CANADIAN TIRE

ANNUAL REPORT 1979

CANADIAN TIRE CORPORATION LIMITED

Our objectives...

1. To achieve continued above-average long term growth and to maximize profitability both for the Company and its Associate Dealers, through increased productivity and cost reduction.

2. Through the dealer organization, to maintain a position of market leadership by providing the public with competitively priced, quality products, in conveniently located, attractive stores staffed by knowledgeable, helpful people.

3. To conduct its business in a professional and ethical manner when dealing with Associates, employees, suppliers, governments or the general public, and in particular, to consult with Associates on issues of mutual interest.

4. To strive for excellence and innovation.

5. Through the achievement of these goals, to provide the people of Canadian Tire with job satisfaction, personal growth opportunities, and above average financial rewards through participation in profit sharing.

CANADIAN TIRE

Canadian Tire Corporation, Limited
Home Office: 2180 Yonge Street,
Toronto, Ontario M4P 2V8

Highlights at a glance

Dollars in thousands (except per share amounts)

	1979	1978	Annual Change
Gross operating revenue	$935,753	$798,717	17.2%
Pre-tax income	$ 69,583	$ 53,938	29.0%
Taxes on income	$ 33,070	$ 25,163	31.4%
Income before extraordinary gain	$ 36,513	$ 28,775	26.9%
Net income	$ 38,708	$ 29,469	31.4%
Cash dividends:			
Regular	$ 7,017	$ 6,362	10.3%
Special distribution	$ —	$ 4,073	
Income retained and reinvested	$ 31,691	$ 19,034	66.5%
Per share:			
Income before extraordinary gain	$ 3.07	$ 2.49	23.3%
Net income	$ 3.26	$ 2.55	27.8%
Dividends	$ 0.59	$ 0.90	(34.4%)
Shareholders' equity	$ 24.20	$ 21.40	13.1%

Contents

Sur simple demande, nous nous ferons un plaisir de vous faire parvenir la version française du présent rapport.

Alex E. Barron, Chairman of the Board, and J. D. Muncaster, President.

Directors' report to the shareholders

As previously reported, consolidated net income after taxes of the Company and its subsidiaries was $38,708,000 or $3.26 per share in 1979, compared with $29,469,000 or $2.55 per share in 1978. Included in net income for both years were extraordinary gains on disposals of property amounting to $2,195,000 in 1979 ($0.19 per share) and $694,000 in 1978 ($0.06 per share).

This improvement in profitability was achieved despite a number of adverse factors. Unseasonably warm weather, with very little snow in most areas of the country, resulted in a lower than anticipated level of merchandise shipments in the fourth quarter. The provision for depreciation of $15.7-million was $3.8-million larger than the previous year. Increased interest expenses, resulting from the expanded value of assets employed and sharply higher interest rates impacted earnings—particularly at Canadian Tire Acceptance Limited. In addition, with another increase in Ontario's corporate tax rate, the Company's effective tax rate increased from 46.65% in 1978 to 47.53% in 1979. More than offsetting these factors, however, were the beneficial effects on operating cost ratios of a 17.2% gross operating revenue gain, along with improved gross margins, and strong performances by Cantire Products Limited and the Company's gasoline marketing division.

Inventory

To provide improved service to dealers, corporate inventories of basic merchandise were increased during 1979. With re-order activity on seasonal lines adversely affected by the unusual weather conditions of the fourth quarter, inventories of winter merchandise at year end were higher than normal. In addition, substantial pre-season shipments of spring products were received under various supplier incentive programs. For these reasons, year-end corporate inventories were 26.6% higher than a year earlier.

After two years in which dealer inventory turnover rates improved dramatically as sales gains outpaced the growth in incoming merchandise shipments from Canadian Tire, dealer purchases in 1979 increased somewhat more quickly than sales. As a result, estimated dealer inventories at year end, including those of new stores, were 8.5% higher than a year earlier. With a dealer sales increase of 13.4% in 1979—the highest rate of sales gain since 1976—the average dealer inventory turnover rate demonstrated further improvement. This process has been aided by the installation of in-store computers and point-of-sale systems in more than 100 stores.

Dealer profitability

In last year's Annual Report, we made reference to the development of a program designed to improve the profit potential of dealers located in smaller and/or newer stores. In addition to reduced rentals and special assistance payments, this program included favourable financing arrangements. As a result, during 1979 more than $30-million was advanced to such dealers under income debenture or term loan arrangements, $12.8-million of which was applied to the repayment of already existing inventory loans.

With this program addressing the particular requirements of these units, and with the increased gross margins and improved productivity being experienced generally, the 1979 profits of most dealers were substantially higher than in recent years.

Capital expenditures

The westward emphasis of our capital expenditures program continued in 1979. In addition to the Company's commitment to the British Columbia market as outlined on page 18 of this report, new retail facilities were completed in Calgary, Lethbridge, Red Deer and Wetaskiwin in Alberta, and North Battleford, Saskatchewan, while the store in Portage la Prairie was relocated to larger premises. During 1980, fifteen stores are expected to be opened in Western Canada, including ten in British Columbia.

Expansion continued in 1979 in our more traditional markets with one new store being opened in Québec and seven existing stores (one in Nova Scotia, six in Ontario) being replaced with larger facilities.

Capital expenditures totalled \$27.2-million, down from the \$32.5-million of the year previous, an amount which included some \$12-million for completion of the Mississauga Distribution Centre and the purchase of computers. At year end, of the 319 stores operated by Canadian Tire associate dealers, 215 were owned by the Company and 55 were properties leased by the Company and rented to dealers.

Foreign investment

During 1979, Canadian Tire invested a total of \$15.8-million (Canadian) in the business of McEwan's Limited, Australia's largest hardware retailer. This investment at year end consisted of a direct holding of 742,376 shares, an 11% note of McEwan's convertible into 1,443,915 shares, and advances to a private company which may be satisfied, at the option of Canadian Tire, by the transfer of 4,478,012 McEwan's shares.

After providing for shares to be optioned by Canadian Tire to executives of McEwan's, this investment, which was approved by the Australian Government subsequent to year end, will result in the acquisition by Canadian Tire of 30.1% of the outstanding shares of McEwan's prior to the conversion of the 11% note, or 36.4% of the expanded number of shares following conversion. The shares owned by Canadian Tire plus those of the Luxton family and the McEwan's executive group—comprising a total of 50.3% of the outstanding shares of McEwan's—are held under a Voting Trust Agreement which provides certain purchase rights to Canadian Tire and which has the effect of ensuring the maintenance of voting control of McEwan's.

Expenditures on property and equipment, the provision of dealer financing, the Australian investment and other corporate needs required no external financing in 1979. Subsequent to year end, \$20.0-million of 12½% promissory notes, due between 1985 and 1995, were issued by Canadian Tire Acceptance Limited to provide for the redemption of promissory notes due in 1980. No other term financing is anticipated during the year.

Amalgamation

Four wholly-owned subsidiaries—Mor Power Sales & Services Limited, Motomaster Limited, Timberline Home Centres Limited and the inactive Canadian Tire Travel Service Limited—were amalgamated with the parent company, Canadian Tire Corporation, Limited, effective January 1, 1980. No change resulted in the authorized or issued capital of the Company. The amalgamation simplified our corporate structure and will reduce administrative costs.

