

ANNUAL
REPORT
1988



 JOHN LABATT



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Pour obtenir la version française du présent rapport, écrire au secrétaire de John Labatt, 451, rue Ridout nord, C.P. 5870, Succursale A, London (Ontario) N6A 5L3.

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John Labatt Limited
Corporate Offices
451 Ridout St. North
P.O. Box 5870, Terminal A
London, Ontario
N6A 5L3
Attention: Investor Relations

■ Highlights

<i>(in millions except per share and other data)</i>	1988	1987	% Change
Operating Results			
Gross sales	\$ 5,107.0	\$ 4,273.2	20%
Net earnings	140.6	125.2	12%
Funds provided from operations	288.8	233.6	24%
Common share dividends	45.5	39.6	15%
Acquisitions, capital expenditures and other investments, net	341.8	556.7	(39%)
Financial Position			
Working capital	\$ 228.1	\$ 204.7	11%
Total assets	2,538.0	2,355.0	8%
Non-convertible long-term debt	481.6	378.3	27%
Convertible debentures and shareholders' equity	1,158.4	1,066.3	9%
Per Share Data			
Fully diluted net earnings	\$ 1.68	\$ 1.55	8%
Dividends	\$ 0.62	\$ 0.5475	13%
Convertible debentures and shareholders' equity	\$ 13.01	\$ 12.06	8%
Other Data			
Return on average shareholders' equity	17.2%	17.3%	
Return on average shareholders' equity and convertible debentures	13.5%	13.7%	
Number of common shareholders	14,838	13,160	13%
Number of employees	17,900	16,200	10%
Number of common shares outstanding – end of year (in millions)	73.8	72.7	2%



John Labatt

John Labatt is a major North American food and beverage company carrying on business in two principal Groups, Brewing and Food.

The operating divisions and products within the two groups, and other investments are as follows:

THE BREWING GROUP



Production and sale of beer, ale, malt liquor, stout, malt-based beverages, and wine in Canada, the United States, and abroad through the Labatt Brewing Company.

Labatt Breweries of Canada

Labatt Breweries of Canada brews and markets 40 brands of beer. National brands include "Labatt's Blue", "Labatt's 50", "Budweiser", "John Labatt Classic", and "Labatt's Lite" and

account for most of the company's sales. Important regional brands include "Keith's" in the Maritimes, "Club", in Manitoba, "Kokanee" in B.C., "Blue Light" in Ontario, and the recently acquired Carlsberg line.



THE FOOD GROUP

Production and sale of dairy products, food, and juices in Canada, the United States and abroad.

Ault Foods

Production and sale of cheese, butter, fresh table milk, cultured products, margarine, ice cream, novelties, powders and other milk products in Canada.



U.S. Dairy Operation

Production and sale of fresh table milk, ice cream, novelties, yogourt and other milk products, fruit juices, fruit drinks and spring water in the United States.



Everfresh

Production and sale of fruit juices and fruit drinks in Canada and the United States.

Ogilvie

Production and sale of flour and other milled grain products in Canada and for export. Production and sale of starch, gluten and livestock feeds in Canada and the United States.



OTHER INVESTMENTS

John Labatt has the following other investments.



THE SPORTS NETWORK™

The Sports Network

Television sports broadcasting service in Canada. TSN is 100% owned by John Labatt.

Labatt Breweries of U.S.A

Sale of beer and ale in the U.S.A. through Labatt Importers and production and sale of beer through Latrobe Brewing.



Labatt Breweries of Europe

Production and sale of beer in Europe.



Chateau-Gai

Production and sale of wine and wine-based refreshments in Canada.



CHATEAU-GAI

Auscan Closures Canada and Company, Limited

Manufacturer of patented caps for bottled beverages. A 50% interest.

Canada Malting Co., Limited

Production and sale of malt for the brewing and distilling industries. A 19.9% share interest.

Communications and Entertainment

BCL Entertainment Corp. A 45% interest. Supercorp Entertainment. A 50% interest.

John Labatt Foods

Production and sale of food through:

Chef Francisco—frozen soups
Delicious Foods—frozen vegetables
Omstead Foods—fish and frozen vegetables
Pasquale Foods—pizza and pasta
Catelli—retail grocery products
Oregon Farms—retail grocery products



CATELLI

Catelli-Primo Limited

Production and sale of grocery products in Trinidad. A 46.4% share interest.

McGavin Foods Limited

Production and sale of baked goods in western Canada. A 60% share interest and a 50% voting interest.

Allelix Inc.

Applied research in biotechnology in Canada. A 30% partnership interest.

Allelix

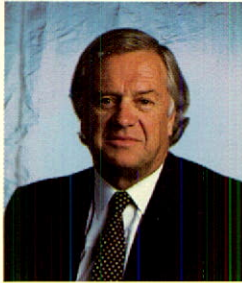


Toronto Blue Jays Baseball Club

American League baseball. John Labatt has a 45% partnership interest.



Letter to Shareholders



Peter N.T. Widdrington
Chairman and
Chief Executive Officer

The fiscal year ended April 30, 1988 was a year of substantial growth and important progress for John Labatt.

Sales increased 20% to \$5.1 billion, a new milestone. Net earnings reached \$141 million, an increase of 12% over last year and earnings per share, on a fully diluted basis, were \$1.68, up from \$1.55 a year ago.

The Brewing Group had a very good year, with earnings growth of 16%. Food Group earnings were 6% ahead of last year, constrained by a number of difficult market situations and the costs associated with the integration of recent acquisitions. TSN achieved strong progress and made a positive earnings contribution for the first time since its 1984 start up.

To enhance the implementation of John Labatt's strategic and operational plans, the Company's structure was changed during the year to create two separate operating groups, the Brewing Group, headed by Sidney M. Oland, and the Food Group, comprising the Agri Products and Packaged Food segments, headed by George S. Taylor.

In addition, Edward G. Bradley was appointed Executive Vice-President, Corporate Development and Staff Services.

The Group Presidents, Messrs. Oland and Taylor, have full operating responsibility for their groups and also participate with Corporate Management in the overall direction of John Labatt. Their detailed comments on the performance of each operating group are provided later in this report.

Within the new organizational structure, individual businesses continue to operate on the decentralized and autonomous basis which has been one of the cornerstones of the Company's success.

During the year, John Labatt further developed its position as a major North American food and beverage company. In addition to significant new product and business initiatives developed within the Brewing and Food Groups, the Company invested \$135 million in selective acquisitions. These acquisitions expand the Company's North American presence, primarily in the United States. Operations in the United States contributed 39% of overall sales in fiscal 1988, up from 32% a year ago.

John Labatt also continued its substantial capital investment programs during fiscal 1988, to expand and upgrade its plant facilities and equipment. Capital expenditures totalled \$209 million, an increase from \$158 million in the prior year.

The acquisitions and capital programs were financed by operating cash flow and a \$100 million debenture issue, supplemented by short-term borrowings.

Strategically, the Company's goal is to continue its development as a major North American food and beverage company. Management's first priority is to realize the full value of recent acquisitions and capital investments, although acquisitions in core businesses will be considered where significant operating improvements are available. The thrust will be to increase competitive advantage through superior marketing and sales execution, new product development and productivity gains.

During the year the Canadian and United States governments negotiated a free-trade agreement which, at the time of writing, had not been ratified by either country. The agreement is not expected to have a material impact on John Labatt.



"Edward G. Bradley was appointed Executive Vice-President, Corporate Development and Staff Services"

For fiscal 1989, higher sales and earnings are forecast. John Labatt's leading position in its major markets, combined with its financial strength and commitment to excellence create strong potential for the future.

Mr. Peter Hardy, Chairman of the board of directors retired in September 1987 after 38 years of outstanding leadership and distinguished service. Mr. Wally Read, a director and senior executive of the Company also retired from the board after 36 years of distinguished service.

The Board wishes to express its appreciation to Messrs. Hardy and Read for their exceptional contribution and service to John Labatt.

During the year four new directors were elected to the Board:

- Mr. David Jenkins — President, C.E.O. and Chairman, Shaws Supermarkets
- Mr. Sidney Oland — President, Labatt Brewing Group
- Ms. Robin Smith — President, Publishers Clearing House
- Mr. George Taylor — President, Labatt Food Group

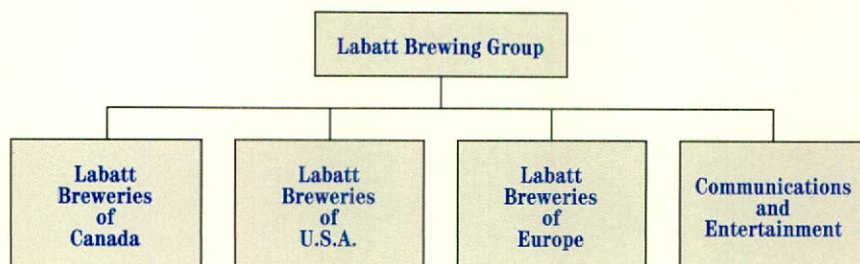
These directors will add to the Board's experience, expertise and valued counsel.

The Board extends sincere thanks to the Company's customers, suppliers, shareholders and 17,900 employees for their support and contribution to the success of John Labatt.

Peter N. T. Widdrington
Chairman and Chief Executive Officer



Brewing Group



Fiscal 1988 was a year of major change as the Brewing Group began implementation of a new strategy for long-term growth and increased profitability.

The major thrust of this expansion strategy is to become a significant international brewer. During the year, the Group acquired the Latrobe Brewing Company in the United States and established an organization in the United Kingdom which successfully launched Labatt's Canadian draught lager. In addition, the Group diversified by establishing a presence in the Communications and Entertainment industry.

In addition to these development activities, the Group continued to achieve solid performance in its base business. The Group's Canadian brewing operation maintained its leading market share at over 41%. Volume grew substantially both in the United States brewing and the Canadian wine operations.

Group earnings reached \$140 million, up from \$121 million in the prior year, reflecting volume growth and improved profitability from cost efficiencies and productivity gains.

The outlook for fiscal 1989 is very good. In Canada, Labatt began producing and marketing the popular Carlsberg line commencing in late June, 1988, which together with other planned marketing initiatives should increase Labatt's lead over its competitors in Canada. In the United States, the Group forecasts significant growth for fiscal 1989, as a result of new marketing programs for the Latrobe "Rolling Rock" brand and continued strong momentum of "Blue" and "Blue Light". In the United Kingdom, the Group will report a substantial sales increase from the first full year of operations with Greenall Whitley and through the addition of other regional brewers. The Communications and Entertainment division forecasts strong growth and increased profitability through expansion of existing business and the development of new business opportunities.

Sidney M. Oland
President, Brewing Group

These popular Labatt brands are enjoyed in Canada, the United States and international markets.



