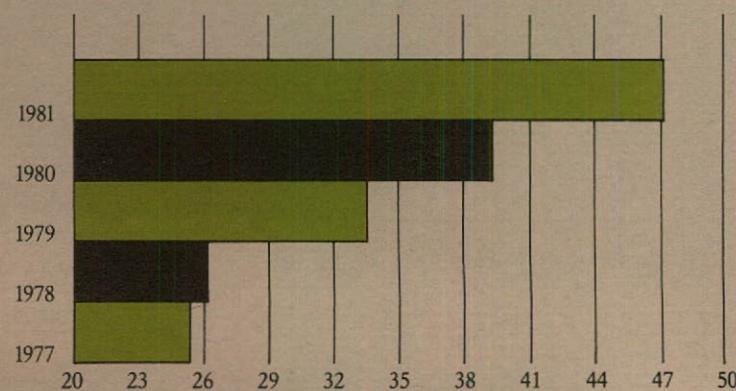
Net Sales
(millions of dollars)



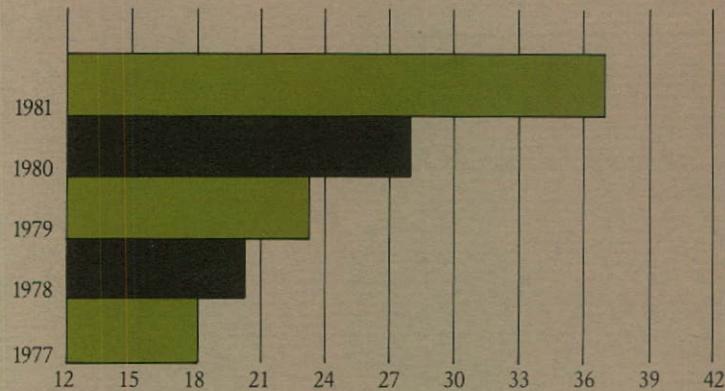
Capital Investment
(millions of dollars)



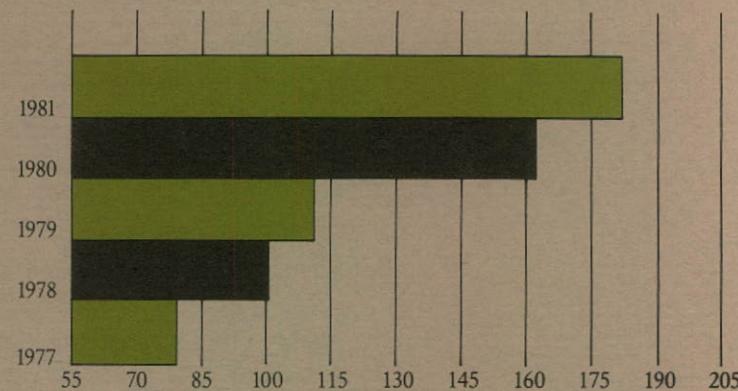
Working Capital from Operations
(millions of dollars)



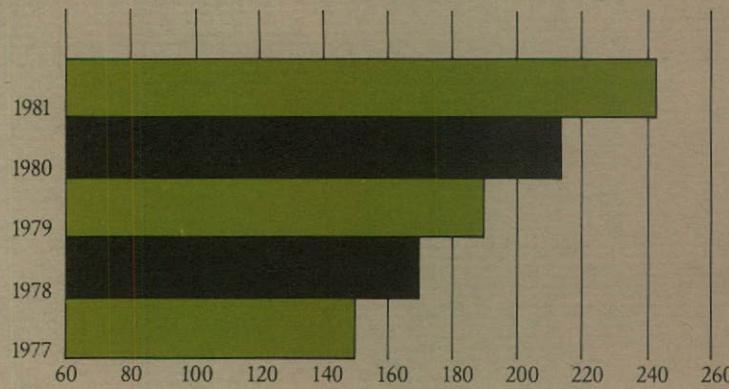
Net Income
(millions of dollars)



