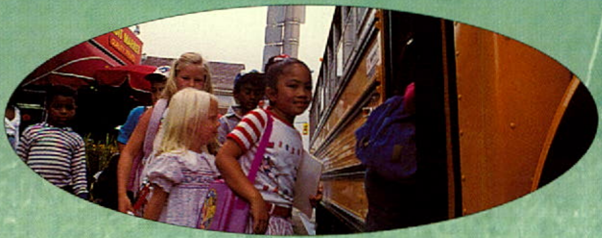
LAIDLAW

a pre•eminent

service company

excelling in environmental

and passenger services.



1993 Annual Report

Corporate Profile

Laidlaw Inc. is recognized as a leader in serving governments, industry, commerce and individuals with environmental management and transportation services.

In North America, it is recognized as the largest student transportation company and a significant healthcare transportation company. In the environmental services sector, Laidlaw ranks second in the management of hazardous waste and is the third largest manager of solid and biomedical waste and recyclable resources.

It entered Europe in 1991 and Mexico in 1993 and today employs 37,000 people. The Company's shares are traded on the New York, Toronto and Montreal stock exchanges.

Laidlaw is also the largest shareholder in Attwoods plc and in ADT Limited. Attwoods is the fourth largest solid and biomedical waste manager in North America, while ADT is the world's largest security services and vehicle auction company.

our goal

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acquisi... am, and

by providing services

Entrepreneurial approach

which customers value

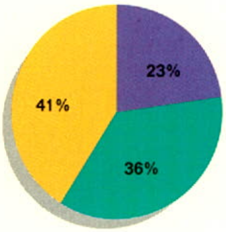
Enhanced shareholder value

Contents

Our cover: Laidlaw is unique with its range and breadth of environmental and passenger services offerings.

LAIDLAW

In positioning Laidlaw for the changed realities of the 90's marketplace – slow economic growth and customer demand for higher levels and different types of service – the organization has undertaken a series of changes in its structure, financings and outlook.



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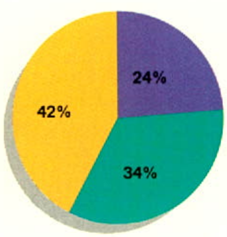
- Class A and B shares commenced trading on the New York Stock Exchange
- Entered medical waste management business in the U.S. and Canada
- Initiated U.S. solid waste segment management restructuring
- Entered European waste management market
- Launched asset productivity program in passenger services segment
- Published environmental policy
- Completed 35 acquisitions generating $119 million in annualized revenue

Positioned for



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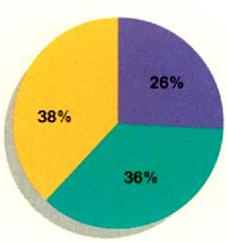
- Issued 23.7 million Class B shares raising $215.5 million
- Raised $200 million through first public debt issue
- Reduced quarterly dividends to four cents (CDN)
- Improved debt/equity ratio
- New leadership in place in passenger services and solid waste segments
- Completed 19 acquisitions generating $42 million in annualized revenue

prosperity



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- Expansion into Italy and Mexico extends service lines and geographic reach
- Second public debt issue raises $200 million
- Unified North American hazardous waste operations
- Completed restructuring of U.S. solid waste segment
- Entered U.S. healthcare transportation sector
- Completed 41 acquisitions generating $264 million in annualized revenue

Annual Consolidated Revenue

Solid waste services

Hazardous waste services

Passenger services

LAIDLAW Respondi

Solid Waste

Kenneth L. Lyons

President and Chief Operating Officer
Laidlaw Waste Systems

Laidlaw Waste Systems ranks third in North America in the provision of solid, biomedical and recyclables management services to industry, commerce and municipalities. In addition to collection and disposal of solid wastes, the organization pioneered the "Blue Box" system of curbside collection for recyclables and annually provides up to 360,000 tons of post-consumer newsprint to two de-inking facilities.

	1993	1992
Revenue ($ millions)	**$756.0**	$804.2
Income from Operations ($ millions)	**60.6**	83.3
Employees	**5,270**	5,675
Service Locations	**150**	173
States	**19**	22
Provinces	**7**	7
Materials Recovery Facilities	**14**	14
Collection Vehicles	**2,580**	2,650
Landfills		
U.S.	**26**	32
Canada	**8**	11
Italy	**1**	—
Available Capacity (millions of cu. yds)	**153**	150

Hazardous Waste

William E. Stilwell

President and Chief Operating Officer
Laidlaw Environmental Services

Laidlaw Environmental Services is North America's second largest manager of hazardous waste for industry, governments and the public. Laidlaw's technology, combined with the geographic positioning of its customer service centers and transportation networks, makes the organization unique in the industry. Laidlaw Environmental operates as a unified entity across the United States and Canada and into Mexico.

	1993	1992
Revenue ($ millions)	**$511.6**	$458.2
Income from Operations ($ millions)	**52.3**	66.6
Employees	**3,770**	3,275
Service Locations	**55**	50
States	**13**	12
Provinces	**6**	6
Italy	**5**	—
Mexico	**1**	—
Incinerators	**3**	3
Annual Capacity (000's tons)	**178**	178
Landfills	**6**	6
Remaining Capacity (millions of cu. yds)	**14.5**	19.4
Vehicles	**745**	590

Passenger Services

John R. Grainger

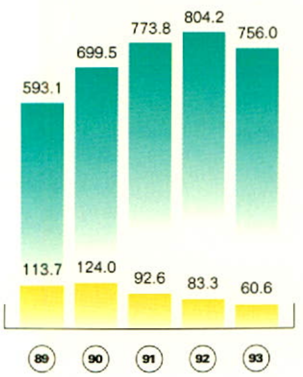
President and Chief Operating Officer
Laidlaw Transit

Laidlaw's Passenger Services Group is the largest supplier of safe, reliable, student transportation in North America and occupies a growing position in the urban mass transit market. The group has extended its service base into healthcare transportation and now ranks as the second largest provider of home-to-hospital, interfacility and emergency health transportation. The group provides its school board customers with routing efficiency, student management and safety training programs which are unique in the industry.