(\$ in millions)	1988	1987	1986	1985	1984
Gross sales	\$1,632.6	\$1,487.3	\$1,333.1	\$1,201.6	\$1,030.3
Assets employed	527.3	428.8	386.8	362.6	288.5
Capital expenditures	76.5	56.1	56.4	63.8	46.2
Depreciation and amortization	38.9	33.3	27.4	23.9	19.2
Earnings before interest and income taxes	\$ 140.1	\$ 120.9	\$ 94.1	\$ 77.1	\$ 90.2
Domestic industry volume — hl. (millions)	20.5	20.4	19.8	20.4	20.4
Labatt domestic volume — hl. (millions)	8.4	8.4	8.1	7.9	7.2
Domestic market share	41%	41%	41%	39%	35%

Group Executive Offices:

#2 First Canadian Place, Suite 3200,
P.O. Box 69, Toronto, Ontario M5X 1E7

Head Office:

150 Simcoe Street, P.O. Box 5050,
Terminal "A", London, Ontario N6A 4M3

Number of Plants: 17

Number of Employees: 4,870

Canada

- Labatt is the leading brewer in Canada, producing and marketing high quality malt based beverages for sale in Canada and for export. The Labatt product line features 40 brands, including national brands such as "Labatt's Blue", "Labatt's 50", "Budweiser", "Labatt's Lite", and "John Labatt Classic", and important regional brands such as "Keith's" in the Maritimes, "Labatt's Blue Light" in Ontario, "Club" in Manitoba, "Kokanee" in British Columbia and the recently acquired "Carlsberg" line.



- Canadian brewing industry volume was essentially flat in fiscal 1988.
- Labatt maintained its leading market share position averaging over 41% for the year. This performance was achieved in part by the continued strong performance of Labatt's Blue, Canada's most popular beer, enjoying more than twice the market share of the nearest competitive brand.
- Earnings increased significantly in part as a result of the contribution from capital and productivity programs.

Labatt's Blue, Canada's favourite beer, has a market share double its nearest competitor.



In June, 1988 Carlsberg was introduced into Ontario, Quebec and Newfoundland as the newest member of the Labatt family.



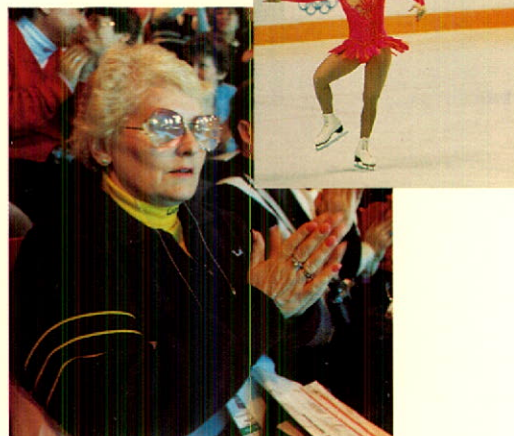


John Labatt Classic is Canada's only premium-quality, distinctively-aged beer.

- In fiscal 1988, Labatt further increased its already substantial capital investment programs to expand capacity, reduce operating costs and improve efficiencies.



- Labatt is proud to have been associated with the 1988 Winter Olympics held in Calgary, Alberta, both as an official sponsor and through the "Labatt's Parents Program".



Mrs. Barbara Manley watches her silver medal-winning daughter Elizabeth perform at the 1988 Olympic Winter Games in Calgary. Mrs. Manley was one of 300 parents of Canadian athletes who were the guests of Labatt's for The Games.

- During the year the Canadian and United States governments negotiated a free-trade agreement which at the time of writing had not yet been ratified by either country. The agreement is not expected to have a material impact on the Brewing operation.
- The Canadian government has recently responded to a G.A.T.T. ruling regarding provincial policies for wines, beer and spirits, in which the government indicated there will be no changes regarding the brewing industry in the foreseeable future. Management will continue to closely monitor these developments.
- For fiscal 1989, Labatt anticipates an increase in national market share and higher earnings.

As Canada's leading brewer, Labatt's is meeting the rising demand for beer in cans.

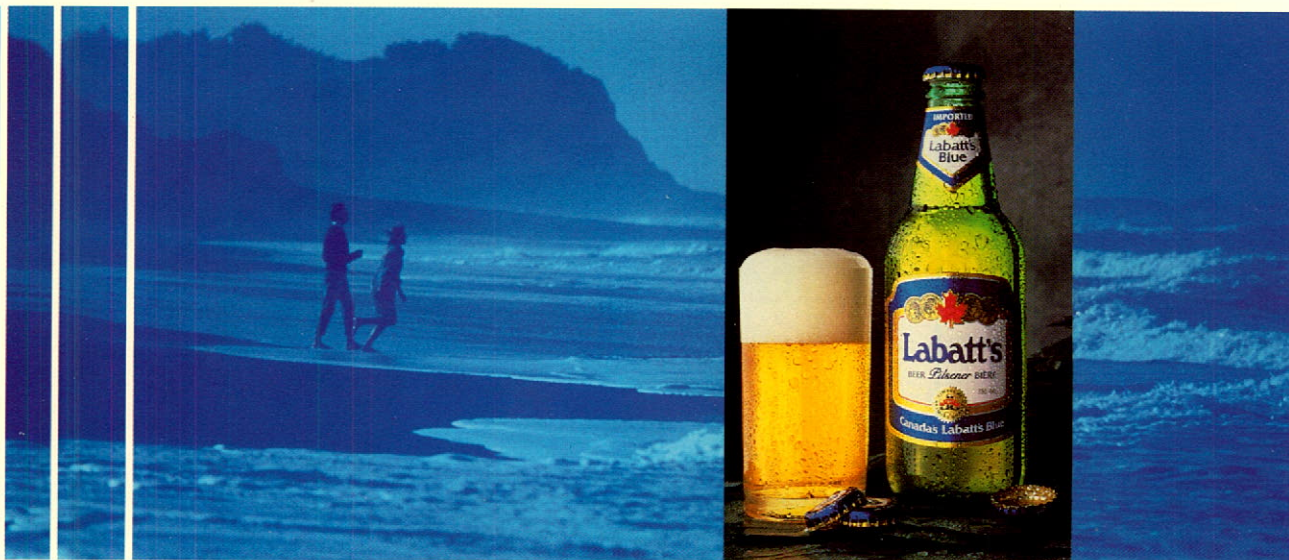
United States

- In the United States, Labatt imports and markets a number of brands including "Labatt's Blue", "Labatt's Blue Light", "Labatt's 50" and "Schooner", as well as "Moussy", a non-alcoholic beer imported from Europe.
- In October 1987, the Company also began producing and marketing "Rolling Rock", the flagship brand of the recently acquired Latrobe Brewing Company. The acquisition of Latrobe reflects Labatt's niche market strategy in the United States by providing a popular regional brand which has excellent growth potential.
- The new "Blue Heaven" advertising campaign, packaging changes and improved distribution contributed to a strong 16% growth in sales of Labatt brands over the previous year. This performance significantly outpaced the 1% growth of the Canadian imported beer segment.
- Labatt's USA forecasts increases in sales and operating results for fiscal 1989.

Labatt's USA Inc.



The quality and mystique of Rolling Rock beer offer excellent opportunities for expansion into new markets.



The "Blue Heaven" advertising campaign has significantly helped the growth of Labatt's Blue in the United States.

Europe

- Consistent with the Brewing Group's long term growth strategy, the Labatt Breweries of Europe organization was established during the year and began marketing Labatt's Canadian draught lager produced under licence in the United Kingdom. Labatt develops brand strategy, supports the marketing of Labatt products with advertising and other promotions, and supervises quality assurance. Licensed U.K. brewers produce and distribute Labatt brands through their tied outlets and through independent pubs.
- In the first of a number of production and distribution agreements, Labatt's Canadian draught lager became available February 1, 1988 in over 1,600 Greenall Whitley pubs. Greenall Whitley, the largest regional brewer in the United Kingdom, distributes Labatt's Canadian lager primarily in the Midlands. Initial consumer acceptance has been excellent.
- In fiscal 1989, Labatt's Canadian lager will also be produced and distributed by additional regional brewers including Eldridge-Pope, Cameron's, Vaux and Brains. The arrangements with these brewers will significantly broaden the distribution of Labatt products.
- Significant start-up costs and marketing investment spending will continue into 1989, the first full year of Labatt operation in the United Kingdom.



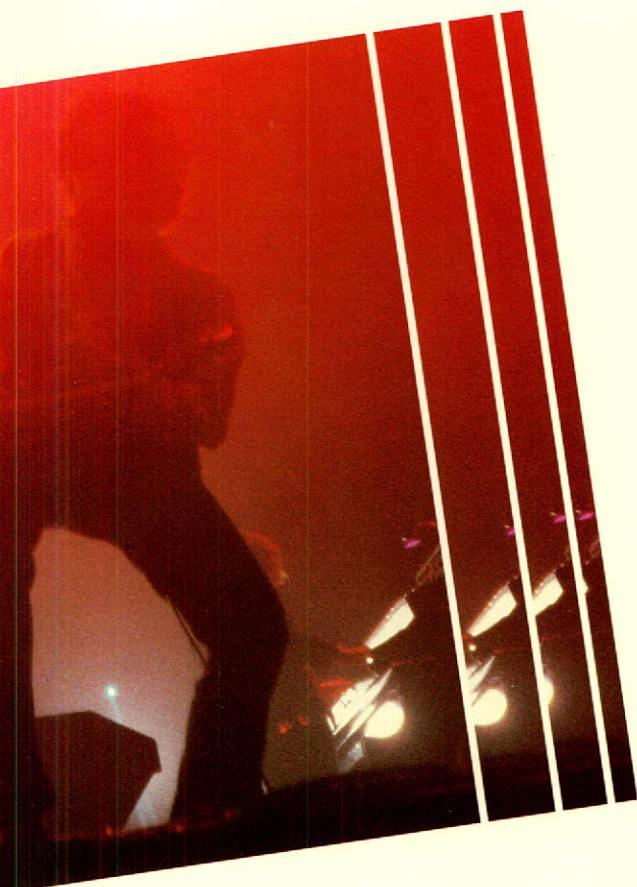
Labatt's Canadian draught lager was successfully launched in Britain in February, 1988.

Communications and Entertainment

- During fiscal 1988, Labatt Brewing acquired a 45% interest in BCL Entertainment Corp., and a 50% partnership interest in the Kessler Group of Companies now known as Supercorp Entertainment.
- BCL Entertainment is a North American leader in rock concert promotion and merchandising and is comprised of Concert Productions International (CPI), a major rock concert promoter, and Brockum, a major North American rock concert merchandising company. Brockum recently obtained the worldwide merchandising rights for the current Michael Jackson "Bad" tour. BCL Entertainment made a positive earnings contribution in fiscal 1988 and has excellent potential for growth.



- Supercorp Entertainment is prominent in the creative writing, sound recording and animation segments of the communications industry. Supercorp Entertainment is comprised of a number of wholly and partly-owned businesses, the individual operators of which are well known and respected in the communications industry. Supercorp is projecting significant growth through the expansion of existing businesses and development of several new businesses.



The formation of the Supercorp partnership and the Labatt investment in BCL Entertainment will create new and exciting entertainment and communication ventures.

Wines

- In fiscal 1988, the wines operation, which had been part of the Packaged Food segment, was organizationally aligned with the Brewing Group.
- Chateau-Gai operates four wineries located across Canada and markets wines, coolers, ciders and wine-based liqueur products under the Chateau-Gai, Casabello, Ridout and Canada Cooler labels.
- Chateau-Gai increased its sales and earnings in fiscal 1988 led by a strong increase in sales volume of "Canada Cooler", the number one wine cooler in Canada.
- The Canada/United States free-trade agreement and the probable outcome of recent G.A.T.T. rulings will significantly impact the Canadian wine industry over the next five years. Chateau-Gai, however, plans diversification into other related business areas to offset the impact of the proposed changes.
- In fiscal 1989, Chateau-Gai expects improved market share and earnings.