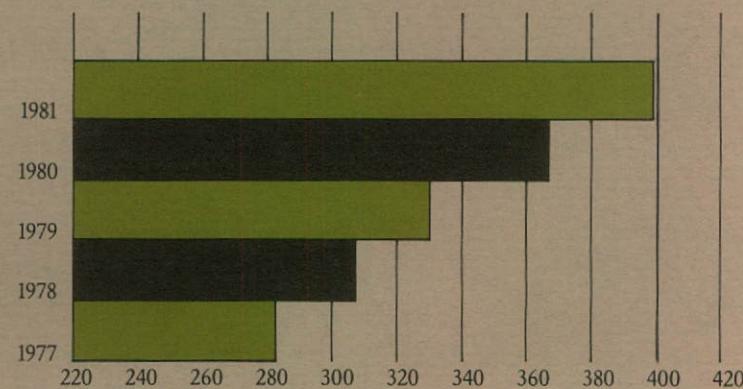
Working Capital
(millions of dollars)



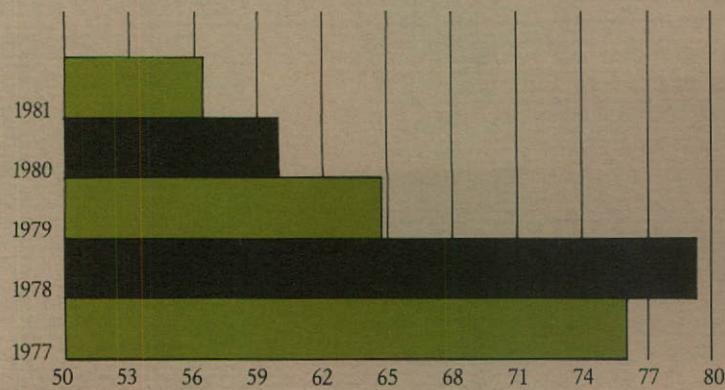
Shareholders' Equity
(millions of dollars)



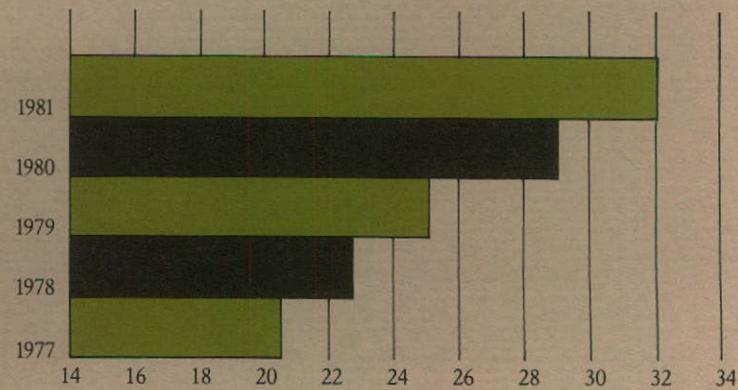
Total Assets
(millions of dollars)



Total Debt
(millions of dollars)



Per Capita Sales
(dollars)



1981

1980

**COMBINED
STATEMENT
OF INCOME
AND RETAINED
EARNINGS**

Nabisco Brands
Canadian Operations
for the years ended
December 31, 1981 and 1980
(in thousands of dollars)

	1981	1980
NET SALES	\$ 735,349	\$ 662,019
Cost of products sold	<u>543,134</u>	<u>504,791</u>
 GROSS MARGIN	 \$ 192,215	 \$ 157,228
Selling, administrative and other expenses	<u>127,423</u>	<u>107,961</u>
 INCOME BEFORE TAXES	 \$ 64,792	 \$ 49,267
Provision for taxes on income	<u>27,756</u>	<u>21,240</u>
 NET INCOME	 \$ 37,036	 \$ 28,027
 RETAINED EARNINGS, beginning of year	 188,205	 162,878
 Dividends paid	 \$ 225,241	 \$ 190,905
	 8,250	 2,700
 RETAINED EARNINGS, end of year	 \$ 216,991	 \$ 188,205

The accompanying notes are an integral part of these financial statements.