	1993	1992
Revenue ($ millions)	**$725.7**	$663.2
Income from Operations ($ millions)	**90.7**	87.8
Employees	**27,895**	26,465
Service Locations	**323**	314
States	**28**	23
Provinces	**5**	5
Vehicles		
School Bus	**20,790**	20,250
Healthcare	**211**	—
Transit and Other	**1,790**	1,630
Total Vehicles	**22,791**	21,880

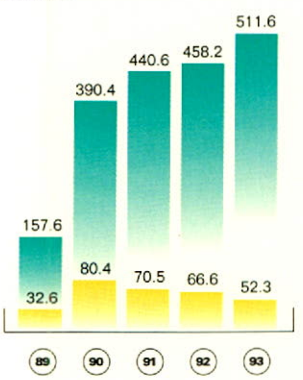
ng to customer demand

Revenue and Operating Income
($ millions)

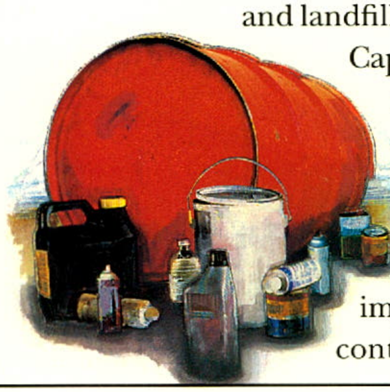


Resulting from a market-by-market strategic analysis, Laidlaw Waste Systems has completed a series of organizational consolidations and divestitures and has acquired businesses in a program designed to reposition the organization in markets in which it will continue to profitably operate. It will continue to selectively acquire additional service capability matched to customer demand as it continues to become the best value-for-money service company in the industry.

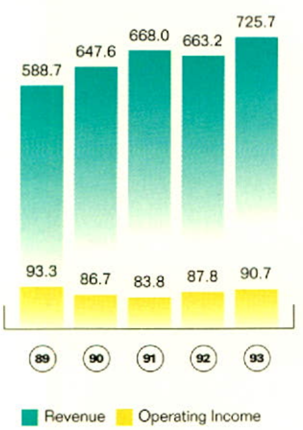
Revenue and Operating Income
($ millions)



Weakness in the North American economy is expected to continue to exert pressure on waste volumes and the price for their treatment and disposal. Large-volume generators of industrial waste will continue to reduce volumes requiring off-site treatment and landfill through minimization programs. Capturing greater market share through the extension of our service center network; fully using facilities' permits; developing new niche markets and strengthening programs to raise customer satisfaction through improving service superiority will all contribute to growing the business.



Revenue and Operating Income
($ millions)



Recessionary economic conditions continue to exert budget pressure on school administrations leading to increased interest in converting board-owned fleets to private management, but also forcing boards to seek other means of reducing transportation costs. Strategic acquisitions in student and healthcare transportation, along with increased demand for urban public transit systems and management services, offer opportunities to increase market share.

It is my assessment that there are many opportunities for substantial *growth* in our North American core businesses

On October 13, 1993, the board of directors appointed James Ross Bullock as president and chief executive officer upon accepting the resignation of Donald K. Jackson. Until this appointment, Mr. Bullock had been president and CEO of a major North American property development corporation for the last six years. He has been a member of the Laidlaw board since 1991.

Laidlaw's 1993 fiscal year was characterized by continuous internal change responding to shifting customer demand and anticipating markets of the future. To reposition and expand our environmental and passenger services businesses has required a tremendous effort, delivered enthusiastically by our 37,000 employees. Business conditions remained highly competitive as customers sought continually higher service levels but found themselves constrained in their abilities to spend.

Our repositioning involved the assessment of our market positions in each of our core environmental businesses, the human resources needed for profitable growth and the physical assets and investments we own.

It is my responsibility to lead the organization into the next phase of our development and increase our rate of growth and our ability to provide increased shareholder value. While each

Repositioning for *value*

of the operating segments is a substantial size, the market share each occupies in North America is, in reality, quite small. It is my assessment that there are many opportunities for substantial growth in our core businesses within North America.

Financial Highlights *(U.S. $000's – except per share data)*

Year Ended August 31	**1993**	1992	% Change
Revenue	**$1,993,259**	$1,925,617	3.5
Income*	**122,138**	138,492	(11.8)
Cash from operations	**348,685**	364,301	(4.3)
Per share:			
Income*	**0.44**	0.52	(15.4)
Dividends ($ Cdn)	**0.16**	0.16	—
August 31			
Working capital	**246,421**	238,975	3.1
Long-term debt	**1,377,086**	1,260,892	9.2
Shareholders' equity	**1,553,310**	1,959,954	(20.7)
Debt/equity ratio	**0.89:1**	0.64:1	N/A
Average shares outstanding (000's)	**277,188**	266,034	4.2

**From continuing operations before special and non-recurring charges and unusual items (note 12)*

Revenue increased by 3.5 percent to $1,993.3 million from the $1,925.6 million reported for fiscal year 1992. Income from operations from our core businesses, before the special charges described below, was $203.7 million compared with $237.7 million last year, a decline of 14 percent. Net income from continuing operations, before the special charges and before unusual and extraordinary items, was off 12 percent to $122.1 million or 44 cents per share compared with $138.5 million or 52 cents.

After taking into account the special charges and unusual items for this year and the extraordinary item last year, we reported a net loss of $291.6 million or $1.05 per share compared with a net income of $132.4 million or 50 cents per share.

This performance for the year was clearly unsatisfactory in terms of weak operating profits and margins and the special charges and unusual items. Volume reductions and price competition in our waste management services businesses forced margins to contract. While we reached agreement on several outstanding regulatory issues in the hazardous waste segment, fines and settlements were unusually severe.