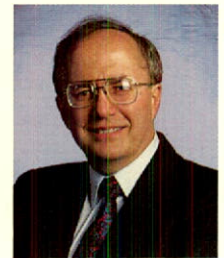
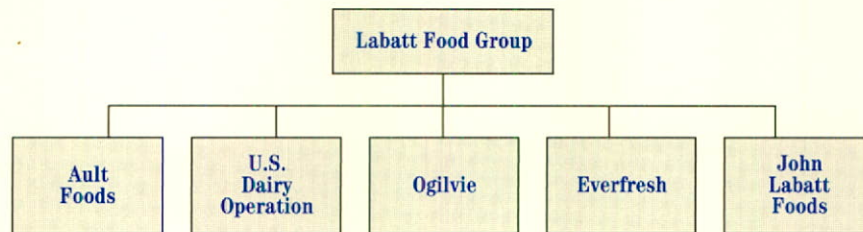


CHATEAU-GAI



A variety of flavours helps make Canada Cooler the most popular wine cooler in the country.

Food Group



The Food Group, formed in fiscal 1988, is comprised of the Agri Product and Packaged Food segments. These two segments have been placed under a single administration to capitalize on common opportunities, focus on synergies, and better position the Food operations for future growth.

Fiscal 1988 was a difficult year. Group earnings of \$155 million were 6% ahead of the previous year, constrained by intense competition in a number of markets, as well as the integration costs associated with recent acquisitions. The most significant difficulty was associated with the New York dairy market.

Fiscal 1988 was also a year of major accomplishments. Several of the Group's key businesses achieved strong earnings growth, particularly John Labatt Foods. The Group's competitive advantage was enhanced by a substantial capital program which expanded

capacity, enhanced quality and improved operating efficiencies. Also, a number of strategic acquisitions expanded the Group's dairy, food and juice businesses.

Looking ahead, each of the Food operations is committed to quality, customer service, and low cost production. This commitment extends to protecting and expanding our market position in existing products, as well as pursuing new product technology and development.

In fiscal 1989, the Food Group will concentrate on the integration of recent acquisitions, improving productivity and generating business growth. Accordingly, the Group anticipates a solid improvement in operating results.

George S. Taylor
President, Food Group

*A selection of fine products from
the Labatt Food Group.*



(\$ in millions)	1988	1987	1986	1985	1984
Gross sales	\$3,474.5	\$2,785.9	\$2,261.3	\$1,605.6	\$1,419.2
Assets employed	1,308.3	1,244.4	732.5	576.3	438.7
Capital expenditures	132.5	101.6	59.2	47.3	24.5
Depreciation and amortization	75.3	58.1	44.4	28.7	23.4
Earnings before interest and income taxes	154.6	146.1	132.1	93.7	85.0

Group Executive Offices:

130 Adelaide St. West

Suite 3400

Toronto, Ontario M5H 3P5

Number of Plants: 79

Number of employees: 12,780

Ault Foods

- Ault Foods, one of Canada's largest milk processors, produces and markets a complete line of dairy products in Ontario, Quebec and Manitoba.

Ault's dairy operation markets fresh table milk and complementary lines of creams, yogourt, cottage cheese, butter, margarine, sour cream, ice cream, frozen novelties and fruit juices, and accounts for approximately two-thirds of Ault's total sales. These products are marketed primarily under the "Sealtest", "Silverwood", "Light n' Lively", "Alpenfresh", and "Lactantia" brand names. Well-known regional brand names include "Dallaire", "Royal Oak" and "Copper Cliff".

Ault distributes its branded products to retail grocery chains, convenience stores, independent grocers, and to restaurants and other segments of the foodservice industry.



Sealtest Fruit Fantasy—chunks of fruit in either whipped frozen yogourt or whipped frozen nectar.



The industrial operation, which accounts for approximately one-third of sales, is a major supplier of products to food manufacturers for further processing and to retailers for their brand-name and private-label business. Exports, particularly to the United Kingdom and the United States, include cheese, butter, demineralized whey powder, whey powder, skim milk powder and many custom-blended dairy powders.

The taste you remember with a brand new kick. New Drumstick is richer, creamier, crispier and more chocolatey than ever before!

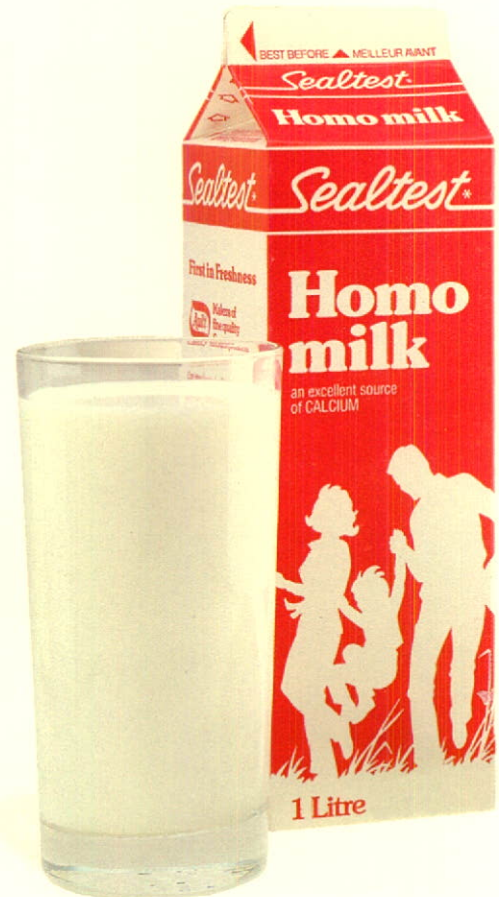
- In fiscal 1988, Ault reported improved earnings. Industrial operations achieved a record contribution reflecting strong export cheese sales and the full year impact of Lactantia, acquired in October, 1986. Dairy operating results fell slightly below last year due to very competitive markets for table milk and the imposition of federal sales tax on frozen novelties. Dairy results improved in the latter part of the year.
- Several new products were introduced in fiscal 1988, and the Lactantia line of premium quality butters continued to hold the leading position in the national premium branded butter segment.
- Ault's continuing success with cheese exports resulted in dramatically higher sales levels in both the United Kingdom and United States markets. Exports of whey and skim milk powder also increased.
- During the year, in part as a result of its continuing capital expenditure program, the company achieved a number of operational improvements which produced significant cost reductions, better product quality and improved shelf lives.
- Ault forecasts an increase in sales and operating earnings for fiscal 1989.



Award-winning Balderson Cheeses are sold as corporate gifts by Ault's industrial operation.



Sealtest line of milk products...a new image reflecting today's lifestyle.



U.S. Dairy Operation

- The Food Group's U.S. Dairy Operation is one of the largest in the Northeastern United States. Major branded products include table milk under the "Johanna", "Abbotts", "Lehigh" and "Tuscan" labels; juice under the "Johanna" and "Florida Citrus" labels and french-style yogurt under the "La Yogurt" label. Shelf-stable juices and drinks are also marketed under the "Tree Ripe" and "Ssips" labels and ice cream under the "Abbotts Old Philadelphia" and "Louis Sherry" labels.



Johanna's dairy and juice products are sold throughout the Northeastern United States.



La Yogurt 25 is Johanna's newest addition to its acclaimed all natural French-style yogurts.

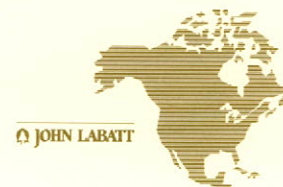
Customers for these products include major supermarket chains, grocery wholesalers and independent grocery and variety stores. The U.S. Dairy Operation distributes primarily in New Jersey, New York, Pennsylvania, Maryland and Washington areas, although markets as distant as Florida and Colorado are also served. As major private-label packagers, these dairies also supply supermarket chains and wholesale distributors and act as co-packer for several well known national companies.



- Continued strong sales growth was achieved in fiscal 1988, reflecting the full year impact of Tuscan Dairies and Green Spring Dairy, and the fiscal 1988 acquisition of Queens Farms Dairy. Earnings, however, fell below the previous year due to significant price discounting in the New York City market and the cost of integrating recent acquisitions.
- The New York City table milk market continued to experience substantial price discounting during fiscal 1988. Although milk prices recovered somewhat during the latter part of the year, they stabilized at a level which is still substantially below pre-discount prices. The outlook for selling prices in the short term remains uncertain.



Abbotts ice cream leads a full range of branded and private label ice cream and novelty products.



■ Major developments during fiscal 1988 include:

- In June 1987 the distribution routes and two processing facilities of Queens Farms Dairy in New York were acquired, greatly expanding access to the large New York City market, and providing a significant increase in the supply of raw milk.
- Significant rationalization activity took place in fiscal 1988 which will optimize production efficiencies and reduce overall distribution costs. This activity will continue in fiscal 1989.
- A major expansion of the Baltimore milk plant scheduled for completion in the fall of 1988 will make this facility the lowest cost producer in that marketplace.

- In fiscal 1989, subject to the uncertain pricing situation in the New York City market, the U.S. Dairy Operation is expected to achieve increased sales and earnings. Sales will be increased through improved customer service and new product introductions. Increased operating efficiencies will also contribute to the improved results.

Tuscan's low fat yogurt drink is nutritious and refreshing. It is gaining recognition as a unique summertime beverage.



Tuscan

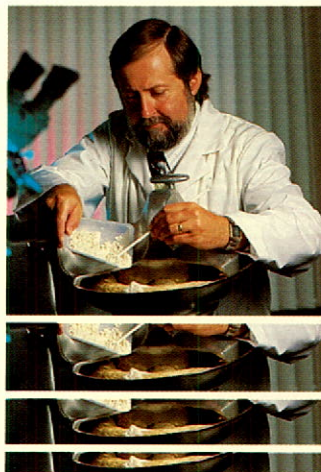


Tuscan's acquisition in late 1986 marked Labatt's entry into the New York market, where it now has a significant position.



Above:
Miracle Feeds delivers wet brewery bi-products direct to farms. The company utilizes a patented bag-a-load system.

Side:
Ogilvie continues to diversify its line of innovative gypsum wall-board starches, adapting to the technological needs of the industry.



Research and Development, spearheading Ogilvie's drive for value-added products.



Five Roses...the flour that Canadians have relied upon for decades.

Ogilvie

- Ogilvie operates the Food Group's grain processing businesses. Ogilvie's principal activity is the milling and sale of flour to bakeries, pasta and biscuit producers and industrial food processors. The company mills and markets the "Five Roses" brand of family flour in Canada and exports flour directly and through government foreign-aid programs.

Ogilvie is also one of the world's largest producers of wheat starch and gluten and a major factor in the North American livestock feed business.

- After several years of exceptional results, Ogilvie's earnings declined in fiscal 1988 as a result of lower selling prices.
- During the year, Ogilvie achieved increased volumes and improved operating efficiencies. Feed operations improved over last year as lower material costs and effective cost control more than offset the reduced selling prices resulting from depressed commodity markets.
- Lower selling prices and the very competitive marketplace experienced in fiscal 1988 are expected to continue and as a result Ogilvie anticipates no improvement in sales and earnings in fiscal 1989.



John Labatt Foods

- John Labatt Foods produces a variety of food products which it markets to the foodservice and retail grocery industries. It coordinates a focused marketing approach for selected food segments in North America.

- John Labatt Foods is comprised of six operations:

Chef Francisco — frozen soups

Delicious Foods — frozen vegetables

Omstead Foods — fish and frozen vegetables

Pasquale Foods — pizza and pasta

Catelli — retail grocery products

Oregon Farms — retail grocery products

These operating units market products which have leading market share positions in many food categories.