Dividends

With the improvement in 1979 profitability, the quarterly dividend payable on June 1, 1980 has been declared in the amount of 18 cents per share—an increase from the previous quarterly rate of 15 cents per share.

Our people—profit sharing

Profit sharing awards and the Company's contribution to the employee share purchase plan amounted to \$6.2-million—up from \$4.4-million for 1978. Employees of Canadian Tire Acceptance were included in the profit sharing plan for the first time. Since profitability per employee increased materially during 1979, individual awards increased both in amount and as a percentage of employee earnings.

The spirit of participation and involvement fostered by profit sharing and share ownership remains one of the Company's most important assets.

Outlook for 1980

Although dealer sales increases in the first quarter have been below expectation because of the very unusual weather conditions in most areas of Canada, our people remain optimistic about 1980 prospects. This confidence seems to have been supported by the results achieved in the first few days of spring weather.

While consumer spending is likely to grow only slightly in real terms in 1980, we believe that our emphasis on value, our positioning in the field of home and auto-related merchandise, and our particular appeal to the do-it-yourself customer will result in better performance than will be experienced generally by Canadian retailers. As well, the investments in new capacity over recent years, particularly in Western Canada, will contribute significant sales gains.

On behalf of the Board,

Dated April 9, 1980.

Chairman of the Board

President and Chief Executive Officer

Consolidated Statement of Income and Retained Earnings

for the year ended December 31, 1979 *(with prior year's figures for comparison)*

	1979	1978
	(Dollars in thousands)	
Gross operating revenue	**$935,753**	$798,717
Operating expenses:		
Cost of merchandise sold and all expenses except for the undernoted items	**827,487**	716,074
Depreciation and amortization	**15,718**	11,876
Employee deferred profit sharing and share purchase plans	**6,249**	4,378
Interest:		
Long-term debt:		
Parent company	**11,499**	11,701
Acceptance company	**2,162**	2,162
Short-term financing:		
Acceptance company	**6,140**	3,495
Other	**1,689**	516
Total operating expenses	**870,944**	750,202
	64,809	48,515
Interest income (Note 6)	**4,774**	5,423
Income before income taxes and extraordinary gain	**69,583**	53,938
Provision for income taxes:		
Current	**32,630**	23,293
Deferred	**440**	1,870
Total provision for income taxes	**33,070**	25,163
Income before extraordinary gain	**36,513**	28,775
Gain on disposals of property (less applicable income taxes: 1979—$306; 1978—$17)	**2,195**	694
Net income for the year	**38,708**	29,469
Retained earnings at beginning of the year	**192,609**	173,575
	231,317	203,044
Deduct:		
Regular dividends paid:		
Class A shares	**4,981**	4,464
Common shares	**2,036**	1,898
Special distribution of 1971 Capital Surplus:		
Class A shares	—	2,866
Common shares	—	1,207
	7,017	10,435
Retained earnings at end of the year	**$224,300**	$192,609

Earnings per share before extraordinary gain	**$3.07**	$2.49
Earnings per share relating to gain on disposals of property	**0.19**	.06
Earnings per share	**$3.26**	$2.55

The accompanying notes, on pages 8 & 9, are an integral part of the financial statements.

Consolidated Statement of Changes in Financial Position

CANADIAN TIRE

for the year ended December 31, 1979 *(with prior year's figures for comparison)*

	1979	1978
	(Dollars in thousands)	
Working capital provided:		
From operations:		
Income before extraordinary gain	**$ 36,513**	$ 28,775
Items not affecting working capital:		
Depreciation and amortization	**15,718**	11,876
Amortization of debenture discount and issue expense	**131**	80
Amortization of goodwill	**152**	151
Deferred income taxes	**440**	1,870
Provided from operations	**52,954**	42,752
Obligation under capital lease	**719**	—
Issue of Class A shares	**8,580**	5,627
Decrease in mortgages receivable	**755**	175
Disposals of property and equipment	**5,209**	3,564
Total	**68,217**	52,118
Working capital applied:		
Additions to property and equipment:		
Land	**3,425**	2,224
Buildings	**17,198**	16,553
Fixtures and equipment	**3,491**	12,382
Automotive equipment	**2,132**	331
Leasehold improvements	**261**	1,036
Capital lease	**732**	—
	27,239	32,526
Increase in long-term portion of income debentures and term loans	**31,710**	809
Other investments	**15,838**	—
Decrease in mortgages and other liabilities	**1,135**	1,540
Purchase of Sinking Fund Debentures for redemption	**1,600**	2,400
Regular dividends paid:		
Class A shares	**4,981**	4,464
Common shares	**2,036**	1,898
Special distribution of 1971 Capital Surplus:		
Class A shares	—	2,866
Common shares	—	1,207
Total	**84,539**	47,710
(Decrease) Increase in working capital for the year	**(16,322)**	4,408
Working capital at beginning of the year	**147,791**	143,383
Working capital at end of the year	**$131,469**	$147,791

The accompanying notes, on pages 8 & 9, are an integral part of the financial statements.

Consolidated Balance Sheet

as at December 31, 1979
(with prior year's figures for comparison)

ASSETS	**1979**	1978
	(Dollars in thousands)	
Current assets:		
Cash and short-term investments—at cost which approximates market value	**$ 15,312**	$ 30,497
Accounts and loans receivable	**78,621**	81,739
Merchandise inventories	**133,407**	105,400
Income taxes recoverable	—	954
Income debentures and term loans of Canadian Tire dealers —amounts due within one year	**2,593**	1,288
	229,933	219,878
Acceptance company:		
Charge account receivables	**111,474**	91,233
Other	**1,965**	1,720
Total current assets	**343,372**	312,831
Investments:		
Income debentures and term loans of Canadian Tire dealers —less amounts due within one year—at cost	**33,533**	1,823
Other investments (Note 2)	**15,838**	—
Total investments	**49,371**	1,823
Property and equipment (Note 3):		
Land	**55,339**	53,825
Buildings	**207,928**	190,089
Fixtures and equipment	**46,621**	43,786
Automotive equipment	**8,285**	6,406
Leasehold improvements	**10,317**	10,709
	328,490	304,815
Less accumulated depreciation and amortization	**83,994**	68,826
Net property and equipment	**244,496**	235,989
Other assets:		
Mortgages receivable	**1,027**	1,782
Goodwill	**454**	606
Debenture discount and issue expense	**1,101**	1,232
Total other assets	**2,582**	3,620
TOTAL	**$639,821**	$554,263

The accompanying notes, on pages 8 & 9, are an integral part of the financial statements.