Auditors' Report to the Directors

We have examined the combined balance sheet of the Nabisco Brands-Canadian Operations as at December 31, 1981 and the combined statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these combined financial statements present fairly the financial position of the combined Canadian operations as at December 31, 1981 and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles, as explained further in note 1, on a basis consistent with that of the preceding year.

The comparative figures included in these combined financial statements have been derived from financial statements reported on separately, by us for the Christie, Brown and Company, Limited and its subsidiary component and by Arthur Andersen & Co. for the component comprising Standard Brands Limited and its subsidiaries.

Coopers & Lybrand

Chartered Accountants
Toronto, Canada
June 30, 1982

**COMBINED
STATEMENT
OF CHANGES
IN FINANCIAL
POSITION**

Nabisco Brands
Canadian Operations
for the years ended
December 31, 1981 and 1980
(in thousands of dollars)

FUNDS INTERNALLY GENERATED:

Working capital from operations:

	1981	1980
Net income	\$ 37,036	\$ 28,027
Depreciation of buildings and equipment and amortization of goodwill	8,617	8,441
Deferred income taxes	1,997	494
Other non-fund charges	(394)	2,441
	<hr/> \$ 47,256	<hr/> \$ 39,403

Funds invested in (generated from) working capital:

Accounts receivable	\$ 7,292	\$ 1,584
Inventories and prepaid expenses	13,988	14,418
Accounts payable and accrued expenses	(4,508)	(4,212)
Income and other taxes	3,711	(4,685)
Account with parent and affiliates	(2,372)	623
	<hr/> \$ 18,111	<hr/> \$ 7,728
NET FUNDS INTERNALLY GENERATED	\$ 29,145	\$ 31,675

OTHER USES (SOURCES) OF FUNDS:

Additions to property, plant and equipment—net	\$ 14,447	\$ 14,394
Reduction of long-term debt	3,576	908
Dividends	8,250	2,700
Increase in other assets and liabilities	1,325	364
Net proceeds from new long-term debt	—	(29,726)
	<hr/> \$ 27,598	<hr/> \$ (11,360)
NET GENERATION OF FUNDS	\$ 1,547	\$ 43,035

**FUNDS (cash and short-term investments,
net of short-term borrowings)**

-beginning of year	\$ 34,950	\$ (8,085)
-end of year	<hr/> \$ 36,497	<hr/> \$ 34,950

The accompanying notes are an integral part of these financial statements.

ASSETS**1981****1980****COMBINED
BALANCE SHEET**

Nabisco Brands
Canadian Operations
December 31, 1981 and 1980
(in thousands of dollars)

CURRENT ASSETS:

Cash and short-term investments	\$ 36,497	\$ 34,950
Accounts receivable	67,380	60,088
Inventories (Note 2)	150,449	137,218
Prepaid expenses	3,277	2,520
Total current assets	<u>\$ 257,603</u>	<u>\$ 234,776</u>

PROPERTY, PLANT AND EQUIPMENT,

at cost:

Land	\$ 1,851	\$ 1,885
Buildings	50,748	49,913
Machinery and equipment	125,120	113,893
	<u>\$ 177,719</u>	<u>\$ 165,691</u>
Less—accumulated depreciation	78,187	73,114
	<u>\$ 99,532</u>	<u>\$ 92,577</u>

OTHER ASSETS\$ 4,204\$ 3,042

GOODWILL, at cost less accumulated
amortization at \$4,243 in 1981
and \$3,512 in 1980 (Note 1d)

\$ 38,214\$ 38,945\$ 399,553\$ 369,340

CURRENT LIABILITIES:

Current maturities of long-term debt (Note 4)	\$ 1,345	\$ 1,918
Accounts payable and accrued expenses	65,507	60,999
Due to parent and affiliates	2,641	269
Income and other taxes	5,877	9,588
Total current liabilities	<u>\$ 75,370</u>	<u>\$ 72,774</u>
LONG-TERM DEBT (Note 4)	<u>\$ 55,162</u>	<u>\$ 58,165</u>
OTHER LIABILITIES	<u>\$ 838</u>	<u>\$ 1,001</u>
DEFERRED INCOME TAXES	<u>\$ 24,781</u>	<u>\$ 22,784</u>

SHAREHOLDERS' EQUITY:

Combined share capital	\$ 26,411	\$ 26,411
Retained earnings	216,991	188,205
	<u>\$ 243,402</u>	<u>\$ 214,616</u>
	<u>\$ 399,553</u>	<u>\$ 369,340</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Nabisco Brands
 Canadian Operations
 December 31, 1981 and 1980

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) In 1981, the U.S. parent companies of Standard Brands Limited and Christie, Brown and Company, Limited merged. These financial statements combine the accounts of Standard Brands Limited and its Subsidiaries and Christie, Brown and Company, Limited and its Subsidiary in a manner similar to a pooling of interests, to reflect substantially the total Canadian Operations of the parent company.
- b) These combined financial statements are prepared in accordance with generally accepted accounting principles as formalized by the recommendations of the Canadian Institute of Chartered Accountants and conform in all material respects to International Accounting Standards. These accounting principles have been applied on a consistent basis during the years.
- c) Property, plant and equipment are recorded at cost. For financial reporting purposes, depreciation expense is provided on a straight-line basis using estimated useful lives of 10 to 60 years for buildings and 2 to 40 years for machinery and equipment.
- d) Goodwill acquired after September, 1970 is being amortized over a period not to exceed forty years. Goodwill acquired prior to October, 1970, relating to regional pet food brands, is being amortized over a period of twenty years commencing in 1980. Other goodwill acquired prior to October, 1970 of \$19,338,000 is not being amortized.

2. INVENTORIES

Inventories are carried at the lower of cost or net realizable value and consist of:

	(in thousands of dollars)	
	1981	1980
Finished goods	\$ 48,254	\$ 44,440
Work in process (principally maturing spirits)	52,157	46,225
Raw materials and packaging supplies	50,038	46,553
	<u>\$150,449</u>	<u>\$137,218</u>

3. SHORT-TERM BORROWINGS

To meet seasonal working capital requirements, Nabisco Brands, Inc. maintains jointly with Standard Brands Limited and Christie, Brown and Company, Limited unsecured lines of credit from Canadian chartered banks aggregating \$45,000,000. These lines of credit are available to support commercial paper and for other corporate purposes.

4. LONG-TERM DEBT

As of December 31, 1981 and 1980, long-term debt consisted of the following:

	(in thousands of dollars)	
	1981	1980
14% Sinking fund debentures due March 15, 2000, guaranteed by Nabisco Brands, Inc. with sinking fund payments of \$1,725,000 annually, beginning 1984	\$ 30,000	\$ 30,000
9.75% Sinking fund debentures due December 15, 1997, guaranteed by Nabisco Brands, Inc. with sinking fund payments of \$1,000,000 annually, beginning 1981	24,000	25,000
10% Promissory note paid in full on February 25, 1981	—	2,000
7.5% Secured debentures due 1987	855	998
Other, including mortgages on certain properties carrying interest rates ranging between 5%-12%	1,652	2,085
Less—current maturities	\$ 56,507	\$ 60,083
	1,345	1,918
	\$ 55,162	\$ 58,165

5. PENSION PLANS

The Companies contribute to several pension plans, covering substantially all eligible employees. Contributions charged to expense were \$5,111,000 in 1981 and \$3,539,000 in 1980, including amortization of past service costs. Based on most recent independent actuarial valuations, pension fund assets in each plan exceeded vested benefits.