We exhaustively reviewed the valuations of our assets, principally solid waste landfills and development projects, in relation to existing and foreseeable market conditions and recorded special and non-recurring charges amounting to $225.5 million for the year. After tax, these charges amounted to 61 cents per share.

Our equity investments in ADT Limited and Attwoods plc have been written down to reflect our assessment of more appropriate carrying values. These actions were triggered primarily by ADT's financial restructuring, which reduced our ownership, and by Attwoods' loss on restructuring its recycling business in North America. Consequently, these unusual items amounting to $243.8 million or 88 cents per share, have been expensed in the year.

On the other hand, there were some bright spots, particularly the results of our passenger services operations which showed growth in difficult economic conditions and the success of our overall acquisition program which generated 41 acquisitions having annualized revenues of $264 million compared with last year's 19 which added $42 million in revenue.

Acquired revenue was divided equally between passenger and environmental services and was acquired at the lowest cost in ten years. These acquisitions moved us into new markets and service lines and expanded our geographical reach. These initiatives are described in the Acquisitions section of this report, beginning on page ten.

A concerted effort is required in North America to increase market share and service levels to customers

We have included a discussion of Laidlaw's extensive internal environmental management program, beginning on page seven. We describe our initiatives in support of public environmental education and biodiversity preservation.

Only through a continuing, in-depth internal audit and action plan process can we offer the high levels of protection of human health and the environment required by regulation and expected by our employees, the communities in which we operate and by our customers. Only by assuring ourselves that our house is in order can we credibly provide guidance to groups and individuals who need factual information about their environmental concerns.

In looking forward, we see little improvement in business conditions for the year. The organizational and financial improvements made in 1993 will help profitability but a concerted effort is required in North America to increase market share and service levels to customers.

Dealing with our equity interests is one of my highest priorities.

It is my objective that improvements in our financial performance will be steady; they will be hard-won if not dramatic. But we will win. You have my commitment; I look forward to the challenge.

On behalf of Laidlaw's employees and the Board,

James R. Bullock

President and Chief Executive Officer

We are committed to behaving in an environmentally *responsible* manner in the interests of our employees, customers and the communities in which we operate

Laidlaw's unique waste paint recycling facility returns surplus paints to the market.

- *Environmental policy published in 1991*
- *Environmental auditing and monitoring regularly conducted*
- *Researching alternative fuels*
- *Supporting wetlands restoration*

We first published our environmental policy in our 1991 Annual Report. In summary, the policy commits the Company to behave in an environmentally responsible manner in the interests of our employees, customers and the communities in which we are located. It requires us to work closely with regulators and associations to develop and comply with sound environmental policies and to maintain a standard which surpasses our legal responsibilities. It requires recycling, reuse and recovery of resources wherever practical and that we carry out environmental audits of our facilities and respond promptly to any deficiencies we may find. Our Board of Directors and executive will ensure these principles are respected.

Laidlaw's waste management businesses are inherently protective of the environment. These operations are responsible for collecting environmental risks which have been distributed throughout society, and for transporting them to treatment, recycling, reuse or destruction centers or to facilities which isolate them from the natural environment. Risk to human health and the environment is therefore controlled, managed and significantly reduced.

These businesses are significantly controlled by federal, state, provincial and municipal laws and regulations. In order to meet our commitment of maintaining the standard which "surpasses our legal responsibility", environmental policy and procedure manuals have been developed for use in Laidlaw's operations. These procedures are periodically reviewed and updated by independent consultants, skilled in environmental program development and training.

Laidlaw's compliance program has resulted in a high level of environmental performance...

Internal environmental auditing and performance monitoring are routinely conducted by Company staff. Audit frequency and monitoring of any required corrective actions are the responsibility of the operating divisions. Laidlaw reviews the status of each operating company at least quarterly and ensures required corrective actions are taken in a timely manner. In addition, independent environmental consultants are retained to conduct a number of third-party environmental audits on randomly selected facilities.

Although Laidlaw's compliance program has resulted in a high level of environmental performance, the systems in place have not prevented some environmentally related issues from arising. Although our goal is to eliminate them, and nothing short of that is satisfactory, it is probable that issues will arise in the future.

Office recycling programs encourage environmental protection.

The most significant issue during the last fiscal year related to Laidlaw Environmental Services' resolution of outstanding issues with the South Carolina Department of Health and Environmental Control. In October 1992, Laidlaw Environmental entered into an agreement with the agency to resolve a number of issues regarding the operation of and financial assurance for its Pinewood hazardous waste landfill. In early 1993, a hearing was held concerning the "Part B" operating permit for the facility.

In August 1993, Laidlaw Environmental paid an administrative fine of $1.8 million to resolve a number of technical violations, primarily related to documentation, which had occurred during the previous three years. A new management team, expanded compliance staff and procedural changes now in place should significantly reduce or avoid future enforcement actions. In September 1993, an independent hearing officer recommended that a five-year operating permit be issued to the facility, saying that "a preponderance of evidence" confirms that the proposed permit protects human health and the environment.

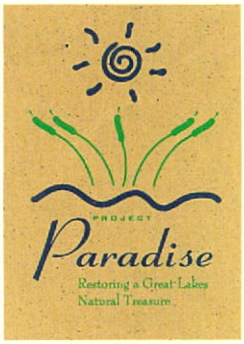
Laidlaw has received awards for its environmental programs from business, conservation and communications associations.

In addition to our audit and corrective action plans program, Laidlaw also seeks to enhance the environment in the communities in which it operates.

The Passenger Services Group is continuing its commitment to find viable alternatives to diesel and gasoline-powered vehicles. Nearly 700 Laidlaw busses are powered by alternative fuels. The group is working in partnership with a major bus manufacturer in the development and testing of their first school bus in North America equipped with an engine designed specifically to run on natural gas. Laidlaw is a member of the Hydrogen Industry Council whose members are international businesses and research institutes. One of the Council's interests is to support the use of hydrogen as an alternate fuel, principally because of its environmental friendliness.