Incorporated under the Laws of the Province of Ontario

LIABILITIES AND SHAREHOLDERS' EQUITY	1979	1978
	(Dollars in thousands)	
Current liabilities:		
Accounts payable	**$ 75,632**	$ 66,073
Accrued liabilities and coupons outstanding	**47,915**	40,659
Income taxes payable	**9,596**	—
Loans payable to directors and shareholders	**2,935**	1,531
Current portion of long-term debt	**637**	1,238
	136,715	109,501
Acceptance company:		
Bank loan	**1,480**	759
Short-term promissory notes	**67,032**	51,770
Accounts payable	**6,583**	2,705
Income taxes payable	**93**	305
Total current liabilities	**211,903**	165,040
Long-term debt (Note 4):		
Promissory notes of acceptance company	**22,500**	22,500
Mortgages and other liabilities	**3,861**	4,277
Sinking Fund Debentures	**110,000**	111,600
Total long-term debt	**136,361**	138,377
Deferred income taxes	**3,822**	3,382
Shareholders' equity:		
Share capital (Note 5):		
Authorized:		
15,000,000 Class A non-voting shares without par value		
3,450,300 common shares without par value		
Issued and fully paid:		
8,517,179 Class A shares (1978—8,189,608)	**62,543**	53,963
3,450,000 common shares	**892**	892
	63,435	54,855
Retained earnings	**224,300**	192,609
Total shareholders' equity	**287,735**	247,464
TOTAL	**$639,821**	$554,263

Approved by the Board: J. D. MUNCASTER, *Director;* A. L. SHERRING, *Director.*

Notes to the consolidated financial statements

1 Significant Accounting Policies

Principles of consolidation: The consolidated financial statements include the accounts of Canadian Tire Corporation, Limited and its subsidiaries, all of which are wholly-owned.

Merchandise inventories: Merchandise inventories are valued at the lower of cost and estimated net realizable value less normal profit margin, with cost being determined substantially on a first-in, first-out basis.

Property and equipment: Property and equipment are stated at cost. Depreciation is provided under the declining-balance method at various annual rates (buildings—5% and 10%, fixtures & equipment—10% to 20%, and automotive & computer equipment—30%). Amortization of leasehold improvements is provided on a straight-line basis over the terms of the respective leases. A full year's depreciation is provided on all retail stores opened during the year, or under construction at the year end. Depreciation of major warehouse facilities is commenced in the month the facilities are placed into service. Internal development costs, interest and realty taxes pertaining to construction in progress and land held for development are expensed as incurred.

Leased property and equipment: Property and equipment leased after December 31, 1978 on terms which transfer substantially all of the benefits and risks of ownership to the company are accounted for as "capital leases," as though an asset had been purchased and a liability incurred. Amortization is provided on a straight-line basis over the estimated useful life. Other leased assets are accounted for as operating leases.

Goodwill: Goodwill arising on the acquisition of a subsidiary company is recorded at cost less accumulated amortization which is being provided on a straight- line basis over a period of seven years.

Debenture discount and issue expense: Debenture discount and issue expense is amortized on a straight-line basis over the terms of the debentures.

Income taxes: The company accounts for income taxes using the deferral method of tax allocation, under which income taxes are provided in the year transactions affect net income, regardless of when such transactions are recognized for tax purposes.

Earnings per share: The earnings per share figures are calculated using the weighted average number of shares outstanding during the year.

2 Other Investments

During the year, the company acquired 742,376 ordinary shares, representing approximately a 5% equity interest, of an Australian company, McEwan's Limited, for a cash consideration of $1,829,000. In addition, the company advanced $2,790,000 to McEwan's Limited in the form of a five-year 11% note, convertible into 1,443,915 ordinary shares. In connection with these investments, a further $11,219,000 was advanced to Bartdon Pty. Ltd. of Australia with 4,478,012 ordinary shares of McEwan's Limited being pledged as collateral. Interest on this advance is equivalent to the dividends received by Bartdon Pty. Ltd. on the pledged shares. At the option of the company, repayment of the advances may be satisfied by the delivery of the pledged shares prior to August 31, 1980.

Subsequent to the year end, the company obtained approval of the Australian government to increase its investment in the ordinary shares of McEwan's Limited by conversion of the note and advances referred to in the preceding paragraph. On conversion of the advances, and after the option of 824,065 shares to executives of McEwan's Limited, the company will hold approximately 30.1% of the ordinary shares of McEwan's Limited and will account for its investment therein using the equity method. On conversion of the five-year 11% note, the company's interest would approximate 36.4%.

3 Capital Leases

The company has adopted the recommendations of the Accounting Research Committee of the Canadian Institute of Chartered Accountants in respect of capital lease transactions. Retroactive change in the application of this accounting policy has not been made for years prior to 1979 as the effect on earnings is not material. Accordingly, leases entered into prior to 1979 have been treated as operating leases. Had these leases been accounted for as capital leases, assets under capital leases, net of accumulated amortization, would have increased by $4,506,000 and obligations under capital leases would have increased by $4,992,000.

Minimum rental payments under the capital lease entered into during the year amount to $91,000 in each of the next five years, and aggregate $1,810,000 thereafter. The present value of minimum rental payments, net of the current portion of $12,000, amounts to $719,000.

The gross amount of the capital lease at December 31, 1979 relates to a building valued at $732,000. The related long-term obligation is included with "mortgages and other liabilities".

4 Long-term Debt

Long-term debt comprises the following:

	1979	1978
	(Dollars in thousands)	
Promissory notes of acceptance company:		
9%, due February 17, 1980	$ 5,000	$ 5,000
9½%, due April 4, 1980	5,000	5,000
10½%, due December 16, 1980	7,500	7,500
9%, due April 15, 1982	5,000	5,000
	22,500	22,500
Mortgages and other liabilities —less amounts due within one year	3,861	4,277
Sinking Fund Debentures (unsecured):		
8½% Series A, maturing June 1, 1991	13,000	13,100
9¼% Series B, maturing July 15, 1994	27,000	28,500
10¾% Series C, maturing August 15, 1995	30,000	30,000
10% Series D, maturing August 15, 1997	40,000	40,000
	110,000	111,600
Total long-term debt	$136,361	$138,377

Promissory notes of acceptance company: Subsequent to the year end, the acceptance company issued $20,000,000 principal amount of 12½% promissory notes due between 1985 and 1995 for $20,000,000 less commission and other issue expenses. These notes were issued to provide for the redemption of the promissory notes due in 1980.

Mortgages and other liabilities: Mortgages have been assumed on the acquisition of 12 properties. These liabilities mature at various dates extending to 1986, and bear interest at various rates up to 10%.

Sinking Fund Debentures: The Sinking Fund Debentures are redeemable, in whole or in part, at various premium rates which decline annually.

Under the Trust Indentures, sinking funds must be provided to redeem principal amounts of each series by annual payments in certain years during which the Sinking Fund Debentures are outstanding, as follows:

Series	Annual Amount	Redemption Period
A	$ 500,000	1980 - 1991
B	$1,500,000	1980 - 1993
C	$1,200,000	1981 - 1994
D	$2,000,000	1983 - 1997

In addition to the mandatory sinking fund requirements, the company annually has the non-cumulative right to make optional sinking fund payments during the retirement period sufficient to retire additional Series A Debentures of a principal amount not in excess of $250,000 and additional Series C Debentures of a principal amount not in excess of $300,000.

The Trust Indentures impose certain restrictions on the company. To December 31, 1979, all of the conditions of the Trust Indentures have been met.

Repayment requirements: At December 31, 1979, the company had met certain sinking fund requirements of future years. After giving effect to these advance fundings and the refinancing of promissory notes due in 1980 of the acceptance company, annual maturities and mandatory sinking fund requirements in respect of long-term debt for each of the next five years are as follows:

1980	$ 624,000	1983	$5,482,000
1981	$4,592,000	1984	$5,563,000
1982	$8,777,000		

5 Share Capital

Issue of Class A Shares: During 1979, the company issued 327,571 Class A shares for cash in the total amount of $8,580,000. All of these shares were issued in accordance with the conditions below.