- In fiscal 1988, sales growth of John Labatt Foods was obtained through a combination of acquisitions and solid gains in base businesses. Sales to the foodservice industry by each of Chef Francisco, Delicious Foods and Omstead Foods were particularly strong.

OMSTEAD



Since 1911 the Omstead name has been synonymous with superior products.



Catelli, a leader in food manufacturing, provides consumers with a wide range of innovative products.



Oregon Farms' carrot cake is the lead item in a broad line of frozen cakes sold by Oregon Farms, Inc. to the retail grocery trade.



PASQUALE'S
PIZZA
& PASTA

The Production Manager checks the quality of the product.



- John Labatt Foods expanded through several acquisitions in fiscal 1988:

—Pasquale acquired Natalina Food Company located in Ohio. This acquisition expands Pasquale's fresh pizza business to major markets in the midwestern and eastern United States.

—Catelli acquired Canadian Pizza Crust Company of Toronto and Ross Foods of Winnipeg. Canadian Pizza Crust has a pizza program similar to the Pasquale program while Ross Foods is a significant producer of frozen dough in western Canada.

—Oregon Farms acquired Rosetto Foods of Rochester, New York, a producer and marketer of frozen Italian specialty foods, and Bagel Bites of Fort Myers, Florida, a producer of mini-pizza bagels.

Consolidated Statement of Changes in Financial Position

(in thousands)

For the year ended April 30, 1988

(with comparative amounts for the year ended April 30, 1987)

	1988	1987
Operations		
Net earnings	\$ 140,579	\$ 125,211
Net charges to earnings which do not reduce funds	148,198	108,400
Funds provided from operations	288,777	233,611
Changes in non-cash working capital (note 5)	35,031	(52,282)
Cash provided from operating activities	323,808	181,329
Dividends paid to shareholders	(45,502)	(39,640)
Investment activities		
Additions to fixed assets	(208,980)	(157,673)
Proceeds on disposal of fixed assets	16,473	4,073
Acquisitions (note 15)	(135,350)	(387,755)
Other investments (net)	(13,944)	(15,345)
Cash used for investments	(341,801)	(556,700)
Financing activities		
Issue of common shares (note 12)	13,827	13,990
Net decrease in non-convertible and convertible debentures	(4,233)	(29,623)
Issue of non-convertible debentures	99,220	99,753
Issue of convertible debentures	—	124,925
Cash provided from financing	108,814	209,045
Increase (decrease) in net cash	45,319	(205,966)
Net cash surplus (deficit) beginning of year	(133,744)	72,222
Net cash deficit end of year	\$ (88,425)	\$(133,744)
Net cash consists of:		
Short-term investments	\$ 200,000	\$ 200,000
Bank advances and short-term notes	(288,425)	(333,744)
Net cash deficit end of year	\$ (88,425)	\$(133,744)

See accompanying notes

Consolidated Statement of Earnings

(in thousands except per share amounts)

For the year ended April 30, 1988

(with comparative amounts for the year ended April 30, 1987)

	1988	1987*
Revenue		
Gross sales	\$5,107,034	\$4,273,204
Less excise and sales taxes	496,050	471,026
	4,610,984	3,802,178
Operating costs		
Cost of products sold	3,167,795	2,559,341
Selling and administration	1,041,247	887,050
Depreciation and amortization	114,255	91,388
Interest—long-term	39,013	30,356
—convertible debentures	16,265	10,642
—short-term (note 2)	11,629	4,216
	4,390,204	3,582,993
Operating earnings	220,780	219,185
Other income	6,972	2,587
Earnings before income taxes	227,752	221,772
Income taxes —current	63,861	80,048
(note 3) —deferred	22,003	15,337
	85,864	95,385
Earnings before share of net losses of partly-owned businesses	141,888	126,387
Share of net losses of partly-owned businesses	1,309	1,176
Net earnings	\$ 140,579	\$ 125,211
Net earnings per common share (note 4)	\$ 1.92	\$ 1.73
Fully diluted net earnings per common share (note 4)	\$ 1.68	\$ 1.55

See accompanying notes

* Certain comparative amounts have been restated to conform with the current period's presentation.



Responsibility for Financial Statements

Management

The accompanying consolidated financial statements of John Labatt were prepared by the management of the Company in conformity with generally accepted accounting principles.

The Company is responsible for the integrity and objectivity of the information contained in the financial statements. The preparation of financial statements necessarily involves the use of estimates requiring careful judgment in those cases where transactions affecting a current accounting period are dependent upon future events.

The Company's accounting procedures and related internal control systems are designed to provide assurance that accounting records are reliable and to safeguard the Company's assets. The accompanying consolidated financial statements have been prepared by qualified personnel in accordance with policies and procedures established by management. In management's opinion, these statements fairly reflect the financial position of the Company, the results of its operations and the changes in its financial position within reasonable limits of materiality and within the framework of the accounting policies outlined in Note 1 to the Consolidated Financial Statements.

External Auditors

Clarkson Gordon, Chartered Accountants, as the Company's external auditors appointed by the shareholders, have examined the consolidated financial statements for the year ended April 30, 1988, and their report is presented on page 30.

Their opinion is based upon an examination conducted in accordance with generally accepted auditing standards and a review of the Company's accounting systems and procedures and internal controls. Based upon the evaluation of these systems, the external auditors conduct appropriate tests of the Company's accounting records and obtain sufficient audit evidence to provide reasonable assurance that the financial statements are presented fairly in accordance with generally accepted accounting principles.

Audit Committee

The Audit Committee, none of the members of which are officers of the Company, meets quarterly to review the Company's financial statements before recommending the statements to the Board of Directors for approval. It also reviews, on a continuing basis, reports prepared by both the internal and external auditors of the Company on the Company's accounting policies and procedures and internal control systems. The Committee meets regularly with both the internal and external auditors, without management present, to review their activities and to consider the results of their audits. The Committee also recommends the appointment of the Company's external auditors, who are elected annually by the Company's shareholders.

Financial Position

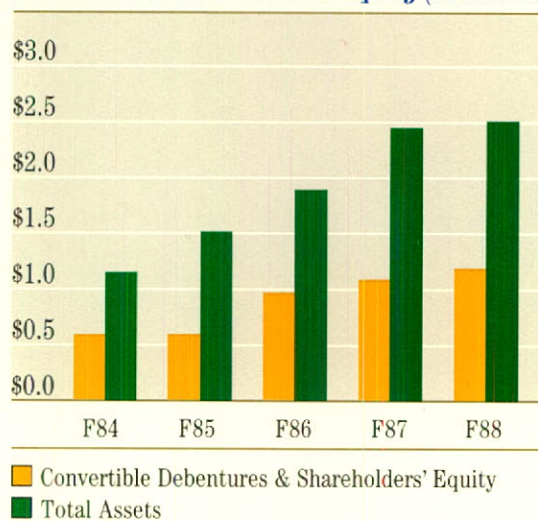
The working capital ratio of 1.31 improved from last year as a result of the net cash generated during the year.

Average number of days sales in accounts receivable at 22 declined from last year's level due to the receivables financing arrangement referred to previously. Average number of days sales in inventory at 47, was comparable to last year.

The total assets of the Company increased 7.8% to \$2.5 billion. The Company's financial position continues to be strong.

Non-convertible debentures and net short-term borrowings totalled \$0.6 billion, and convertible debentures and shareholders' equity totalled \$1.2 billion.

Total Assets Compared to Convertible Debentures & Shareholders' Equity (in billions)



Summary of Quarterly Financial Information

(in millions except per share amounts)

Year ended April 30, 1988	Quarter				Total
	First	Second	Third	Fourth	
Sales	\$1,303.9	\$1,313.1	\$1,247.1	\$1,242.9	\$5,107.0
Net earnings	37.6	38.7	29.0	35.3	140.6
Net earnings per common share:					
Basic	0.52	0.52	0.39	0.49	1.92
Fully diluted	0.45	0.46	0.35	0.42	1.68
Dividends per common share	0.14	0.16	0.16	0.16	0.62

Year ended April 30, 1987	Quarter				Total
	First	Second	Third	Fourth	
Sales	\$1,083.3	\$1,034.6	\$1,055.3	\$1,100.0	\$4,273.2
Net earnings	31.4	35.2	26.2	32.4	125.2
Net earnings per common share:					
Basic	0.44	0.48	0.36	0.45	1.73
Fully diluted	0.39	0.44	0.32	0.40	1.55
Dividends per common share	0.1275	0.14	0.14	0.14	0.5475



Changes in Financial Position

The Company's net cash position improved \$45 million during the year. Cash from operating activities increased to \$324 million partially through a financing arrangement whereby the Company has entered into an agreement which gives it the right to sell trade receivables on a continuing basis. As of April 30, 1988 the Company had received proceeds of \$123 million under this program.

Dividends per share were increased by 13% to 62 cents and total dividends paid for the year amounted to \$45.5 million, compared with \$39.6 million last year.

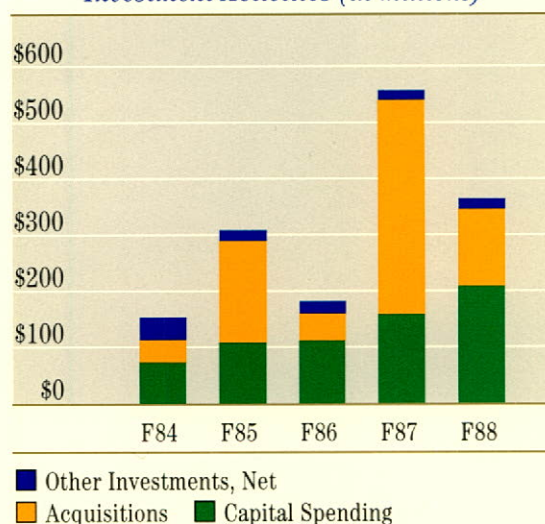
Fixed asset additions of \$209 million increased 33% over the \$158 million invested last year. Brewing capital expenditures of \$77 million accounted for 37% of total spending while Food Group spending of \$132 million was allocated 54% to Agri Products and 46% to Packaged Food.

Spending on acquisitions and other investments of \$149 million declined from the record \$403 million invested in the prior year.

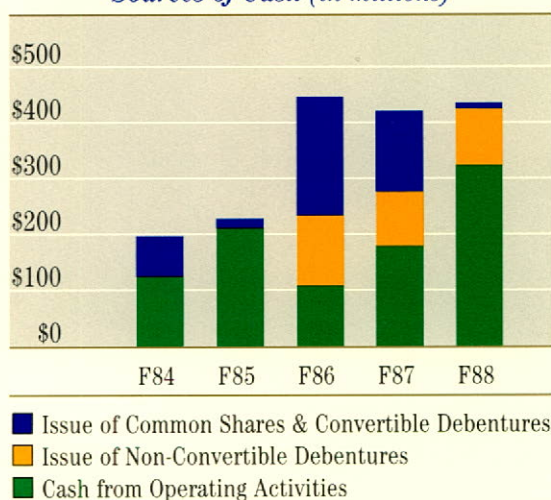
Most of the acquisitions were located in the United States as the Company continued its North American expansion strategy. Assets employed in the United States now comprise 48% of the Company's total assets employed.

In its financing activities, the Company issued \$100 million of debentures which bear interest at 10 3/8% and mature on April 21, 1998.