Laidlaw Waste Systems has implemented an alternative to the conventional daily cover required at waste landfills. A thin layer of a new spray-on compound, composed of fibres and a stucco-like binder is being substituted for sand. It not only covers the waste, but conserves substantial landfill space.

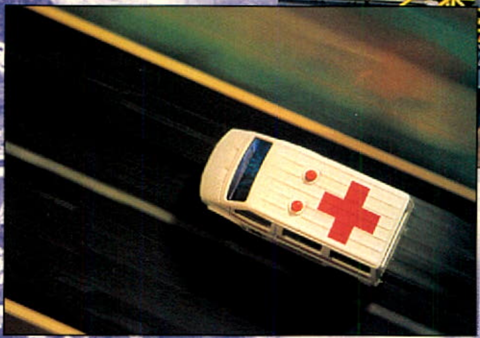
In South Carolina, Laidlaw Environmental Services, in cooperation with the South Carolina Waterfowl Association, is sponsoring a project to reclaim a mined-out tract of land it owns. The proposal encompasses the construction of a variety of waterfowl management units, an on-site waterfowl aviary and an overnight lodging facility to accommodate youth and adult educational tours of the facility.



Laidlaw is also a sponsor of Project Paradise, a ten-year project designed to restore the wetland and woodland habitats at the west end of Lake Ontario. The project, under the management of the Royal Botanical Gardens, is unique in the Great Lakes basin in its extent and ambition. When complete, the restoration will enhance not only the local environment, provide educational and recreational opportunities but benefit the water quality of the Great Lakes as a whole.

Sponsoring wetlands rehabilitation

This year Laidlaw *moved strongly* to purchase forty-one companies in Canada, the United States, Mexico and Italy



USA *Expanded school bus operations, hazardous waste service centers, treatment facilities, solid waste hauling; Entered healthcare transportation.*

Italy *Entered environmental engineering sector, solid waste landfill market.*

Mexico *Entered hazardous waste service center market.*

In contrast to 1992, Laidlaw, this year, moved strongly to make forty-one acquisitions in Canada, the United States, Mexico and Italy. In total they added annualized revenue of $264 million, compared with the $42 million acquired last year.

North American acquisitions strengthened market positions in our solid waste management business, extended our technological and geographical reach in hazardous waste, expanded our student transportation services and extended that business into the growing healthcare transportation sector.

Solid Waste Consistent with our strategy of holding major positions in those markets in which the solid waste organization continues to operate, three "tuck-in" purchases of hauling companies were made in Illinois and in the northeast United States.

Hazardous Waste Our hazardous waste operations entered a major new market – treating large-volume streams of oily industrial wastewaters – through the purchase of a sophisticated facility in Tennessee. We expanded our service center network, designed to bring us closer to the small-quantity generator in the western U.S., with the purchase of a seven-location system. These additions strengthen our already-substantial position in the California market and extend our service capability into New Mexico, Arizona and Nevada.

We established a presence in the growing Mexican market, with the acquisition of a service center, just over the American border, in Juarez.

Passenger Services Forty-nine percent of revenue acquired during the year came from the Passenger Services Group's expansion program. Student transportation operations added 1,744 units to the fleet, principally in the U.S. northeast.

Laidlaw is now the second largest healthcare transportation company in the United States.

Implementing its growth strategy to provide a third pillar to the business, complementing school bussing and public transit services, Passenger Services became the second largest provider of healthcare transportation in the United States – the result of two acquisitions. As hospitals seek to control costs, patients are spending less time in them convalescing but returning for necessary treatment. Healthcare institutions are specializing in the procedures they provide. These factors, combined with increasing medical needs of an aging population, are driving growing demands for patient transportation. About one-third of the business is emergency response. This new business area is an extension of Laidlaw's traditional passenger services; it shares many of the same client relationship concepts and operational practices.

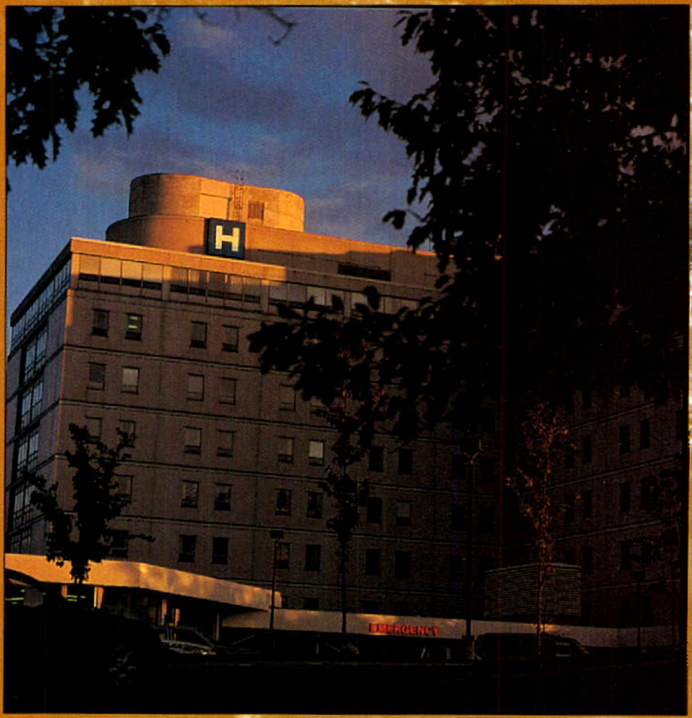
Europe In Europe we have established a solid presence in Italy with the acquisition of 80 percent of a highly respected, Milan-based, "design, build and operate" environmental engineering firm.

Designing water pollution control facilities, incinerators and air pollution control systems, this acquisition complements and extends our environmental service portfolio. Management has remained with Laidlaw; we derive the benefits of established market knowledge, management skill and local contacts. We avoid diverting the attention of our North American management.