Conditions of Class A Shares: The conditions attached to the Class A shares prohibit the issue of Class A shares unless either:

(a) such shares are being issued to, or for the benefit of, employees of the company, or employees of any subsidiary, or authorized dealers, or the employees of authorized dealers, pursuant to a scheme or plan in existence at such time; or

(b) the authorization of the holders of Class A shares shall first have been obtained.

The holders of Class A shares are entitled to receive a preferential cumulative dividend at the rate of 4 cents per share per annum and, after payment of a dividend on each of the common shares at a similar rate, are entitled to participate, pro rata, in further dividends declared and paid in each year.

Share options: Under a share option arrangement, certain senior officers engaged directly in the management of the company were granted options to purchase Class A shares of the company. The options are exercisable at any time during a ten-year period from the date granted as follows:

Date Granted	Expiry Date	Price	Number of Shares
February 27, 1970	February 28, 1980	$20.287	9,246
February 26, 1971	February 26, 1981	24.975	13,393
February 29, 1972	February 28, 1982	35.325	12,603
February 28, 1973	February 28, 1983	54.900	12,797
February 28, 1974	February 28, 1984	40.950	14,411
January 2, 1975	January 2, 1985	34.537	34,375
January 2, 1976	January 2, 1986	41.175	28,483
January 3, 1977	January 3, 1987	38.475	23,315
			148,623

The exercise of these share options would have no material effect on the reported earnings per share.

Subsequent to the year end, options to purchase 9,246 shares were exercised for a total option price of $188,000.

6 Interest Income

Interest income arose from the following sources:

	1979	1978
Advances to dealers	$2,921,000	$3,089,000
Short-term investments	1,210,000	1,711,000
Mortgages	203,000	240,000
Other	440,000	383,000
	$4,774,000	$5,423,000

Interest earned on charge account receivables of Canadian Tire Acceptance Limited is included in gross operating revenue in the consolidated statement of income and retained earnings.

7 Operating Leases

As at December 31, 1979, the company is committed to minimum annual rentals (exclusive of taxes, insurance, and other occupancy charges) of properties under leases with termination dates extending to 2008. Under sublease arrangements, the majority of these properties are income-producing. The minimum annual rental payments required in each of the next five years are as follows:

Year	Minimum Annual Rentals	Year	Minimum Annual Rentals
1980	$4,981,000	1983	$4,205,000
1981	$4,905,000	1984	$3,599,000
1982	$4,805,000		

8 Commitments

As at December 31, 1979, the company had commitments of $9,823,000 for the acquisition of properties and expansion of retail store facilities.

9 Subsequent Event

Effective January 1, 1980, the company entered into an amalgamation agreement with four of its subsidiary companies, Mor Power Sales & Services Limited, Canadian Tire Travel Service Limited, Motomaster Limited and Timberline Home Centres Limited. The amalgamated company will continue operations under the name of Canadian Tire Corporation, Limited.

10 Remuneration of Directors and Senior Officers

The aggregate direct remuneration paid, or payable, by the company to the directors and eleven (twelve in 1978) senior officers of the company, as a group, with respect to the fiscal year ended December 31, 1979 was $1,498,000 (1978—$1,109,000). In addition, the company paid an aggregate amount of $116,000 (1978—$34,000) to the Trustees of the Canadian Tire Deferred Profit Sharing Plan for the benefit of senior officers.

Ten-year review of performance

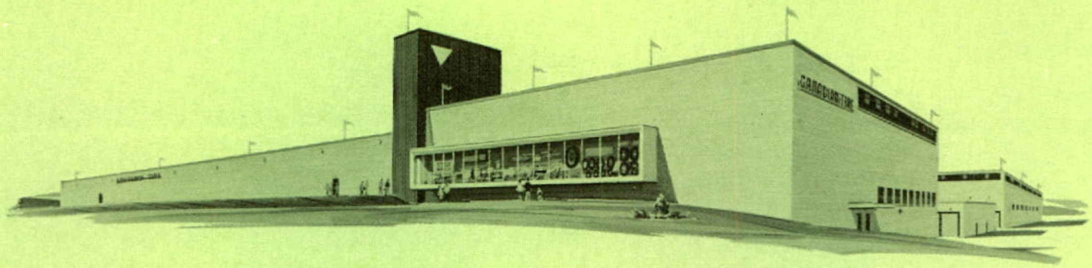
Dollars in thousands *(except per share amounts)*

		1979	1978
Comparative Income Statement			
Gross operating revenue	$	**935,753**	798,717
Pre-tax income	$	**69,583**	53,938
Taxes on income	$	**33,070**	25,163
Income before extraordinary gain	$	**36,513**	28,775
Extraordinary gain	$	**2,195**	694
Net income	$	**38,708**	29,469
Cash dividends	$	**7,017**	10,435
Income retained and reinvested	$	**31,691**	19,034
Comparative Balance Sheet			
Current assets	$	**343,372**	312,831
Investments	$	**49,371**	1,823
Net property and equipment	$	**244,496**	235,989
Other assets	$	**2,582**	3,620
Total assets	$	**639,821**	554,263
Current liabilities	$	**211,903**	165,040
Long-term debt	$	**136,361**	138,377
Deferred income taxes	$	**3,822**	3,382
Shareholders' equity	$	**287,735**	247,464
Per share*			
Income before extraordinary gain	$	**3.07**	2.49
Net income	$	**3.26**	2.55
Dividends	$	**.59**	.90
Shareholders' equity	$	**24.20**	21.40
Statistics at year-end			
Number of Associate Stores		**319**	314
Number of gasoline stations		**64**	62
Number of Class A shareholders		**9,310**	10,435
Number of common shareholders		**1,315**	1,450

Stores at year end by province

	1979	1978
Ontario	**178**	178
Québec	**71**	71
Nova Scotia	**18**	18
New Brunswick	**13**	13
Newfoundland	**9**	9
Prince Edward Island	**2**	2
Manitoba	**9**	9
Saskatchewan	**10**	9
Alberta	**9**	5
Total	**319**	314

**Based on the weighted average number of shares outstanding during the year and adjusted for a 3-for-1 split of May 13, 1970*