6. INTEREST

Interest expense, net of interest income, for the years ended December 31, 1981 and 1980 was as follows:

	(in thousands of dollars)	
	1981	1980
Interest expense:		
Short-term borrowings	\$ 1,557	\$ 1,136
Long-term debt	6,930	6,285
	\$ 8,487	\$ 7,421
Less—interest income	6,073	3,693
	\$ 2,414	\$ 3,728

7. LEASE COMMITMENTS AND RENT EXPENSE

Rent expense under non-cancelable operating lease commitments totalled \$4,492,000 for the year ended December 31, 1981, and based upon present commitments, the future minimum lease payments are as follows:

1982	\$3,944,000
1983	\$2,940,000
1984	\$2,446,000
1985	\$1,968,000
1986	\$1,783,000
1987-2001	\$7,639,000

8. TRANSACTIONS WITH RELATED PARTIES

- a) Standard Brands Limited and Christie, Brown and Company, Limited are wholly owned by Nabisco Brands, Inc. of New York, U.S.A.
- b) The Company sells to and purchases from its parent and affiliates various products. These transactions aggregated approximately \$13,205,000 in 1981.

9. SUBSEQUENT EVENTS

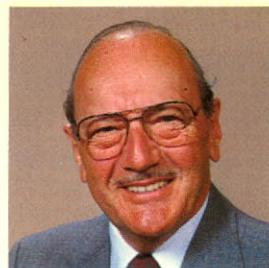
On January 4, 1982, Christie, Brown and Company, Limited acquired 100% of the issued and outstanding shares of Life Savers Canada Inc. for cash consideration of \$3,600,000.

On February 26, 1982, Standard Brands Limited acquired 100% of the issued and outstanding shares of The Hervin Company for cash consideration of \$7,192,403.

DIRECTORS' COMMITTEES

Audit Committee

Ben Wosk, C.M. *Chairman*
 Matthew S. Hannon, Q.C. *Secretary*
 Frank M. Covert, Q.C.
 Dr. David S. R. Leighton



Gaëtan C. Morrisette,
Montreal, Quebec.
Chairman of the Board
Nabisco Brands Ltd.



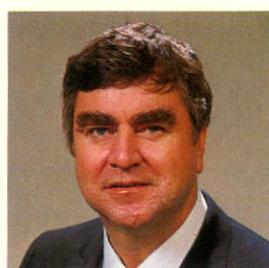
Martin F. C. Emmett,
Greenwich, Connecticut.
Senior Executive
Vice President
Nabisco Brands, Inc.



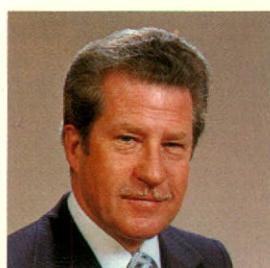
H. F. Powell,
Toronto, Ontario.
President and Chief
Executive Officer
Nabisco Brands Ltd.

Compensation Committee

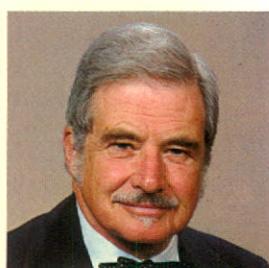
C. Richard Sharpe *Chairman*
 Matthew S. Hannon, Q.C. *Secretary*
 Mme Jeannine Guillevin-Wood
 John T. Johnson, Q.C.



John R. MacDonald,
Toronto, Ontario.
Executive Vice President
Nabisco Brands Ltd.



Lloyd E. Weir,
Toronto, Ontario.
Executive Vice President
Nabisco Brands Ltd.



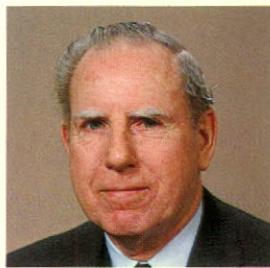
Frank M. Covert,
O.B.E., Q.C.,
Halifax, Nova Scotia.
Partner,
Stewart, MacKeen &
Covert.