Our disciplined acquisition program delivered *$264 million* in annualized revenues during 1993

Partnering with Laidlaw "has left us feeling secure that our welfare and interest is a *top priority.*"

– hospital environmental services director



The hospital community benefits from recycling and waste management in partnership with Laidlaw.

- *Minimum service standards adopted*
- *Continuous improvement program meeting internal and external customer needs*
- *Electronic routing, scaling, and data collection in place*
- *Environmental services packaged to match customer needs*

Understanding which services customers really need in a slow growth economy is not an easy task. Often, customers themselves may not have a clear idea of what their needs are or will be. Overall, today's customers are looking for partners to provide purchased services to make their own businesses more cost competitive and satisfy needs raised by their changing circumstances.

Customer Relationships Working with customers to find the best combination of service types, price and scheduling, inquiry responsiveness and invoice interpretability are just some of the initiatives underway across Laidlaw's service companies.

Our Passenger Services Group has established a series of customer councils in its Atlantic Region in an effort to better understand their customers' service definitions and needs. Groups generally include a cross section of the "customer community" comprising school superintendents, principals, business administrators, transportation directors and members of the Parent Teacher Association. Laidlaw's local district managers examine, among other topics, methods of improving communication and services with each of the council's members. Since implementing the councils, customer satisfaction scores have risen some six percent, with 95 percent of the members rating Laidlaw services "highly."

Laidlaw works with suppliers in transportation equipment design.

In the environmental sector, assuming that economic activity will generate little additional waste volume, that customers have an interest in further reducing the volumes they now produce and that competition will continue to be strong, Laidlaw's waste management service groups are undertaking several initiatives to strengthen their customer service links and increase their market shares.

Customer Needs In a market subject to stringent regulations, customers look for liability management and ease of use when engaging environmental management services. They also look for breadth of technology and high levels of service, exemplified by knowledgeable and skilled professional staff. They seek, more than ever, cost-effective, competitiveness enhancing, environmentally sound service.

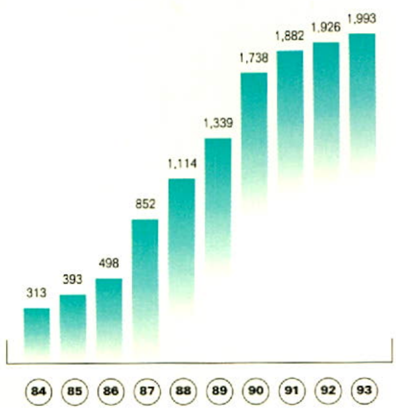
Laidlaw has developed a system for disassembly and recycling of obsolete office equipment.

The hospital community is a beneficiary of Laidlaw's partnering approach to service. By providing "waste audits" Laidlaw is able to assist the institution in reducing the amounts of waste generated and segment the remainder into manageable groups including biomedical, hazardous, confidential, and recyclable. Laidlaw provides in-service training for the hospital's personnel and manages the entire process of removal, recycling, treatment and disposal. The customer no longer needs to contract with several suppliers. In the words of one director of environmental services, this new partnership with Laidlaw "has left us feeling secure that our welfare and interest is a top priority."

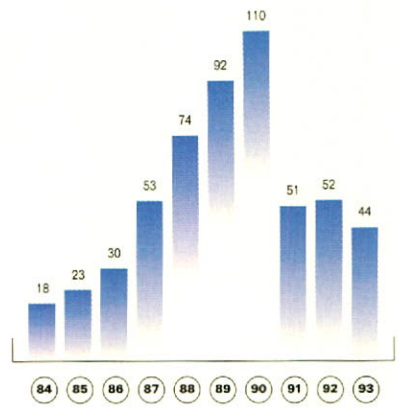
Customer Service Laidlaw's combination of professional staff, service breadth and well-located facilities uniquely positions the organization to be a long-term partner with its customers in comprehensive environmental management, whether they have a single facility or multi-location operations.

Partners for *Profitability*

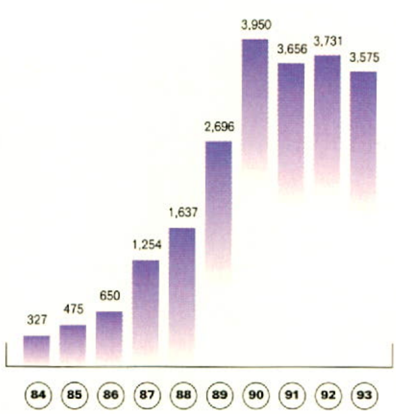
Revenue
($ millions)



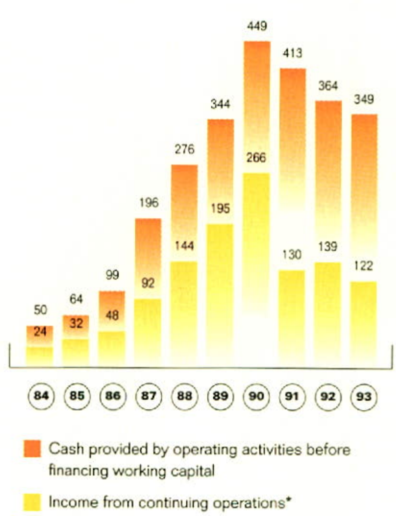
Earnings per Share from Continuing Operations*
(cents)



Total Assets
($ millions)



Cash Provided by Operating Activities Before Financing Working Capital and Income from Continuing Operations*
($ millions)



(dollars in U.S. millions except per share amounts)
Operating results – continuing operations
(year ended August 31)
Revenue
Income from continuing operations*
Operating profit margin*
Net profit margin (from continuing operations)*
Cash provided by operating activities before financing working capital
Capital expenditures
– Sustenance and other
– Acquisitions
– Total
Financial position
(as at August 31)
Working capital
Long-term debt
Shareholders' equity
Total assets
Class A Shares and Class B Non-Voting Shares
(year ended August 31)
Earnings per share from continuing operations* (Note 12)
Cash provided by operating activities before financing working capital per share
Dividends paid
(in Canadian dollars)
– Class A shares (cents)
– Class B shares (cents)
Market price
(as at August 31, in Canadian dollars)
– Class A shares
– Class B shares
Net return on average common shareholders' equity*
Shares outstanding
(as at August 31, in thousands)
– Class A shares
– Class B shares