1977	1976	1975	1974	1973	1972	1971	1970
718,114	683,684	561,032	472,323	378,587	309,174	246,758	212,405
52,240	54,698	50,119	44,174	33,020	30,745	25,531	21,172
23,750	26,147	24,843	22,823	16,689	14,763	12,818	11,114
28,490	28,551	25,276	21,351	16,331	15,982	12,713	10,058
1,000	369	517	130	79	118	242	390
29,490	28,920	25,793	21,481	16,410	16,100	12,955	10,448
5,800	5,175	4,217	3,292	2,944	2,499	2,166	1,928
23,690	23,745	21,576	18,189	13,466	13,601	10,789	8,520
277,894	243,726	209,085	158,973	113,502	98,440	80,756	51,476
1,014	1,011	2,633	5,105	3,715	3,399	6,691	8,241
218,209	177,534	144,256	119,779	92,402	69,893	55,394	47,742
4,026	4,729	2,542	1,533	1,003	1,063	1,484	837
501,143	427,000	358,516	285,390	210,622	172,795	144,325	108,296
134,511	131,638	99,379	102,096	79,795	58,357	44,787	36,566
142,317	100,453	95,072	46,876	16,361	15,956	15,764	241
1,512	96	575	—	—	—	—	—
222,803	194,813	163,490	136,418	114,466	98,842	83,774	71,489
2.50	2.54	2.28	1.95	1.50	1.47	1.18	.95
2.59	2.57	2.32	1.96	1.51	1.48	1.20	.98
.51	.46	.38	.30	.27	.23	.20	.18
19.59	17.32	14.73	12.43	10.49	9.06	7.74	6.72
314	303	295	287	283	269	260	254
61	58	58	54	52	49	45	40
10,248	10,035	10,060	10,467	10,250	8,626	7,064	5,223
1,417	1,418	1,465	1,528	1,514	1,268	1,188	1,047

Statement of Income and Retained Earnings

for the year ended December 31, 1979 *(with prior year's figures for comparison)*

CANADIAN TIRE ACCEPTANCE LIMITED

	1979	1978
Gross operating revenue	**$24,800,190**	$22,559,291
Operating expenses:		
Interest on borrowed funds:		
Short-term debt	**6,139,851**	3,494,660
Long-term debt	**2,162,500**	2,162,499
Provision for credit losses	**6,166,458**	6,375,745
Other	**9,509,532**	7,356,278
Total operating expenses	**23,978,341**	19,389,182
Income before income taxes	**821,849**	3,170,109
Provision for income taxes	**419,181**	1,567,336
Net income for the year	**402,668**	1,602,773
Retained earnings at beginning of the year	**5,507,927**	3,905,154
Retained earnings at end of the year	**$ 5,910,595**	$ 5,507,927

The accompanying notes, on page 14, are an integral part of the financial statements.

Balance Sheet as at December 31, 1979 *(with prior year's figures for comparison)*

ASSETS	**1979**	1978
Current assets:		
Cash	**$ 140**	$ 140
Accounts receivable	**1,774,449**	1,557,038
Charge account receivables (less allowance for credit losses: 1979—$2,727,505; 1978—$2,585,751)	**111,474,131**	91,232,676
Due from parent company	**—**	1,414
Prepaid expenses	**190,451**	163,202
Total current assets	**113,439,171**	92,954,470
Property and equipment:		
Fixtures and equipment	**1,829,657**	1,723,158
Leasehold improvements	**367,300**	362,585
	2,196,957	2,085,743
Less accumulated depreciation and amortization	**1,083,732**	706,095
Net property and equipment	**1,113,225**	1,379,648
TOTAL	**$114,552,396**	$94,334,118

Officers

V. P. ALOIAN, Vice-President, Management Information Services

P. M. J. d'ANTONIO, Vice-President, Retail and Commercial Operations

P. C. DURNFORD, Vice-President and General Manager

R. LAW, Secretary

A. J. MANTLER, Assistant to Vice-President and Financial Analyst

L. M. MORRISON, Assistant to President and Comptroller

F. Y. SASAKI, Treasurer

B. R. WILSON, President

Statement of Changes in Financial Position

for the year ended December 31, 1979 *(with prior year's figures for comparison)*

	1979	1978
Working capital provided:		
From operations:		
Net income for the year	**$ 402,668**	$ 1,602,773
Items not affecting working capital:		
Depreciation and amortization	**395,866**	244,757
Deferred income taxes	**(24,765)**	87,176
Provided from operations	**773,769**	1,934,706
Disposals of property and equipment	**7,322**	8,755
Total	**781,091**	1,943,461
Working capital applied:		
Additions to property and equipment	**136,765**	789,050
Increase in working capital for the year	**644,326**	1,154,411
Working capital at beginning of the year	**37,415,455**	36,261,044
Working capital at end of the year	**$38,059,781**	$37,415,455

CANADIAN TIRE ACCEPTANCE LIMITED

The accompanying notes, on page 14, are an integral part of the financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	1979	1978
Current liabilities:		
Bank loan (Note 2)	**$ 1,480,000**	$ 759,000
Accounts payable	**6,582,553**	2,705,009
Income taxes payable	**92,746**	305,006
Short-term promissory notes (Note 2)	**67,032,000**	51,770,000
Due to parent company	**192,091**	—
Total current liabilities	**75,379,390**	55,539,015
Promissory notes (Note 3)	**22,500,000**	22,500,000
Deferred income taxes	**62,411**	87,176
Shareholders' equity:		
Share capital:		
Authorized:		
3,000,000 5% non-cumulative preference shares of a par value of $10 each, redeemable at amount paid thereon		
200,000 common shares of no par value		
Issued and fully paid:		
1,060,000 preference shares	**10,600,000**	10,600,000
100,000 common shares	**100,000**	100,000
	10,700,000	10,700,000
Retained earnings	**5,910,595**	5,507,927
Total shareholders' equity	**16,610,595**	16,207,927
TOTAL	**$114,552,396**	$94,334,118

Board of Directors

A. E. BARRON
J. W. KRON
R. LAW
J. D. MUNCASTER
B. R. WILSON

Approved by the Board:
B. R. WILSON, Director;
J. D. MUNCASTER, Director.

Notes to the financial statements

1 Significant Accounting Policies

Charge account receivables: Charge account receivables are due in terms not exceeding twenty-four months and, in accordance with recognized trade practice, are included in current assets.

Property and equipment: Property and equipment are stated at cost. Depreciation is provided under the declining-balance method at annual rates of 20% for office fixtures and equipment, and 30% for computer equipment. Amortization of leasehold improvements is provided on a straight-line basis over a period of five years.

Income taxes: The company accounts for income taxes using the deferral method of tax allocation, under which income taxes are provided in the year transactions affect net income, regardless of when such transactions are recognized for tax purposes.

Revenue recognition: Discounts on charge account receivables purchased from dealers are taken into revenue at the time the receivables are purchased. The accounts are maintained on a cycle-billing basis, and service charges are accrued each month on balances outstanding at the close of each cycle.

2 Short-term Promissory Notes and Bank Loan

The short-term promissory notes of the company are unconditionally guaranteed by its parent company, Canadian Tire Corporation, Limited. The company has available bank stand-by credit to cover its obligation for the repayment of authorized notes outstanding from time to time. In addition, the parent company has guaranteed any bank loan which the company may incur.

3 Promissory Notes

Promissory notes consist of the following:

9%, due February 17, 1980	$ 5,000,000
9½%, due April 4, 1980	5,000,000
10½%, due December 16, 1980	7,500,000
9%, due April 15, 1982	5,000,000
	$22,500,000

The promissory notes of the company are unconditionally guaranteed by its parent company, Canadian Tire Corporation, Limited.

On February 5, 1980, the company issued $20,000,000 principal amount of 12½% promissory notes due between 1985 and 1995 for $20,000,000 less commission and other issue expenses. These notes were issued to provide for the redemption of the promissory notes due in 1980.

4 Remuneration of Directors and Senior Officers

The total remuneration of directors and senior officers, as defined in The Business Corporations Act, Ontario, was $356,600 in 1979 (1978 — $259,795).