Nominating Committee

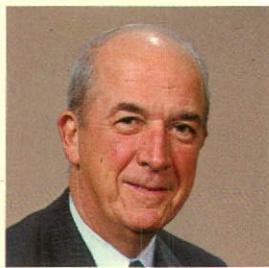
Frank M. Covert, Q.C. *Chairman*
 Matthew S. Hannon, Q.C. *Secretary*
 George C. Hitchman
 Dr. David S. R. Leighton
 John R. MacDonald
 Gaëtan C. Morrisette



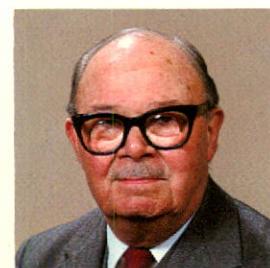
Jeannine Guillevin-Wood,
Outremont, Quebec.
President,
Guillevin International Inc.



Matthew S. Hannon, Q.C.,
Montreal, Quebec.
Partner, Ogilvy, Renault.



George C. Hitchman,
Toronto, Ontario.
Director, The Bank of
Nova Scotia.



John T. Johnson, Q.C.,
Toronto, Ontario.

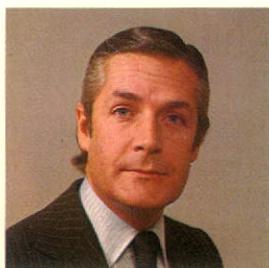
Partner, Borden & Elliot.



Dr. David S. R. Leighton,
Banff, Alberta.
President, The Banff Centre

President, Organizing
Committee

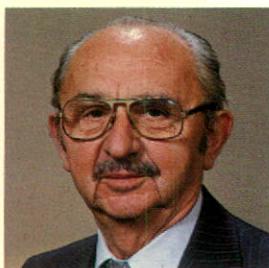
XV Olympic Winter Games.



John Loudon,
London, England.
Director,
N.M. Rothschild &
Sons Ltd.



C. Richard Sharpe,
Toronto, Ontario.
Chairman of the Board and
Chief Executive Officer,
Simpsons-Sears Limited.
Director,
Nabisco Brands, Inc.,
New York.



Ben Wosk, C.M.,
Vancouver,
British Columbia.
President and
Chief Executive Officer,
Wosk's Limited.

We are confident about the future of our new company because Nabisco Brands Ltd. is sound in so many fundamental ways.

Our branded products in foods and beverages enjoy high consumer recognition and loyalty.

Through our predecessors we inherited market leadership in many categories.

Now, as one company, we recognize more and more how our various businesses complement each other...in manufacturing, distribution, marketing and technology.

Because our company was founded on leadership, we intend to expand this leadership by building on the special strengths of each partner.



NABISCO BRANDS FAMILY OF PRODUCTS

BISCUITS

Christie Cookies

Arrowroot

Aura Fruit Bars

Barnum's Animal Crackers

Chew Chews

Chips Ahoy!