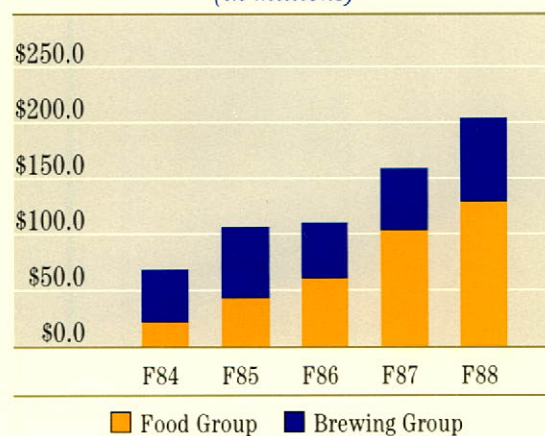
Investment Activities (in millions)



Sources of Cash (in millions)



Capital Spending by Operating Group (in millions)



Financial Review

Sales and Earnings

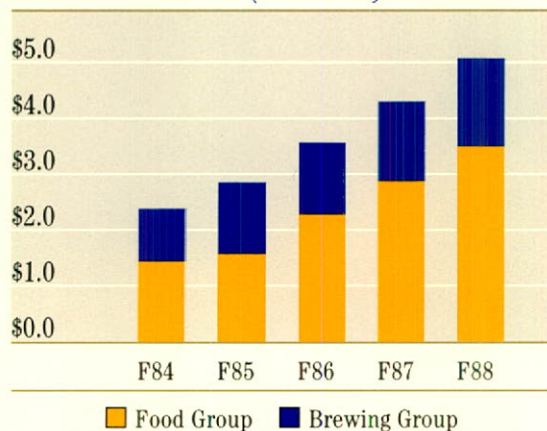
Sales reached \$5.1 billion in fiscal 1988, a 20% increase over last year. The 18% compound growth in sales over the past five years, reflects the continuing growth of the Company.

Net earnings increased 12% to a record high \$141 million, while fully diluted net earnings per share increased 8% to \$1.68.

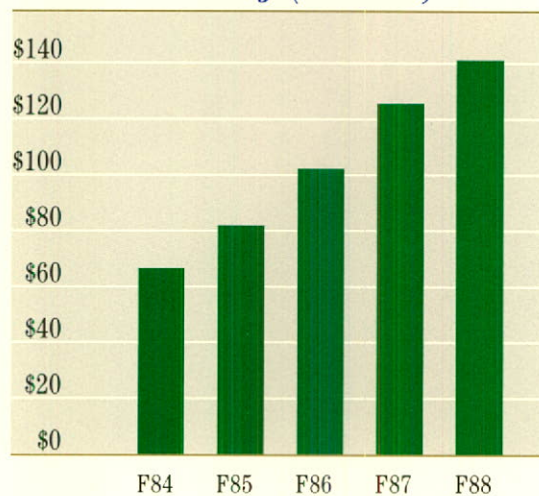
Earnings growth slowed somewhat from the strong pace of the previous year, reflecting market factors addressed already in the operations review. Other factors which affected results were higher interest costs and, as a partial offset, lower income taxes. Interest costs were up \$22 million, reflecting financing costs associated with recent acquisitions and the Company's substantial capital investment program. The Company's income taxes were lower, due in large part to reduced tax rates.

Return on average shareholders' equity was 17%, 14% on a fully diluted basis.

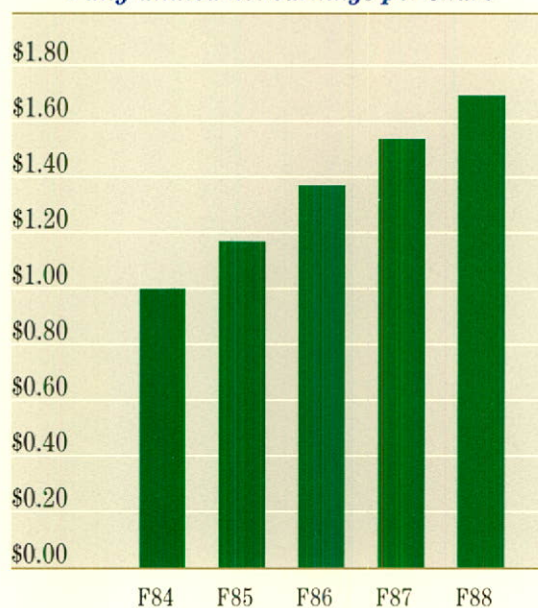
Sales (in billions)



Net Earnings (in millions)



Fully diluted net earnings per share



Allelix

- Allelix Inc. is a biotechnology company specializing in agriculture, diagnostics and biopharmaceutical research in which John Labatt is a joint venture partner with Polysar Energy & Chemicals Corporation and the Ontario Development Corporation.
- Commercial production for worldwide sales is being initiated in the diagnostics area and several joint venture projects are ongoing with international partners in the other areas of research. Allelix will be reorganized into three separately financed entities during fiscal 1989, to facilitate its development toward becoming a self-sustaining commercial enterprise.

Allelix



Allelix Inc. specializes in agriculture, diagnostics and biopharmaceutical research.



George Bell of The Toronto Blue Jays was the American League's Most Valuable Player in 1987.

Toronto Blue Jays

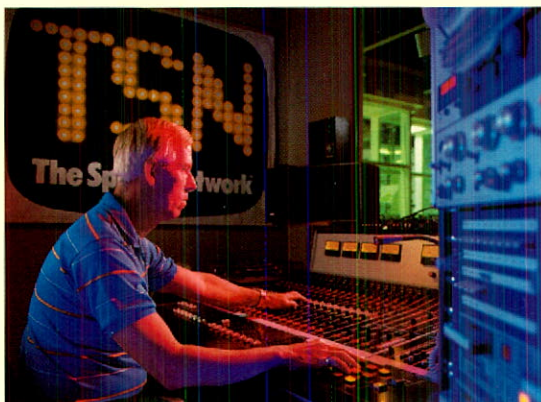
- John Labatt has a 45% partnership interest in the Toronto Blue Jays baseball club. Labatt's partners are Mr. Howard Webster, with a 45% interest and the Canadian Imperial Bank of Commerce with a 10% interest. The financial results of the club did not provide a profit contribution to John Labatt in fiscal 1988. The popularity of the Blue Jays will be further enhanced by the opening of the SkyDome for the 1989 season.



Other Investments

The Sports Network (TSN)

- TSN is a wholly-owned 24-hour all-sports specialty programming service delivered to viewers via cable television systems.
- TSN's Canadian subscriber base grew to 1.3 million, an increase of 27% over last year. The strong subscriber base and increased advertising sales produced the first annual profit.
- TSN has the potential for substantial further growth as a result of a CRTC decision in fiscal 1988 permitting its distribution on basic cable.
- During the year, TSN entered into a partnership with Télémédia Communications Inc., to develop and launch a French language sports specialty service, Le Réseau des Sports (RDS), on basic cable in eastern Canada.



A senior audio operator at TSN mixes the sound for the evening edition of Sportsdesk, Canada's only national sports news program.

- In fiscal 1989, TSN, as a SkyDome partner, will begin operating Dome Productions which will provide television production facilities for all types of events at the Toronto SkyDome as well as providing post-production services to commercial television, film and video clientele.
- TSN expects increased profitability for fiscal 1989.



TSN's resource co-ordinator, right, and the technical director in the master control centre, collaborate on setting up an incoming live satellite feed.



THE SPORTS NETWORK™

Consolidated Balance Sheet

(in thousands)

April 30, 1988 (with comparative amounts as at April 30, 1987) 1988 1987

Assets

Current

Short-term investments	\$ 200,000	\$ 200,000
Accounts receivable (note 6)	301,543	373,888
Inventories (note 7)	407,893	354,974
Prepaid expenses	54,616	56,521
	964,052	985,383

Fixed, at cost

Land	49,904	47,892
Buildings and equipment	1,473,195	1,243,158
	1,523,099	1,291,050
Less accumulated depreciation	530,964	453,707
	992,135	837,343

Other assets (note 8)

	581,811	532,291
	\$2,537,998	\$2,355,017

Liabilities

Current

Bank advances and short-term notes	\$ 288,425	\$ 333,744
Accounts payable	427,098	390,289
Taxes payable	9,894	49,831
Long-term debt due within one year	10,559	6,866
	735,976	780,730

Non-convertible long-term debt (note 10)

	481,578	378,331
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Deferred income taxes

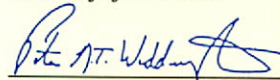
	162,034	129,667
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Convertible debentures and shareholders' equity

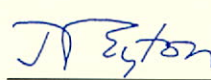
Convertible debentures (note 11)	290,677	295,395
Shareholders' equity		
Share capital (note 12)	257,982	244,155
Retained earnings	621,977	526,900
Accumulated foreign currency translation adjustment	(12,226)	(161)
	867,733	770,894
	1,158,410	1,066,289
	\$2,537,998	\$2,355,017

See accompanying notes

On behalf of the Board



P.N.T. Widdrington, Director



J.T. Eyton, Director



■ Consolidated Statement of Retained Earnings

(in thousands except per share amounts)

For the year ended April 30, 1988 *(with comparative amounts for the year ended April 30, 1987)*

	1988	1987
Balance beginning of year	\$526,900	\$441,329
Net earnings	140,579	125,211
	667,479	566,540
Common dividends		
(\$0.62 per share fiscal year 1988)		
(\$0.5475 per share fiscal year 1987)	45,502	39,640
Balance end of year	\$621,977	\$526,900

See accompanying notes

■ Auditors' Report

To the Shareholders of John Labatt Limited

We have examined the consolidated balance sheet of John Labatt Limited as at April 30, 1988 and the consolidated statements of earnings, 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 consolidated financial statements present fairly the financial position of the company as at April 30, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

London, Canada

June 6, 1988

Clarkson Gordon

Chartered Accountants

Notes to the Consolidated Financial Statements

April 30, 1988

1. Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and also conform in all material respects with International Accounting Standards. Significant accounting policies observed in the preparation of the financial statements are summarized below:

Principles of consolidation

The consolidated financial statements include the accounts of all subsidiary companies. The results of operations of subsidiaries acquired or sold during the year are included from or to their respective dates of acquisition or sale.

Foreign currency translation

The accounts of foreign subsidiaries are translated into Canadian dollars on the following basis.

Income and expenses

- at average exchange rates prevailing during the year

Assets and liabilities

- at the exchange rate in effect at the balance sheet date

The adjustments arising on translation of foreign subsidiaries' balance sheets are deferred and reported as a separate component of shareholders' equity.

Net earnings per common share

Net earnings per common share have been calculated using the weighted monthly average number of shares outstanding during the year.

Fully diluted net earnings per common share have been calculated assuming that the convertible debentures and common share options outstanding at the end of the year had been converted to common shares or exercised at the later of the beginning of the year or at the date of issuance.

Short-term investments

Short-term investments are carried at cost which approximates market value.

Inventories

Inventories, other than containers, are valued at the lower of cost and net realizable value, cost being determined on a first-in, first-out basis. Containers are valued at redemption price or at amortized cost which does not exceed replacement cost.

Fixed assets

Fixed assets are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, generally at rates of 2½% for buildings, 10% for machinery and equipment and 20% for vehicles.

Income taxes

The Company follows the deferral method of tax allocation accounting. Investment tax credits arising from the acquisition of fixed assets are applied to reduce the cost of the fixed assets.

Research and development costs

Research and development costs amounting to \$9,462,000 in 1988 (\$8,814,000 in 1987) are charged to earnings as incurred.