Auditors' report to the shareholders

Deloitte Haskins+Sells

To the Shareholders of
Canadian Tire Corporation, Limited
Canadian Tire Acceptance Limited

We have examined the consolidated balance sheet of Canadian Tire Corporation, Limited as at December 31, 1979 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended (see pages 4 to 9). We have also examined the balance sheet of Canadian Tire Acceptance Limited as at December 31, 1979 and the statements of income and retained earnings and changes in financial position for the year then ended (see pages 12 to 14). Our examinations were 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 financial statements present fairly a) the consolidated financial position of Canadian Tire Corporation, Limited as at December 31, 1979 and the results of its consolidated operations and the changes in its consolidated financial position for the year then ended, and b) the financial position of Canadian Tire Acceptance Limited as at December 31, 1979 and the results of its operations and the changes in its financial position for the year then ended, all in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
April 9, 1980

Deloitte Haskins & Sells

Chartered Accountants

Review of capital expenditures and 1979 activities

Our capital expenditures program, totalling $27.2-million for the year, took on new geographical dimensions with Canadian Tire's initial steps into the British Columbia market. Our continuing program of land acquisition and store construction — now extended from coast to coast — absorbed capital outlays of $19.6-million.

Expenditures for leasehold improvements and equipment, including new installations at our distribution and petroleum marketing facilities, totalled slightly more than $5.1-million for the year. The addition of 100 trailers to our transport fleet at a cost of $1.8-million, and a capital lease related to a building valued at $732,000, make up the balance of our capital expenditures in 1979.

After the allowance for depreciation and amortization, net fixed assets of $244.5-million at year end represented a gain of 3.6% over 1978, and were 6.5 times the level of ten years ago.

319 stores at year end

Fourteen new stores were opened during 1979, identical in number to our retail expansion the previous year. Six stores — Calgary (Marlborough), Lethbridge, Red Deer and Wetaskiwin in Alberta; North Battleford, Saskatchewan; and Boucherville, Québec — were in new markets. One store (Asbestos, P.Q.) was closed, bringing the total number of stores to 319 at year end.

The other eight new store buildings replaced outgrown or leased facilities in Alliston, Bolton, Erin Mills, Grimsby, Owen Sound and Thunder Bay South in Ontario; Halifax, Nova Scotia; and Portage la Prairie, Manitoba. Major renovations and additions were completed on 11 existing retail facilities during the year.

The average of 10.3 service bays per new retail unit continues our recent policy of increasing the ratio of service areas within the total "functional area" framework. A total of 2,862 service bays were in operation at year end.

Nine of the projects listed above — seven new store buildings and two renovations — were undertaken by Tantalus, Canadian Tire's engineering and general contracting subsidiary with offices in Toronto and Calgary.

Retail facilities built in 1979 average 10.3 auto service bays per unit.

The 1980 opening of our first B.C. store will form a coast-to-coast link with our easternmost store in St. John's, Newfoundland.

New "decor package" for our gas-vending facilities emphasizes Canadian Tire's familiar triangle.

Petroleum Division opens two new gas stations

With the opening of new units in Hamilton & Parry Sound, Ontario, Canadian Tire ended the year with 64 gas-vending facilities. Conversion to the metric measure was virtually completed at all stations.

Diesel fuel is under test at a Toronto location in response to the auto industry's projection that 15% of vehicle production will be diesel engine equipped within five years.

The Petroleum Division continued to upgrade the capacity of its IBM 34 minicomputer for more accurate and timely preparation of critical data in line with the extension and sophistication of electronic systems throughout the Company (see page 20).

Computerization was also extended to the service-floor level at 12 Toronto Pit Stop* facilities in the form of a Protective Maintenance Plan for customers' vehicles. Diagnostic tests will be recorded by computer for print-out for the car owner's own records. The computer read-out will tell the service technician whether proper maintenance has occurred and indicate necessary mechanical repairs.

By the end of the 1980s, all new cars are expected to be equipped with a micro-processor, designed to indicate a malfunction on a screen, compensate for the failure, isolate the location and confirm completion of required repairs. Within the next decade, our electronic diagnostic system is intended to dovetail with the steps taken by the automotive industry to spot mechanical and electrical problems at their outset and also ensure that appropriate corrective action is undertaken.

**Registered Trade Mark*

Remanufactured alternators at Cantire Products' plant in Toronto.

Cantire Products active

Sales and earnings of Cantire Products Limited, our automotive remanufacturing subsidiary, continued their growth as demand by our service centres and auto parts counters remained strong throughout 1979. Part of the strong sales gain is attributable to improved productivity of Cantire's carburetor division since its relocation to considerably larger facilities. The manufacture of a complete and exclusive line of automotive booster cables has been initiated.

Cantire also contracted to supply electrical components to one of the largest manufacturers of original equipment for their aftermarket requirements.

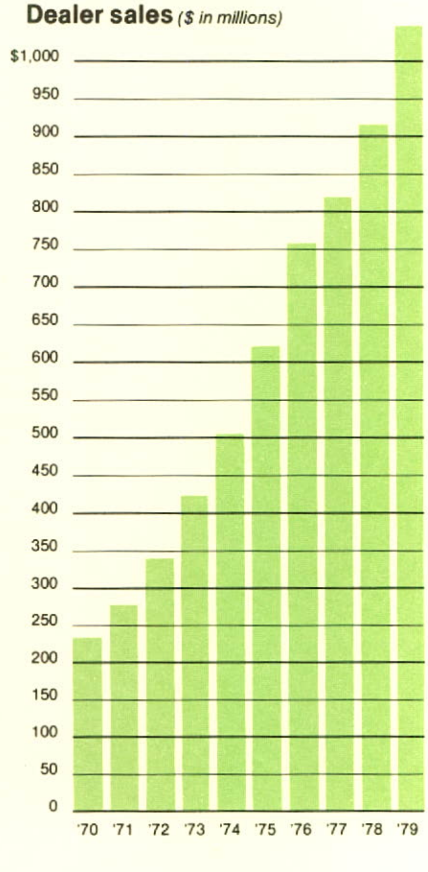
The unpredictable economy has created a strong demand for remanufactured replacement parts. Cantire is continuing to explore other mechanical and electrical components which are suitable for remanufacturing.

Canadian Tire Acceptance

Canadian Tire Acceptance Limited increased credit sales by 26.8% during the year — from $170.9-million in 1978 to $216.7-million. Net income decreased, however, from $1.6-million to $403,000, primarily due to sharply higher interest rates and reduced dealer discount charges.

The addition of 285,000 new accounts brought our year-end total of credit customers to 1.6-million — doubling the number of credit card holders since 1975. With such continuing growth in establishing new credit customers, credit sales should provide a significant source of ongoing momentum for the Company.

Dealer sales *($ in millions)*



Dealer sales exceed $1-billion

The final year of the Seventies was another milestone for Canadian Tire as merchandise sales of our 319 associate dealers totalled $1.05-billion for the year — the first time sales have exceeded the billion-dollar mark and a five-fold increase in ten years. Our retail facilities numbered 245 at the beginning of the decade.

Over the same span, gross operating revenue of the Company increased from $180.7-million to $935.8-million — an annual average of 17.9% Despite pressures on margins in the latter part of the decade, increasing volume generated a four-fold growth in earnings per share (from $0.75 to $3.07 at the end of the decade).