* *Before special and non-recurring charges and unusual items.*

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
	$1,993.3	$1,925.6	$1,882.4	$1,737.5	$1,339.4	$1,113.6	$ 851.9	$497.7	$393.1	$313.2
	122.1	138.5	129.9	265.5	195.4	144.2	92.0	48.1	32.3	23.9
	10.2%	12.3%	13.1%	16.8%	17.9%	17.5%	16.2%	15.2%	16.7%	17.7%
	6.1%	7.2%	6.9%	15.3%	14.6%	12.9%	10.8%	9.7%	8.2%	7.6%
	$ 348.7	$ 364.3	$ 412.5	$ 448.7	$ 344.0	$ 275.7	$ 196.0	$ 98.8	$ 64.0	$ 50.1
	$ 214.5	$ 224.8	$ 257.8	$ 279.9	$ 192.3	$ 242.6	$ 186.3	$114.3	$ 71.2	$ 44.7
	213.3	41.6	152.8	490.0	299.5	222.9	424.0	79.4	69.8	36.1
	$ 427.8	$ 266.4	$ 410.6	$ 769.9	$ 491.8	$ 465.5	$ 610.3	$193.7	$141.0	$ 80.8
	$ 246.4	$ 239.0	$ 266.6	$ 279.9	$ 91.7	$ 117.9	$ 112.4	$121.8	$ 90.9	$ 10.8
	1,377.1	1,260.9	1,507.6	1,434.5	899.0	514.0	180.2	137.7	112.0	67.6
	1,553.3	1,960.0	1,682.1	2,053.9	1,462.2	891.6	847.9	372.7	243.3	130.2
	3,575.1	3,731.4	3,656.0	3,950.3	2,695.7	1,636.9	1,254.2	650.4	474.5	326.5

(All information gives retroactive effect to subdivisions of shares of 2 for 1 in January 1985 and 3 for 2 in each of September 1986 and May 1987)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
	$0.44	$0.52	$0.51	$1.10	$0.92	$0.74	$0.53	$0.30	$0.23	$0.18
	1.26	1.37	1.67	1.92	1.70	1.56	1.27	0.72	0.47	0.39
	16.0	16.0	31.0	27.0	23.0	18.5	12.0	7.7	6.5	4.0
	16.0	16.0	31.0	27.0	23.0	18.5	12.0	7.7	6.5	4.0
	$9.25	$10.00	$13.13	$21.50	$19.63	$16.50	$22.50	$10.00	$6.83	$3.58
	9.25	10.00	13.13	21.25	19.25	15.50	21.50	9.56	6.72	3.50
	6.4%	7.5%	6.1%	15.1%	19.0%	20.5%	22.4%	23.5%	21.9%	21.4%
	47,632	47,632	47,632	47,632	47,632	47,632	47,632	47,632	47,632	47,632
	229,556	229,556	205,704	191,423	170,708	141,856	128,293	102,908	89,408	89,408

The above data have been restated to give retroactive effect to the discontinued operations and a prior period adjustment reported in 1990, and retroactive application of the change in accounting for investment tax credits reported in 1986.

Items in the Consolidated Statements of Income for the three years ended August 31, 1993 as a percentage of total revenue and the percentage changes in dollar amounts of the items compared to the previous year are as follows:

	Percentage of Revenue			Percentage Increase (Decrease)		
	Year Ended August 31					
	1993	1992	1991	**Year 1993 Over 1992**	Year 1992 Over 1991	Year 1991 Over 1990
Revenue	**100.0%**	100.0%	100.0%	**3.5%**	2.3%	8.3%
Operating expenses	**70.0**	67.6	66.8	**7.2**	3.4	10.5
Selling, general and administrative expenses	**7.9**	7.9	8.6	**4.0**	(6.0)	34.1
Depreciation and amortization	**11.9**	12.2	11.5	**0.6**	8.9	15.2
Income from operations before special and non-recurring charges	**10.2%**	12.3%	13.1%	**(14.3)**	(3.7)	(15.2)

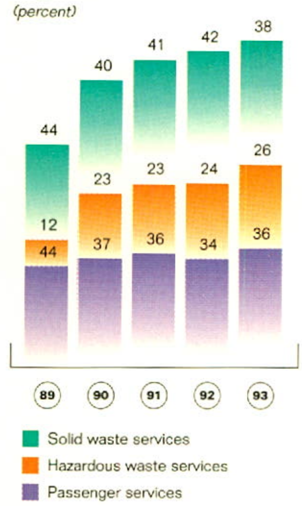
Revenue The sources of revenue by business segment are as follows ($000's omitted):

Year Ended August 31	**1993**		1992		1991	
Solid waste services	**$ 756,041**	**37.9%**	$ 804,231	41.8%	$ 773,809	41.1%
Hazardous waste services	**511,554**	**25.7**	458,150	23.8	440,639	23.4
Passenger services	**725,664**	**36.4**	663,236	34.4	667,978	35.5
	$1,993,259	**100.0%**	$1,925,617	100.0%	$1,882,426	100.0%

Management's estimates of the components of changes in the Company's consolidated revenue are as follows:

	Percentage Increase (Decrease)		
	Year 1993 Over 1992	Year 1992 Over 1991	Year 1991 Over 1990
Expansion of customer base by acquisition			
Solid waste services	**0.8 %**	1.8 %	3.9 %
Hazardous waste services	**2.6**	1.8	3.7
Passenger services	**3.2**	0.9	0.4
Subtotal	**6.6**	4.5	8.0
Other changes primarily through volume and price changes and divestitures			
Solid waste services	**(2.0)**	—	0.2
Hazardous waste services	**0.5**	(0.8)	(0.8)
Passenger services	**0.7**	(1.0)	0.6
Subtotal	**(0.8)**	(1.8)	—
Foreign exchange rate changes			
Solid waste services	**(1.3)**	(0.2)	0.2
Hazardous waste services	**(0.3)**	(0.1)	—
Passenger services	**(0.7)**	(0.1)	0.1
Subtotal	**(2.3)**	(0.4)	0.3
Total	**3.5 %**	2.3 %	8.3 %

Revenue by Business Segment
(percent)



Management's estimates of the components of changes in the revenue of the respective segments are as follows:

	Percentage Increase (Decrease)		
	Year 1993 Over 1992	*Year 1992 Over 1991*	*Year 1991 Over 1990*
Solid waste services			
Acquisitions	**1.8 %**	4.4 %	9.7 %
Other, primarily through volume and price changes and divestitures	**(4.7)**	—	0.4
Foreign exchange rate changes	**(3.1)**	(0.5)	0.5
Total	**(6.0)%**	3.9 %	10.6 %
Hazardous waste services			
Acquisitions	**11.2 %**	7.5 %	16.2 %
Other, primarily through volume and price changes	**2.0**	(3.2)	(3.5)
Foreign exchange rate changes	**(1.5)**	(0.3)	0.2
Total	**11.7 %**	4.0 %	12.9 %
Passenger services			
Acquisitions	**9.4 %**	2.6 %	1.1 %
Other, primarily through volume and price changes	**1.9**	(2.9)	1.6
Foreign exchange rate changes	**(1.9)**	(0.4)	0.4
Total	**9.4 %**	(0.7)%	3.1 %

In 1993, the growth in the hazardous waste services segment and the passenger services segment was primarily attributable to the acquisition of assets and businesses. Acquisitions also helped to moderate the decline in revenue in the solid waste services segment. The decline in value of the Canadian dollar in U.S. dollar terms adversely affected each segment but most significantly the solid waste services segment which has the highest proportion of Canadian revenues. Growth from price and volume changes was minimal in the hazardous waste and passenger services segments and negative in the solid waste services segment primarily as a result of the lingering recession in North America. Reduced volumes and prices, continued competitive pressures, increased focus on recycling and the lack of economic expansion hampered revenue growth. The divestiture of nine hauling companies during the year reduced revenue by approximately $9 million. Price increases in the passenger services segment were virtually nonexistent as provincial/state and local school boards responded to tightening budget constraints.

In 1992, the growth in revenue in the solid waste and hazardous waste services segments was attributable to the acquisition of assets and businesses. Acquisitions also helped to moderate the decline in revenues in the passenger services segment. The absence of growth in revenue from volume and price changes in solid waste services was due to a number of factors. The recessionary North American economy resulted in continued competitive pressure on prices particularly in Michigan, Ohio and New England. While hauling volumes remained relatively level with the prior year, volumes to landfills were affected by the lack of growth in industrial output and by recycling. The impact of these factors on the segment's revenues was partially offset by increased revenue from new materials recovery facilities. The decline in hazardous waste services revenues from volume and price changes was also primarily a function of the weakness in the economy. In California, production cutbacks, especially in the oil refining and defense industries, resulted in lower volumes of hazardous waste for both treatment and landfill. In central Canada, the weakness in the manufacturing sector similarly impacted the segment resulting in product mix changes and significant price erosion. Revenue growth in the passenger services segment from volume and price changes was affected by school funding cutbacks and the intentional loss of marginally profitable contracts. Price increases on successfully rebid and new contracts partially offset the volume reductions from route revisions and lost contracts.

In 1991, the principal component of the increases in revenue from acquisitions, in both the solid waste and hazardous waste services segments, was attributable to the additional contribution of approximately $85 million from Tricil Limited which was included in the 1990 results for only eight months.

Acquisitions by segment and the approximate aggregate annualized revenue acquired as at the dates of acquisition are as follows ($000's omitted):

	Number of Acquisitions		
Year Ended August 31	**1993**	1992	1991
Solid waste services	**8**	7	25
Hazardous waste services	**7**	2	4
Passenger services	**26**	10	6
	41	19	35

	Annualized Revenue (Approximate)		
Year Ended August 31	**1993**	1992	1991
Solid waste services	**$ 48,000**	$11,000	$ 53,000
Hazardous waste services	**87,000**	5,000	53,000
Passenger services	**129,000**	26,000	13,000
	$264,000	$42,000	$119,000

Revenue and growth in revenue from geographic components are as follows ($000's omitted):

	Revenue						Growth Rates		
	Year Ended August 31						**Year 1993 Over 1992**	Year 1992 Over 1991	Year 1991 Over 1990
	1993		1992		1991				
United States and Europe	**$1,456,553**	**73.1%**	$1,332,629	69.2%	$1,329,329	70.6%	**9.3 %**	0.2%	5.5%
Canada	**536,706**	**26.9**	592,988	30.8	553,097	29.4	**(9.5)**	7.2	15.8
	$1,993,259	**100.0%**	$1,925,617	100.0%	$1,882,426	100.0%	**3.5**	2.3	8.3

The decrease in Canadian revenue in 1993 was primarily attributable to the 7.5% decline in the value of the Canadian dollar which reduced revenue by $45 million.