2. Short-Term Interest Expense

(in thousands)	1988	1987
Interest expense on bank advances and short-term notes	\$ 28,892	\$ 22,362
Income from short-term investments	(17,263)	(18,146)
	\$ 11,629	\$ 4,216



3. Income Taxes

The effective income tax rate is comprised of the following:

	1988	1987
Combined basic federal, provincial and state income tax rates	47.6%	49.7%
Less:		
Manufacturing and processing deduction	4.4	3.8
Non-taxable income, net of non-allowable expenses	5.5	2.9
	37.7%	43.0%

4. Net Earnings Per Common Share

The number of shares used in calculating net earnings per common share is as follows:

	1988	1987
Basic	73,362,766	72,390,774
Fully diluted	89,777,606	84,957,612

5. Changes in Non-Cash Working Capital

(in thousands)	1988	1987
Decrease (increase) in current assets		
Accounts receivable	\$ 72,345	\$(90,770)
Inventories	(52,919)	(16,169)
Prepaid expenses	1,905	(23,058)
Increase (decrease) in current liabilities		
Accounts payable	36,809	34,260
Taxes payable	(39,937)	24,918
Long-term debt due within one year	3,693	(1,093)
Working capital from acquisitions (note 15)	13,135	19,630
Net increase (decrease) in cash	\$ 35,031	\$(52,282)

6. Accounts Receivable

During the year, the Company entered into an agreement giving it the right, on a continuing basis, to sell accounts receivable without recourse. At April 30, 1988, the Company had received proceeds of \$123 million in respect of outstanding accounts receivable sold under this agreement.

7. Inventories

(in thousands)	1988	1987
Finished and in process	\$243,577	\$216,442
Materials and supplies	133,121	110,516
Containers	31,195	28,016
	\$407,893	\$354,974

8. Other Assets

(in thousands)	1988	1987
Investments in partly-owned businesses (note 9)	\$ 54,809	\$ 34,894
Investments in and advances to other companies	65,877	62,512
Loans to employees under share purchase and option plans (note 12)	14,112	15,506
Goodwill, licences, trademarks and other proprietary rights	438,467	411,875
Unamortized debt financing expense	8,546	7,504
	\$581,811	\$532,291

Partly-owned businesses are companies and partnerships in which the Company has significant influence and are accounted for using the equity method of accounting.

Investments in other companies are carried at the lower of cost and net realizable value. Income is recognized when dividends are received.

Goodwill and other proprietary rights are being amortized by charges to earnings over the lesser of their estimated useful lives and forty years. Amortization expense was \$20,434,000 in 1988 and \$12,917,000 in 1987.

9. Partly-Owned Businesses

Investments in partly-owned businesses include the following:

	% Equity Interest
Allelix Inc.	30.0
Auscan Closures Canada and Company, Limited	50.0
BCI Entertainment Corp.	45.0
Canada Malting Co., Limited	19.9
McGavin Foods Limited (50% voting)	60.0
Supercorp Entertainment	50.0
Toronto Blue Jays Baseball Club	45.0
Catelli-Primo Limited (Trinidad)	46.4

10. Non-Convertible Long-Term Debt

(in thousands)	1988	1987
Sinking fund debentures		
6-1/4% Series D to mature June 15, 1987	\$ —	\$ 475
6-1/2% Series E to mature October 1, 1989	93	93
7-3/8% Series F to mature April 15, 1992	1,625	1,625
9-1/2% Series G to mature September 1, 1990	10,524	12,366
8-1/2% Series H to mature March 1, 1993	12,394	16,775
9-1/4% Series I to mature March 15, 1994	14,496	18,649
11-3/8% Series J to mature October 1, 1999	32,960	35,083
Bank term loan to mature June 30, 2003, at discounted amount	28,121	30,493
10-1/2% debentures to mature July 30, 1995	123,000	133,000
9-1/2% debentures to mature January 21, 1992	100,000	100,000
10-3/8% debentures to mature April 21, 1998	100,000	—
	423,213	348,559
Other long-term liabilities	68,924	36,638
	492,137	385,197
Less portion due within one year included in current liabilities	10,559	6,866
	\$481,578	\$378,331

The above balances include long-term debt of \$206,779,000 at April 30, 1988 and \$181,214,000 at April 30, 1987, denominated in United States dollars translated at the rate of exchange at the balance sheet date.

Maturities and sinking fund requirements for the years ending April 30, 1989, through 1993 are; \$10,559,000; \$11,270,000; \$28,595,000; \$109,863,000; and \$29,953,000, respectively.

The sinking fund debentures are secured by a floating charge on the undertaking, property and assets of John Labatt Limited. At April 30, 1988, the Company had satisfied all of the covenants under the trust deed, as amended in December 1987, relating to the sinking fund debentures.

11. Convertible Debentures

The convertible debentures are reported under the heading of convertible debentures and shareholders' equity on the balance sheet to reflect the permanent nature of this capital. This presentation is supported by the long maturities, the low initial interest rates, an indication by many of the holders of these debentures that they intend to convert at some point in the future and the Company's intention to ultimately have them converted to equity. The convertible debentures are unsecured obligations and are subordinated to all other indebtedness of the Company.

Particulars of the convertible debentures are as follows:

(in thousands)	1988	1987
1983 adjustable rate debentures to mature June 16, 2003	\$ 41,110	\$ 45,400
1986 adjustable rate debentures to mature February 27, 2006	124,567	124,995
1987 adjustable rate debentures to mature April 1, 2007	125,000	125,000
	\$290,677	\$295,395



The 1983 adjustable rate convertible debentures pay a minimum interest rate of 6% and are convertible, at the holder's option, on or before the earlier of June 16, 2003, or the last business day prior to redemption, into common shares of the Company at a conversion price of \$11.25 per share unless the Company fixes an interest rate of 6-1/2%, whereupon the conversion price becomes \$13.4375 per share. The debentures are redeemable at par plus accrued interest.

The 1986 adjustable rate convertible debentures pay a minimum interest rate of 6% and are convertible, at the holder's option, on or before the earlier of February 27, 2006, or the last business day prior to redemption, into common shares of the Company at an initial conversion price of \$17.875 per share until February 28, 1990 and, thereafter, if the Company fixes an interest rate of 7%, at a conversion price of \$20.00 per share. The debentures are redeemable at par plus accrued interest after February 28, 1990 and at any time prior to this date, at 106% of par plus accrued interest if at least 85% of the original principal amount of the debentures has been converted.

The 1987 adjustable rate convertible debentures pay a minimum interest rate of 5%

and are convertible, at the holder's option, on or before the earlier of March 31, 2007, or the last business day prior to redemption, into common shares of the Company at an initial conversion price of \$27.00 per share until April 1, 1992 and, thereafter, if the Company fixes an interest rate of 6%, at a conversion price of \$30.00 per share. The debentures are redeemable at par plus accrued interest after April 1, 1992 and at any time prior to this date, at 105% of par plus accrued interest if at least 85% of the original principal amount of the debentures has been converted. On April 1, 2007, the Company has the option to retire any debentures then outstanding by issuing common shares of equivalent fair market value to the debenture holders.

12. Share Capital

Authorized and issued.

The authorized capital stock of the Company is as follows:

4,000,000 preferred shares with conditions and preferences as determined by the Board of Directors.

Common shares of no par value in unlimited amount.

The changes in issued and fully paid common shares of the Company are as follows:

(\$ in thousands)	1988		1987	
	Shares	Amount	Shares	Amount
Issued and outstanding, beginning of year	72,729,995	\$244,155	71,878,092	\$230,165
Issued under employee share purchase and option plans	640,219	8,716	221,738	3,983
Issued as a result of conversions of 1983 adjustable rate convertible debentures at \$11.25 per share	381,333	4,290	391,109	4,400
Issued as a result of conversions of 1986 adjustable rate convertible debentures at \$17.875 per share	23,944	428	279	5
Issued to effect acquisitions	—	—	223,380	5,249
Issued under shareholder dividend reinvestment plan and stock dividend election program	16,487	393	15,397	353
	1,061,983	13,827	851,903	13,990
Issued and outstanding, end of year	73,791,978	\$257,982	72,729,995	\$244,155

Shares available for share purchase and option plans

Details of unissued common shares for allotment to employees under share purchase or option plans as of April 30, 1988 are as follows:

Unissued common shares designated for allotment under By-Law No. 3 (1987)		3,000,000
Less:		
Issued	66,252	
Under option	90,000	
Reserved for employee share purchase plan maturing in July 1989	514,446	670,698
Shares available for issue		2,329,302

Shares under option to employees under By-Law No. 3 and previous By-Laws as of April 30, 1988, are as follows:

Plan	Number of shares	Price per share	Expiry date
1979 Share option	64,000	\$ 5.4375	December 1989
1983 Share option	58,400	10.7540	October 1993
1984 Share option	68,000	9.7100	June 1994
1985 Share option	132,000	13.5925	June 1995
1986 Share option	73,000	22.2330	December 1996
1987 Share option	90,000	22.68	November 1997
	485,400		

Of the 485,400 shares under option there are 61,000 under option to officers of the Company. Under these plans, the individuals are entitled to purchase the shares over periods of up to 10 years.

The following schedule sets out details of the loans to employees for shares purchased:

(\$ in thousands)	1988	1987
Officers	\$ 10,479	\$ 11,305
Other employees	3,633	4,201
	\$ 14,112	\$ 15,506
Number of shares	1,189,552	1,381,397

13. Leases

Operating leases

The Company has entered into long-term operating leases, substantially all of which will be discharged within 14 years. Fixed rental expense for 1988 was \$20,775,000 (\$14,204,000 in 1987). Future annual fixed rental payments for years ending April 30 are as follows:

1989	\$16,505,000
1990	13,637,000
1991	10,945,000
1992	9,265,000
1993	5,328,000

In aggregate, fixed rental payments for subsequent years amount to \$14,847,000.

Capital leases

Assets leased by the Company under agreements which transfer substantially all of the benefits and risks of ownership of the assets to the Company are accounted for as capital leases. The total fixed assets acquired under capital leases at the end of the year were not material.

14. Pension Plans

The Company has retirement programs which provide benefits based on employee years of service and in some instances, employee earnings. In accordance with the requirements of the Canadian Institute of Chartered Accountants, pension costs have been determined using the accrued benefit method of actuarial valuation. The effect of this accounting change on the reported earnings is not material.

Based on the most recent actuarial valuations and management's best estimates, the Company's pension plan funded status is as follows:

(in thousands)

Estimated present value of pension plan obligations	\$305,000
Pension plan assets at market value	\$310,000



15. Acquisitions

During the year, the Company made the following business acquisitions for cash:

Brewing—

Effective October 7, 1987, Latrobe Brewing Company of Latrobe, Pennsylvania, a regional brewer of "Rolling Rock" beer.

Effective October 5, 1987, a 50% partnership interest in Supercorp Entertainment with Kessler Music Corporation, Canada's largest commercial and creative music production company.

Effective September 1, 1987, a 45% interest in BCL Entertainment Corp. which owns Concert Productions International, Canada's largest concert promoter, and Brockum, one of the largest rock concert merchandising organizations in the world.

Agri Products—

Effective June 24, 1987, the assets and operations of Queens Farms, Inc., a New York dairy supplying milk and dairy products to the New York City market.

Packaged Food—

Effective October 20, 1987, Canadian Pizza Crust Company Ltd., an Ontario-based producer of pre-made pizza.