Total assets grew from $82.9-million at the beginning of 1970 to $639.8-million at the close of 1979. A ten-year total of $295.5-million was invested in capital expansion — $43.1-million being attributable to our Mississauga Distribution Centre.

In view of escalating building costs and interest rates, earnings reinvested in new retail and distribution facilities during the Seventies have proven sound investments in terms of multiplied sales capacity and exposure to Canadian consumers. Our timely entry into the burgeoning Western Canadian market — all but five of our 28 western area stores were opened in the '70s — contributed significantly to the balanced merchandising position achieved through the broadened base of our operations.

McEwan's Limited, of Australia, operates 38 hardware and homeware stores.

Canadian Tire goes international

Canadian Tire made its first substantial move beyond the borders of Canada in 1979 by investing in McEwan's Limited — a 128-year-old firm that is the largest hardware retailer in Australia. Details of this investment are contained in the Directors' Letter to the Shareholders on page 2.

McEwan's Limited operates 38 hardware, homeware and building materials stores. The concentration of these retail outlets in and around Melbourne — only six are outside the state of Victoria — provides a wide field for expansion into population centres in other Australian states.

The company's significant investment in well-located stores, materials-handling facilities and computer technology provide fertile ground for revised sourcing strategies, greater diversification of product lines and a broadening of the market base. With the attainment of efficiencies associated with these developments, the prospects for expansion into new markets are increasingly attractive.

Two of Canadian Tire's key management personnel are now attached to McEwan's on a two- to three-year assignment. Their experience and expertise, in their respective fields, is expected to be very beneficial to the Australian company.

Stated in Canadian dollars, McEwan's annual sales totalled $150,258,000 for the fiscal year ended June 30, 1979, with net income after tax of $3,741,000. The company's annual report placed total assets at $80,004,000 in Canadian dollars.

With the impact of recent internal developments within the McEwan's organization, an improving consumer outlook and favourable prospects for the Australian economy, we anticipate improved performance during the 1980 calendar year.

Stage set for entry into B.C. market

Climaxing westward expansion that began in 1966 with the opening of the first Winnipeg store, Canadian Tire's long-anticipated entry into the British Columbia market was announced by our Board of Directors at the 1979 annual meeting of shareholders. With the opening of our two initial retail facilities in the province by mid-year — in Langley and Chilliwack — Canadian Tire's merchandising activities will extend from coast to coast for the first time.

A total of 10 stores — all built on a relatively compact 14,000 square foot plan with seven automotive service bays — are planned for completion by the end of 1980 on Lower Mainland sites encompassing Vancouver proper and suburban areas. These stores, along with 10 others planned for opening by late 1982, will be owned and operated by a company formed by two of our established dealers and represents a departure from our usual pattern of individual store ownership.

The smaller sizing of our B.C. store design, shown in architect's rendering below, was influenced by the restricted availability of larger sites and our desire to provide locations convenient to the many population concentrations in the Lower Mainland area. As sales volumes warrant additional capacity, other compact retail units may be opened to adequately service these markets, in contrast to the on-site expansion common to our stores in other areas.

A prominent new façade treatment imparts an even stronger Canadian Tire identity than usual — a design feature that is being incorporated into other new stores now on the drawing boards. While the "B.C. design" suggests greater automotive service orientation, the ratio of service bay area to retail space is close to our current average for stores of similar size.

In-store warehousing has been virtually eliminated. A 60,000 square foot feeder warehouse has been completed in Burnaby to provide for restocking of merchandise on a daily basis.

Traditional product lines will be carried with lesser representation in such categories as sporting goods and appliances. A special B.C. edition of our 1980 Spring & Summer catalogue, in a printing of 210,000 copies, will be distributed to homes in the Greater Vancouver area to bring consumer attention to our variety of merchandise and attractive pricing.

The decision to expand rapidly in the west coast province was influenced by a number of favourable factors — from newly-created distribution capacity at our Mississauga Centre to improved cost effectiveness of our long-distance hauling operation.

Achievement of a firm foothold in the new and challenging British Columbia market is an important corporate objective in our effort to provide quality products and services — at reasonable prices — to the people of Canada.

Below: Surrey store is one of ten scheduled to open in British Columbia in 1980

Distribution capacity quadrupled during the 1970s

With completion of Phase III of construction at our Mississauga Centre, Canadian Tire's distribution capacity totalled 81.5-million cubic feet at the close of the decade — approximately 70 per cent constituted of highly automated, computer-operated storage and retrieval facilities. At the beginning of the 1970s, the capacity of our lone distribution facility — Sheppard Avenue — totalled 18.5-million cubic feet with little automation as we know it today. (See comparison table below.)

With the opening of the Mississauga Centre's first phase in 1973, Canadian Tire's concept of "usable storage space" changed from square to cubic footage as merchandise stacking heights reached new levels with the introduction of computer-controlled storage and retrieval machines. New computerized procedures automated the scheduling and control of dealers' orders as they flowed through the hi-rise facility, with remote-controlled, merchandise-shuttling machines replacing manually-operated equipment at incoming and outgoing stages of the operation.

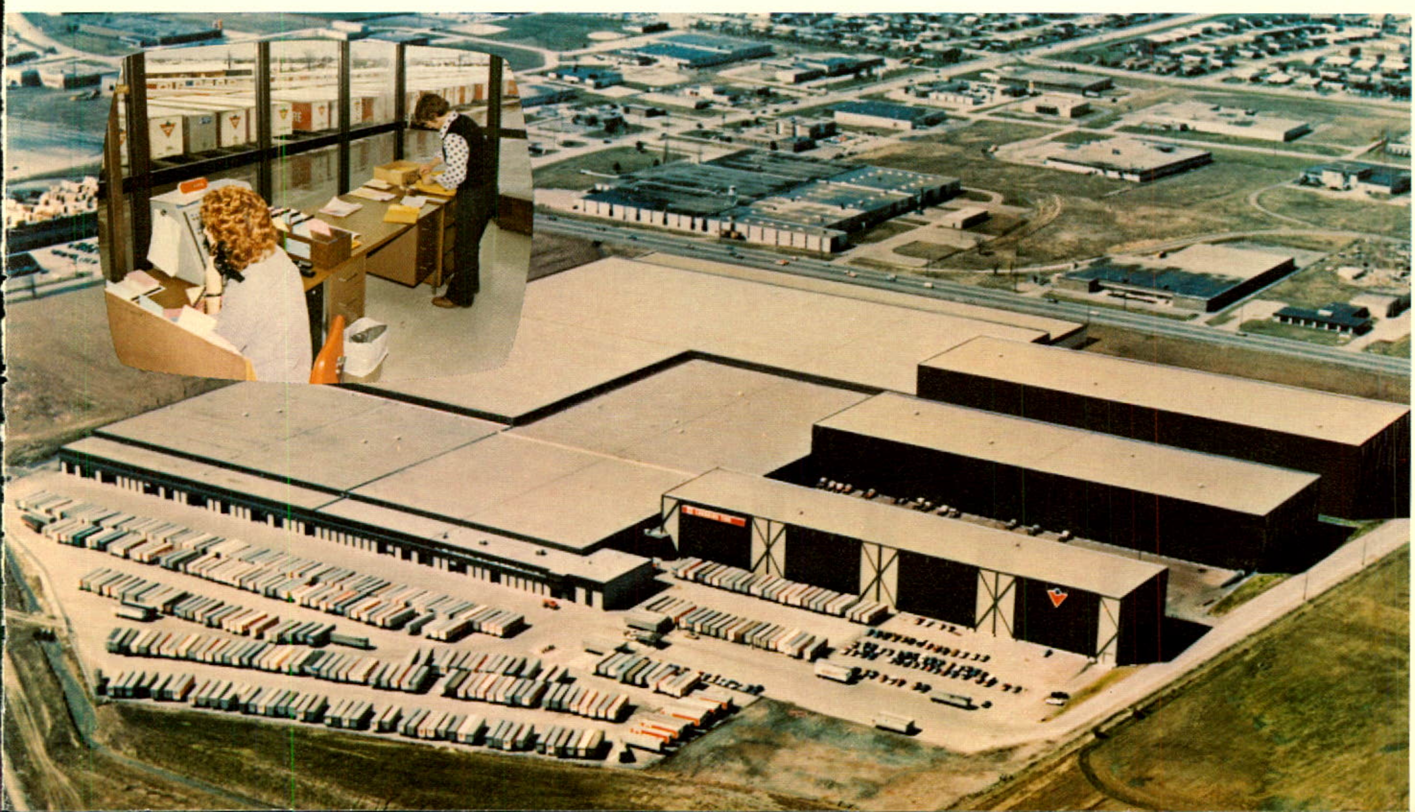
Early in 1979, both distribution centres implemented a new Outgoing Merchandise System — an early, tie-in phase of our "Systems for the '80s" program. Operating on-line with the central computer at Home Office, the post-billing shipping system enables schedulers to optimize utilization of our transport fleet and improve overall distribution productivity. Schedulers at both distribution centres consolidate dealer orders on hand so that merchandise from both facilities is shipped to our more distant stores via the same carrier, reducing both delivery time and freight costs.