Chocolate Wafers

Coffee Breaks

Date Lunch

Favourites

Fig Newton

Fudgee-O

Hey Days

Hoo-Rays

Jelly Shortcake

Lemon Puff

Maple Leaf

Midget Snaps

Miniatures

Mint Creams

Mint Sandwich

Montclair Chocolate Grahams

Mr. Christie's Soft Cookies

Neapolitan Wafers

Oatmeal

Oreo

Pantry

Pik Nik Assortment

Pirate

Raisin Sugar

Social Tea

Sultana

Symphonic Shortbread

Tea Treats

Vanilla Wafers

Christic Crackers

Bacon Dippers

Buffet Rye

Canadian Harvest

Cheese Bits

Cheese & Green Onion

Cheese Tid Bits

Escort

French Onion Thins

Ground Wheat Thins

Holland Rusk

Hovis*

Meal Mates

Milk Lunch

Onion Crisps

Pizza Crackers

Premium Old Fashioned

Premium Plus

Premium Rye

Ritz

Salt & Vinegar

Sociables

Sour Cream & Chive

Swiss Chesse

Triangle Thins

Triscuit

Triticale

Vegetable Thins

Wheatsworth

Wheat Thins

Christie Snacks

Bits & Bites

Buenos

Cheddees

Flings

Mini Chips

Mister Salty Pretzels

Wheat Chips

Christie Cones

Coloured Cuplet Cones

Cuplet Cones

Cadet Cones

Sugar Cones

Christie Graham Products

Honey Maid Graham Wafers

Honey Maid Graham Crumbs

Honey Maid Graham Pie Crust Mix

GROCERY PRODUCTS

Baking Aids

Chipits Baking Chips

Fleischmann's Yeast

Magic Baking Powder

Beverages

Chase & Sanborn Coffee

Trend Coffee

The Tea

Desserts

Royal Instant Pudding

Royal Jelly Powders

Royal No-Bake Cheesecake

Margarines

Blue Bonnet

Fleischmann's

Other

Egg Beaters Egg Substitute

Planters Peanut Oil

Food Service Coffees

Chase & Sanborn

Club

Dickson's

Eze Brew

Mellocup

Melrose

Mojaboo

NABISCO CEREALS

Ready To Eat

Bran Bites & Raisins

Bran Crunchies

100% Bran

Golden Honey's

4 Grain Team

Rice Flakes

Shredded Wheat

Shreddies

Spoon Size Shredded Wheat

Hot Cereals

Cream of Wheat

Mix 'n Eat Cream of Wheat

PET FOODS

Blue Mountain

Dr. Ballard's

Husky

Miss Mew

Perky

Puppy Plus

Romar

Tops

Dog Biscuits

Flavor Snacks

Milk Bone

CONFECTIONERY

Moirs Box Chocolates

Almondillos

Droste Ovation

Pot of Gold

Selection

Valentine Hearts

Lowney Candy Bars

Caravan

Cherry Blossom

ChocoLoto

CricCroc

Eat-More

Glosette

Nut Milk

Oh Henry!*

Peanut Butter Cups

Hard Roll Candy

Beech Nut

Breath Savers

Life Savers

Nuts & Snack Food Lines

Beaver

Pine Tree

Planters

Chewing Gum

Bubble Yum

Care-Free

Replay

Other Confectionery

Angelus Marshmallows*

Bridge Mixture

Campfire Marshmallows*

Cracker Jack*

Tradition

FOOD INGREDIENTS

Fleischmann's Bakers' Yeast

Reid Milling Flour

WINES & SPIRITS

McGuinness Distillers Ltd.

Canadian Whisky

Acadian "400"

CN Tower

Captain's Table

Canadian LTD

Cool Canadian

Gold Tassel

Silk Tassel

Silver Tassel

Old Canada

Brandy

D'Eaubonne

Gin

Booth's High & Dry*

McGuinness Marble Arch

Rum

Bluenose

Don "Q"*

McGuinness

Vodka

Red Tassel

Rostov

Silhouette

Liqueurs

Entre Amis

Kemper's Bavarian Cream*

McGuinness Liqueurs

Orange & Brandy

Yukon Jack*

Beer

Foster's

Lowenbrau

MacEwan's

Newcastle Brown Ale

Calona Wines Ltd.

Calona Sherries

Cuvee Blanc

Festspiel

Fontana Bianco

Haut Villages

La Scala Spumante

Mountain Red

Palazzo Reale

Royal

San Pietro

Schloss Laderheim

Sommet Blanc

Sommet Rouge

Winemasters Selection

Imported Wines & Spirits

Blue Nun Wines

Chartreuse Liqueurs

Collavini Wines

Cuervo Tequila

Giacandi Wines

Martini & Rossi

Monnet Cognac

Sichel German Wines

Usher's Green Stripe Scotch

Winegild Wines

*Manufactured under license.