Effective July 31, 1987, Natalina Food Company, Inc., an Ohio-based producer of pre-made pizza.

Effective June 30, 1987, the assets and operations of Wagner Juice Co., a Chicago-based producer of fruit juices and fruit drinks.

Effective June 1, 1987, the assets and operations of Rosetto Foods, Inc., an Ohio-based manufacturer of frozen Italian food.

Effective May 31, 1987, Ross Foods Ltd., a Winnipeg-based producer of frozen dough and other bakery products.

Details of the combined net assets acquired, accounted for using the purchase method, are as follows:

(in thousands)	Current	Non-current	Total
Identifiable assets acquired at assigned values	\$ 28,205	\$ 89,949	\$118,154
Less liabilities assumed	15,070	13,928	28,998
Identifiable net assets acquired	13,135	76,021	89,156
Excess of purchase price over assigned values of identifiable assets	—	46,194	46,194
Purchase price	\$ 13,135	\$122,215	\$135,350

16. Segmented Financial Information

Information by class of business

The classes of business are as follows:

Brewing comprises the Company's brewing activities in Canada and the U.S.A., the export sale of Canadian-made beers in the United States and overseas, and the marketing in the United Kingdom of lager produced and distributed under agreements with U.K. brewers. Brewing also comprises the production and marketing of wines and wine-based products in Canada.

Agri Products comprises dairy and grain operations in Canada and the United States.

Packaged Food comprises operations that manufacture and distribute food products in Canada and the United States.

Partly-owned businesses are not allocated to the business segments.

The following is a summary of key financial information by business segment for the years ended April 30, 1988 and 1987. Certain comparative amounts have been restated to conform with the current year's presentation. Inter-segment sales are not material.



Pasta Makers Inc., a wholly-owned subsidiary of Pasquale, manufactures and markets a variety of fresh pastas and sauces to retail accounts throughout the United States.



A consumer purchasing Chef Francisco soup from a self service soup station gaining popularity in both restaurants and supermarkets.



- John Labatt Foods also introduced several new products during the year:
 - Oregon Farms launched Kissle, a yogourt-like creamy blend of milk and fruit in several markets in the United States.
 - Catelli introduced the Bistro line of vegetable-based pastas and Catelli Express, a line of oven-ready pasta products.
 - Omstead introduced Rhodes frozen bread dough nationally in Canada and a line of mixed frozen vegetables to major super-market chains.

- Several important capacity expansions were completed during the year to support business expansion and future growth.
- Generally, the North American food industry is expected to continue to experience slow growth. Within the industry, there are several faster growing segments such as prepared foods for the take-home market and specialty foods. John Labatt Foods is well positioned to take advantage of these trends and, accordingly, strong sales and earnings growth are projected for fiscal 1989.



Trained food technicians develop recipes to help consumers plan more nutritious and tasty meals...



The "Fresh Express" division of Pasquale Foods provides customers with the finest variety of ingredients available.



Everfresh

- On April 30, 1988, Holiday Juice changed its name and the names of its individual operating units to Everfresh to improve operating and marketing efficiencies and reinforce the importance of its North American flagship brand. Everfresh is a major producer and marketer of fruit juices and fruit drinks in North America. Utilizing an extensive sales and distribution network, Everfresh markets its branded products through distributors and brokers to a broad spectrum of retail grocery, convenience and food service accounts. Branded products are marketed primarily under the "EverFresh" label. Other well known brands include "Rich n' Ready", "Wagner", "Mr. Citrus", "Fresh 'n Pure" and "Sunkist" (Canada). The company also co-packs significant volume in the United States for other companies.
- Sales increased in fiscal 1988, due to acquisitions and solid growth in key markets in both Canada and the United States. Earnings, however, were adversely affected by large increases in orange juice concentrate costs and by intense competition in its markets.

- Everfresh had several significant accomplishments during the year:
 - The reduction of operating costs through expansion and improvements in manufacturing facilities.
 - The successful launch of Sunkist in Canada.
 - The development and marketing of new beverage products to lessen the exposure to fluctuations of juice concentrate costs.
 - The acquisition of Chicago-based Wagner Juice Co. in June, 1987.
- In fiscal 1989, strong growth in the fruit juice and fruit drink market is anticipated and Everfresh is forecasting major gains in sales and earnings.



Leading Everfresh brands.



Everfresh products are marketed across a broad spectrum of the North American food trade.



Everfresh has a strong North American sales and distribution network.

(in thousands)	1988		1987	
	Gross sales	Depreciation & Amortization	Gross sales	Depreciation & Amortization
Brewing	\$1,632,579	\$ 38,941	\$1,487,330	\$ 33,250
Agri Products	2,450,175	43,918	2,026,804	34,911
Packaged Food	1,024,280	31,396	759,070	23,227
	\$5,107,034	\$ 114,255	\$4,273,204	\$ 91,388
	Capital expenditures		Capital expenditures	
Brewing	\$ 76,522		\$ 56,081	
Agri Products	71,274		56,561	
Packaged Food	61,184		45,031	
	\$ 208,980		\$ 157,673	
	Contribution	Assets employed	Contribution	Assets employed
Brewing	\$ 140,069	\$ 527,343	\$ 120,865	\$ 428,780
Agri Products	90,550	657,318	90,477	664,120
Packaged Food	64,040	650,977	55,644	580,237
	294,659	1,835,638	266,986	1,673,137
Interest	66,907		45,214	
Earnings before income taxes	\$ 227,752		\$ 221,772	
Short-term investments		200,000		200,000
Investments in partly-owned businesses		54,809		34,894
Current liabilities other than bank advances and short-term notes		447,551		446,986
Total assets per consolidated balance sheet		\$2,537,998		\$2,355,017

Information by geographic segment

The Company operates principally in the geographic areas of Canada and the United States. Geographic segmentation is determined on the basis of the business location where the sale originates.

The following is a summary of key financial information by geographic segment for the years ended April 30, 1988 and 1987. Certain comparative amounts have been restated to conform with the current year's presentation. Inter-segment sales are not material.

(in thousands)	1988		1987	
	Gross sales	Depreciation & Amortization	Gross sales	Depreciation & Amortization
Canada	\$3,136,447	\$ 69,624	\$2,911,676	\$ 60,115
United States	1,970,587	44,631	1,361,528	31,273
	\$5,107,034	\$ 114,255	\$4,273,204	\$ 91,388
	Capital expenditures		Capital expenditures	
Canada	\$ 134,709		\$ 101,044	
United States	74,271		56,629	
	\$ 208,980		\$ 157,673	
	Contribution		Contribution	
		Assets employed		Assets employed
Canada	\$ 243,559	\$ 958,510	\$ 207,514	\$ 921,957
United States	51,100	877,128	59,472	751,180
	294,659	1,835,638	266,986	1,673,137
Interest	66,907		45,214	
Earnings before income taxes	\$ 227,752		\$ 221,772	
Short-term investments		200,000		200,000
Investments in partly-owned businesses		54,809		34,894
Current liabilities other than bank advances and short-term notes		447,551		446,986
Total assets per consolidated balance sheet		\$2,537,998		\$2,355,017

17. Related Party Transactions

In the normal course of business, the Company entered into transactions with affiliates and partly-owned businesses on competitive commercial terms similar to those with unrelated parties. These transactions did not have a material impact on reported net earnings.

At April 30, 1988 the Company held \$158,000,000 (\$172,000,000 at April 30, 1987) of marketable securities of affiliates. The total income earned on these marketable securities

during the year was \$12,320,000 (\$12,830,000 in 1987).

18. Subsequent Event

In May, 1988, the Company arranged a U.S. \$50 million floating rate note issuance facility with a consortium of financial institutions. Under this facility, which provides access to the Euro-Commercial Paper Market for a minimum term of five years, funds can be raised through the issue of unsecured notes.

Corporate Information

John Labatt's Public Responsibility Programs

Donations:

John Labatt continues its tradition of corporate philanthropy through an extensive donation program. In fiscal 1988, the Company donated \$2.8 million to a wide variety of non-profit organizations. The donations were distributed in the following ways: 49% to health and welfare agencies, 20% to educational institutions, 15% to cultural groups and 16% to civic and sports organizations.



John Labatt is in the second year of a five-year pledge to the University of Guelph's Capital Campaign. Receiving this year's cheque on behalf of the University are (from left): David Copp, Director of Athletics, Marjorie Millar, Director of Alumni Affairs and Development and Dr. Burt Matthews, President. From Labatt's are Ernie Bezaire and Dean Nadon.

Labatt's People in Action:

1987 marked the tenth anniversary of the Labatt's People In Action program. The Company provides non-profit organizations with funds to hire students for the summer. The students work directly with the disadvantaged in communities across Canada.

Since 1977, over 1,500 students have participated in the program

In addition to sponsoring the Labatt's People In Action Program, John Labatt provides summer employment to over 1,100 students in plant facilities throughout the Company.

J.H. Moore Awards for Excellence:

The J.H. Moore Awards for Excellence encourage and reward outstanding personal performance in community and other non-business activities by employees, retired employees, their spouses and dependants. Applications are reviewed by an outside panel of judges, and awards are granted annually.

Smile Across Canada:

The Company's "Smile" program, designed to provide children of employees with a better understanding of North America, enables children between the ages of 12 and 14 to visit children of other employees on an exchange basis. Each summer over 130 children participate in this program.

■ Directors

Marcel Bélanger, O.C., F.C.A.
Quebec, Quebec
President, Gagnon et
Bélanger Inc.
Elected 1972

Peter F. Bronfman,
Toronto, Ontario
Chairman of the Board,
Edper Enterprises Ltd.
Elected 1979

Jack L. Cockwell,
Toronto, Ontario
Executive Vice-President
and Chief Operating Officer,
Brascan Limited
Elected 1986

Charles Diamond,
Vancouver,
British Columbia
President, B.C. Turf Ltd.
Elected 1981

J. Trevor Eyton, O.C., Q.C.
Toronto, Ontario
President and
Chief Executive Officer,
Brascan Limited
Elected 1979

Eric F. Findlay,
Toronto, Ontario
Chairman of the Board
and Chief Executive Officer,
Silcorp Limited
Elected 1984

Edwin A. Goodman, O.C., Q.C.
Toronto, Ontario
Partner,
Goodman & Goodman
Elected 1966

Peter F. Hannam,
Guelph, Ontario
President,
First Line Seeds Ltd.
Elected 1986

**Francine Harel
Giasson,**
Montreal, Quebec
Associate Professor and
Director of Programs,
École des Hautes Études
Commerciales
Appointed 1987

Gordon F. Hughes,
Windsor, Nova Scotia
President,
Ocean Company Limited
Elected 1973

David B. Jenkins,
Duxbury, Massachusetts
President,
Chief Executive Officer
and Chairman,
Shaw's Supermarkets, Inc.
Elected 1987

Mervyn L. Lahn,
London, Ontario
Chairman and
Chief Executive Officer,
Canada Trustco
Mortgage Company
Elected 1978

**Alexander J.
MacIntosh, Q.C.,**
Toronto, Ontario
Partner,
Blake, Cassels & Graydon
Elected 1967

Sidney M. Oland,
Toronto, Ontario
Executive Vice-President,
John Labatt Limited and
President of Labatt
Brewing Group,
Elected 1987

Jaime Ortiz-Patiño,
Geneva, Switzerland
President and
Chief Executive,
Patiño Investments S.A.
Elected 1980

Herbert C. Pinder,
Saskatoon, Saskatchewan
President,
Saskatoon Trading
Company Limited
Elected 1977