Parties at both ends of the delivery — the Company and the associate dealer — receive more accurate, complete and timely reporting on the status of shipments and payment dates to improve inventory planning and cash-requirement considerations. With the implementation of the new post-billing system, associate stores anywhere within a 500-mile radius of Toronto receive their merchandise within three days of placing orders.

By projecting our distribution requirements well into the future and keeping apace of the latest technological developments in the field—rather than risk the effects of under-anticipation — we find ourselves well provided with the facilities to supply our growing family of dealers with their stock in trade.

The following table summarizes the expansion of distribution capacity over the past 10 years. (Smaller, leased warehouse premises occupied from time to time are not included in these figures.)

	End of 1969	1979
Distribution area in square feet	1,000,000	2,400,000
Distribution capacity in cubic feet	18,500,000	81,475,000
Transportation tractors	26	100
Transportation trailers	102	579
Annual tonnage	96,000	300,000
Percentage of freight shipped via our own carriers	20%	65%



Two-way communications network established with 105 dealers

Management Information Services personnel update product information, transmitted to the screen of a CRT terminal.

Point-of-sale equipment, for computerizing inventory-control and accounting systems at the store level, was installed in 45 additional stores during the year. A total of 105 stores — almost one-third of our 319 associate dealers — are now equipped with this technology for stock replenishment, more effective inventory management and related procedures.

Our Management Information Services (MIS) group continued to work on computer applications for improving the efficiency and effectiveness of Home Office and associate dealer operations.

New on-line functions were implemented in our Marketing department that gave people responsible for creating and maintaining product information full control of their tasks. Delays have been eliminated in coding this information, mailing data entry, computer scheduling and final report checking. All processing is now verified and completed within a matter of seconds.

This direct access to product information will save time, increase accuracy and maximize overall efficiency in both the Marketing and MIS areas.

Another area of development has been a computer-to-computer, two-way communications test program with dealers who have installed point-of-sale equipment. This two-way system will eliminate a significant amount of work and detail associated with the receiving, pricing and inventory-control functions.

In total, the continuing MIS program will enhance both service and merchandise availability to Canadian Tire customers across Canada.

Cashier transmits customer's purchases to an in-store computer.

Board of Directors

A. E. BARRON
Chairman of the Board
President, Canadian General Investments, Limited

A. D. BILLES
President, Bilco Tire Limited, Toronto, Canada
A Canadian Tire Associate Store Owner

A. J. BILLES
Past-President of the Company

A. W. BILLES
President, 839 Yonge Main Store Limited
Toronto, Canada
A Canadian Tire Associate Store Owner

D. E. BROWN
President, Romay Automotive Limited,
Ottawa, Canada
A Canadian Tire Associate Store Owner

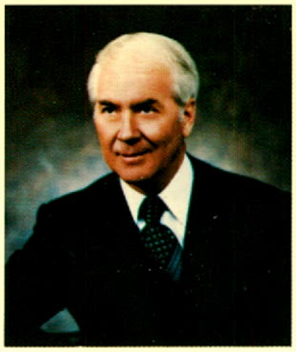
J. W. KRON
Executive Vice-President

R. LAW, Q.C.
Secretary and General Counsel
Partner, Blackwell, Law, Spratt, Armstrong & Grass, Barristers and Solicitors

J. D. MUNCASTER,
President and Chief Executive Officer

A. L. SHERRING, C.A.
Executive, National Trust Company, Limited, Toronto, Canada

D. G. BILLES
President, Performance Engineering,
Thornhill, Canada
(Missing from Directors' photos)

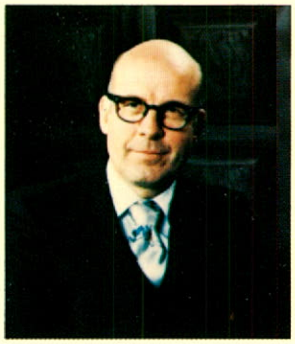


A. E. BARRON

A. D. BILLES

A. J. BILLES

A. W. BILLES



D. E. BROWN

J. W. KRON

R. LAW, Q.C.

J. D. MUNCASTER

A. L. SHERRING, C.A.

Officers of the Company

A. E. BARRON, Chairman of the Board

S. J. BOCHEN, Vice-President, Distribution

P. B. EDMONSON, Vice-President, Dealer Relations

J. W. KRON, Executive Vice-President

R. LAW, Secretary and General Counsel

A. B. MALCOLM, Vice-President, Petroleum Marketing

J. D. MUNCASTER, President and Chief Executive Officer

F. Y. SASAKI, Vice-President, Finance and Treasurer

B. SETNOR, Vice-President, Management Information Services

C. D. SMITH, Assistant Treasurer

Registrar & Transfer Agent
National Trust Company, Limited,
Toronto, Montreal & Calgary

Solicitors
Blackwell, Law, Spratt, Armstrong & Grass

Bankers
Canadian Imperial Bank of Commerce
The Toronto-Dominion Bank
Chicago City Bank and Trust Company

Auditors
Deloitte Haskins & Sells,
Chartered Accountants

Canadian Tire drivers recorded 6.5-million accident-free miles in 1979—transporting merchandise to our stores.

With 679 mobile units, the fleet is one of Canada's largest privately-owned carriers.

Printed in Canada