Samuel Pollock, O.C.
Montreal, Quebec
Chairman and President,
Carena Bancorp
Equities Ltd.
Elected 1981

Robin B. Smith,
Centerport, New York
President,
Publishers Clearing House
Elected 1987

George S. Taylor,
St. Mary's, Ontario
Executive Vice-President,
John Labatt Limited and
President of Labatt
Food Group
Elected 1987

Jean Denis Vincent,
Pointe-Claire, Quebec
President and
Chief Executive Officer,
Alliance-Industrial
Financial Corporation
Elected 1985

Peter N. T. Widdrington,
London, Ontario
Chairman, President and
Chief Executive Officer,
John Labatt Limited
Elected 1973

William P. Wilder,
Toronto, Ontario
Retired Chairman
of the Board
The Consumers' Gas
Company Ltd.
Elected 1970

Honorary Directors

John B. Cronyn,
London, Ontario
Corporate Director
Elected 1959
Appointed Honorary
Director 1986

**Norman E.
(Peter) Hardy,**
London, Ontario
Corporate Director
Elected 1966
Appointed Honorary
Director 1987

Wallace F. Read,
London, Ontario
Corporate Director
Elected 1970
Appointed Honorary
Director 1987

Board Committees

Executive

Chairman:
J. Trevor Eyton;
Jack L. Cockwell,
Charles Diamond,
Edwin A. Goodman,
Mervyn L. Lahn,
Alexander J. MacIntosh,
Jean Denis Vincent,
Peter N. T. Widdrington

Audit

Chairman:
Marcel Bélanger;
Jack L. Cockwell,
Peter F. Hannam,
Gordon F. Hughes,
Mervyn L. Lahn,
Jaime Ortiz-Patiño

Business Conduct Review

Chairman:
Charles Diamond;
Gordon F. Hughes,
David B. Jenkins,
Alexander J. MacIntosh

Management Resources and Compensation

Chairman:
J. Trevor Eyton;
Jack L. Cockwell,
Edwin A. Goodman,
David B. Jenkins,
Alexander J. MacIntosh

Pension Investment Advisory

Chairman:
Samuel Pollock;
Eric F. Findlay,
Francine Harel Giasson,
Robin B. Smith
William P. Wilder

Public Responsibility

Chairman:
Peter F. Bronfman;
Francine Harel Giasson,
Herbert C. Pinder,
Samuel Pollock,
Robin B. Smith

Management

John Labatt Limited

- ***Peter N. T. Widdrington**
Chairman of the Board and
Chief Executive Officer
- ***Edward G. Bradley**
Executive Vice-President,
Corporate Development
and Staff Services
- ***Robert F. Dolan**
Vice-President,
Human Resources
- W. James Emmerton**
Treasurer
- Larry J. Innanen**
Secretary
- ***Dean C. Kitts**
Vice-President,
Administration and
General Counsel
- Paul L. Meier**
Controller
- ***Lorne C. Stephenson**
Executive Assistant to the
Chairman
- ***Robert G. Vaux**
Vice-President, Finance

Brewing Group

- ***Sidney M. Oland**
President
- Gordon R. Currie**
Vice-President, Finance
- John L. Dunwell**
Vice-President,
Technical Operations
- Thomas R. Errath**
Vice-President, Marketing
- Labatt Breweries of Canada*
- Pierre Desjardins**
President
- Robert A. Binnendyk**
Vice-President and
General Manager
Prairie Region
- Marcel Boisvert**
President
La Brasserie Labatt Limitée
- Gregory W. Canning**
Vice-President and
General Manager
Ontario Region
- Philip C. Carter**
Vice-President and
General Manager
British Columbia Region
- J. Roderick McLeod**
Vice-President and
General Manager
Atlantic Region
- Michael H. Conde**
President, Canadian Wines
- Labatt's U.S.A.*
- Richard R. Fogarty**
President
- Labatt Breweries of Europe*
- John F. Morgan**
President

Food Group

- ***George S. Taylor**
President
- Neal Blackburn**
Vice-President,
Engineering Services
- Patrick G. Crowley**
Director, Finance
- R. Bruce Fraser**
Vice-President,
Corporate Planning
and Development
- David W. Murray**
Director, Technological
Development
- Ogilvie*
- Guy Saint-Pierre**
President and Chief
Executive Officer
- Terrence McDonnell**
Executive Vice-President
and General Manager
- Robert J. Dunn**
Vice-President and
General Manager,
Ogilvie Mills, U.S.
- Dr. John. H. Linton**
President, Miracle Feeds
- Ault Foods*
- Graham P. M. Freeman**
Chairman and Chief
Executive Officer
- Jeremy P. Hobbins**
President, Dairy Division
- Anthony Kalhok**
President, Frozen Division
- Douglass G. McDougall**
President, Industrial
Division
- Lawrence H. Orton**
President, Food Service
- Lino Sienna**
President, Refrigerated
Products
- U.S. Dairy*
- Kurt Goldman**
President
Johanna Farms
- Peter S. Goldman**
Executive Vice-President
Johanna Farms

- J. Herbert England**
President
Tuscan Industries
- Robert A. Facchina**
Senior Vice-President
Johanna Farms
- John J. Kazanas**
President
Lacto
- Cary Reimer**
Senior Vice-President
Johanna Farms

John Labatt Foods

- Frank Elsener**
President
- Nick R. Chilton**
President
Oregon Farms
- Richard D. Innes**
President
Catelli
- Patrick S. Johnston**
President
Chef Francisco
- Robert E. Martin**
President
Delicious Foods
- Lester Nuby**
President
Pasquale Foods
- Leonard H. Omstead**
President
Omstead Foods
- Everfresh*
- Daniel F. Kotwicki**
President and Chief
Executive Officer
- Charles E. Jamail**
Executive Vice-President

Broadcast Group

- A. Gordon Craig**
President
- Brian K. Ross**
Vice-President and
General Manager
Dome Productions
- James S. Thompson**
Vice-President and
General Manager
The Sports Network

*Denotes membership on the Corporate Executive Committee



■ Shareholders' Information

Stock Exchanges

Montreal, Toronto, Winnipeg, Alberta, Vancouver

Transfer Agents

The Canada Trust Company — Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver

The Canadian Bank of Commerce Trust Company, New York, U.S.A.

Registrars

The Canada Trust Company — Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver

Bank of Montreal Trust Company, New York, U.S.A.

Auditors

Clarkson Gordon,
Chartered Accountants
London, Ontario

Shareholders

As of April 30, 1988, 14,375 Canadian residents located across Canada held 99% of John Labatt shares. A regional summary of shareholders is shown in the following table:

	Number of Shareholders	Percent of Shareholders
Atlantic	573	3.9
Quebec	1,587	10.7
Ontario	9,867	66.5
West	2,348	15.8
Total Canada	14,375	96.9
Non-Residents	463	3.1
Total	14,838	100.0

Dividends

The quarterly dividend paid on common shares was increased at the September, 1987 Annual Meeting to 16¢ per share from 14¢ per share. During fiscal 1988, \$45.5 million or \$0.62 per share was paid in dividends to common shareholders, up from \$39.6 million and \$0.5475 per share in fiscal 1987.

Quarterly Dividend History

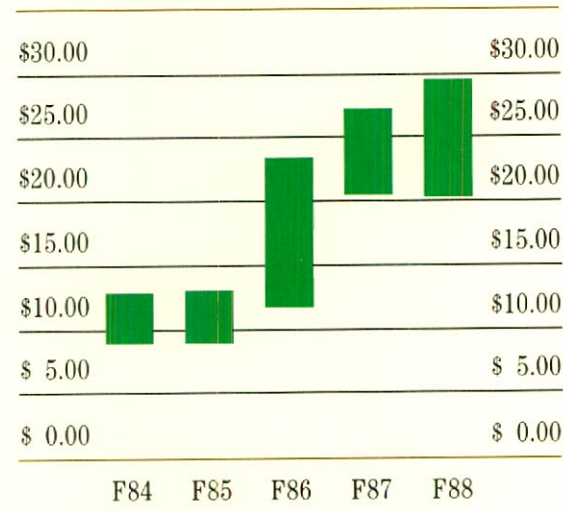
	Quarter				Fiscal Year
	July	Oct.	Jan.	Apr.	
1984	09.90	11.25	11.25	11.25	43.65
1985	11.25	12.00	12.00	12.00	47.25
1986	12.00	12.75	12.75	12.75	50.25
1987	12.75	14.00	14.00	14.00	54.75
1988	14.00	16.00	16.00	16.00	62.00

Share Market Price History On Fiscal Year Basis

	Low	High	April 30 Year End
1984	8-7/8	12-5/8	9
1985	8-7/8	12-7/8	11-3/4
1986	11-7/8	23	22-5/8
1987	20-1/4	27-1/4	24-3/8
1988	20-1/8	29-3/4	23-7/8

Note: Market prices above are shown on adjusted basis giving effect to share splits. The shares were split 2 for 1 in September, 1983 and 2 for 1 in July, 1986.

Labatt Share Values Annual Market High/Low



Five Year Review

(in millions except per share and other data)

Operating Results	1988	1987	1986	1985	1984
Gross sales	\$5,107.0	\$4,273.2	\$3,594.4	\$2,807.1	\$2,449.5
Group earnings before interest and taxes	294.7	267.0	226.3	170.8	175.2
Interest expense	66.9	45.2	40.5	29.8	26.7
Income taxes	85.9	95.4	79.6	52.5	58.2
Net earnings	140.6	125.2	101.5	81.7	66.7
Funds provided from operations	288.8	233.6	201.2	165.7	123.1
Common share dividends	45.5	39.6	32.3	28.2	24.9
Capital expenditures	209.0	157.7	115.6	111.1	70.7
Acquisitions and other investments	\$ 149.3	\$ 403.1	\$ 61.7	\$ 193.7	\$ 96.1

Financial Position

Working capital	\$ 228.1	\$ 204.7	\$ 338.7	\$ 71.6	\$ 241.5
Fixed assets	992.1	837.3	673.1	637.9	418.2
Total assets	2,538.0	2,355.0	1,785.3	1,548.1	1,185.6
Non-convertible long-term debt	481.6	378.3	287.2	154.5	150.5
Convertible debentures	290.7	295.4	174.8	131.3	138.7
Shareholders' equity	867.7	770.9	676.0	518.1	449.3
Convertible debentures and shareholders' equity	\$1,158.4	\$1,066.3	\$ 850.8	\$ 649.4	\$ 588.0

Data Per Common Share

Net earnings fully diluted	1.68	1.55	1.38	1.18	1.00
Common share dividends	0.62	0.54¾	0.50¼	0.47¼	0.436
Convertible debentures and shareholders' equity	13.01	12.06	10.22	8.58	7.82

Other Data

Return on average shareholders' equity	17.2%	17.3%	17.0%	16.9%	16.0%
Return on average shareholders' equity and convertible debentures	13.5%	13.7%	14.2%	14.4%	13.8%
Net earnings as a percent of gross sales	2.8%	2.9%	2.8%	2.9%	2.7%
Working capital ratio	1.31	1.26	1.65	1.11	1.67
Common shares outstanding (in thousands)	73,792	72,730	71,878	60,784	58,754
Number of shareholders	14,838	13,160	12,006	11,648	11,727
Number of employees	17,900	16,200	14,200	13,000	10,500





JOHN LABATT
451 Ridout Street North,
London, Ontario, Canada
N6A 5L3