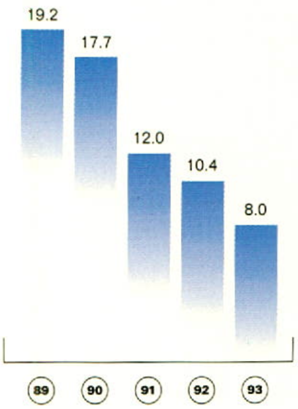
Income from operations, cost of operations and operating profit margins (before special and non-recurring charges)
Income from operations and growth rates from segment components are as follows ($000's omitted):

	Income From Operations						Growth Rates		
	Year Ended August 31						**Year 1993 Over 1992**	Year 1992 Over 1991	Year 1991 Over 1990
	1993		1992		1991				
Solid waste services	**$ 60,590**	**29.7%**	$ 83,258	35.0%	$ 92,553	37.5%	**(27.2)%**	(10.0)%	(25.4)%
Hazardous waste services	**52,348**	**25.7**	66,611	28.0	70,514	28.6	**(21.4)**	(5.5)	(12.3)
Passenger services	**90,748**	**44.6**	87,827	37.0	83,767	33.9	**3.3**	4.8	(3.4)
	$203,686	**100.0%**	$237,696	100.0%	$246,834	100.0%	**(14.3)**	(3.7)	(15.2)

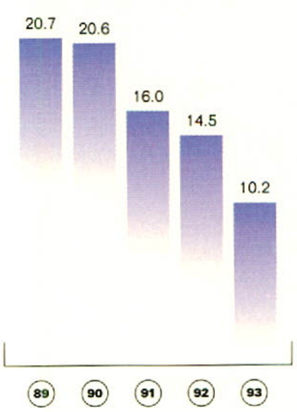
Wages for operating personnel, equipment operating costs (including fuel and maintenance), insurance for personnel, property damage and third party liability, depreciation and disposal site fees represent the major components of the cost of operations. Operating costs as a percentage of revenue were 89.8% in 1993, compared with 87.7% in 1992 and 86.9% in 1991.

In 1993, the increase in operating costs as a percentage of revenue was primarily a result of lower volumes and prices in the Company's solid waste services disposal operations and higher

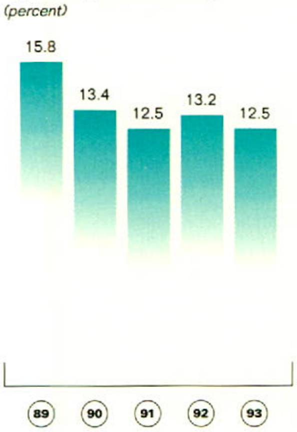
Solid Waste Services Operating Profit Margins
(percent)



Hazardous Waste Services Operating Profit Margins
(percent)



Passenger Services Operating Profit Margins
(percent)



operating expenses necessary to meet increased compliance requirements and service new market areas in the hazardous waste services business. Operating costs in the solid and hazardous waste services segments have also increased proportionally more than revenue because the higher costs required to comply with environmental regulation and enforcement have not been fully recovered from customers due to competitive pricing pressures. In the hazardous waste services segment in the last fiscal quarter costs were substantially increased as a result of unbillable cost overruns on some remedial contracts and the incurrence of unusually high governmental penalties for minor permit infractions. Passenger services segment costs were higher year over year as a result of an increased incidence of large auto liability claims.

In 1992, the increase in operating costs as a percentage of revenue was primarily the result of recession induced volume reductions resulting in the under-utilization of our waste services assets and facilities, and decreased selling prices for the Company's waste services in some areas, partially offset by cost control programs in both operating and selling, general and administrative areas. Depreciation and amortization expense increased as a percentage of revenue primarily as a result of the effect of the continuing recession on volume and prices in the hazardous waste services segment.

In 1991, the increase in operating costs as a percentage of revenue was primarily the result of recessionary pressures, principally in the waste services segments, on price and volume increases as well as absolute increases in the cost of fuel, labor, disposal and bad debts. In addition, rapid turnover of customers occurred in certain areas of the solid waste services segment, which resulted in increased costs to maintain customer population and service levels.

The operating profit margins of the individual segments and consolidated margins are as follows:

Year Ended August 31	**1993**	1992	1991
Solid waste services	**8.0%**	10.4%	12.0%
Hazardous waste services	**10.2**	14.5	16.0
Passenger services	**12.5**	13.2	12.5
Consolidated	**10.2**	12.3	13.1

The operating profit margin for the solid waste services segment has decreased to 8.0% in 1993 from 10.4% in 1992. The decrease in operating margin results primarily from reductions in hauling and landfill volumes, including volumes of special wastes, and more competitive pricing to attract remaining volumes. Hauling operations also performed poorly as a result of lower commercial and industrial volumes and prices due to the continuing weakness in the economy. In addition, severe winter weather conditions adversely impacted operating costs during the Company's second fiscal quarter this year. In 1992, the operating profit margin for the solid waste services segment decreased to 10.4% from 12.0% primarily as a result of the reductions in volumes and competitive pricing noted above.

The operating profit margin for the hazardous waste services segment has decreased to 10.2% in 1993 from 14.5% in 1992. The decrease in the operating margin resulted primarily from lower U.S. prices and higher operating expenses necessary to meet increased compliance requirements at treatment and disposal facilities and in the last fiscal quarter a $1.8 million fine at the Company's Pinewood landfill facility in South Carolina. In addition, higher operating costs in new market areas in Western Canada and lower market prices for materials handled at the Canadian service centers also contributed to the reduced operating margin. Severe weather conditions at the Company's eastern U.S. landfill and in the fourth quarter losses on remedial contracts also negatively impacted results. Improved operating margins and increased income from operations at the U.S. service centers and U.S. western landfill operations due to increased volumes and cost reductions moderated the decrease in the results for the year. In 1992, the operating profit margin for the hazardous waste services segment decreased to 14.5% from 16.0% in 1991 primarily as a result of weak economic conditions due to the North American recession.

The operating profit margin for the passenger services segment has decreased to 12.5% in 1993 from 13.2% in 1992. The decrease in operating margin was primarily attributable to higher insurance costs and increased maintenance and driver wage costs. The ability to pass through cost increases has been hampered by state/provincial and local school board funding pressures that have resulted in route reductions and little or no rate increases. The operating profit margin in 1992 increased to 13.2% from 12.5% in 1991 as a result of lower fuel prices, the intentional loss of some marginally profitable contracts and price increases on rebid contracts.

The Company's outlook for the forthcoming fiscal year continues to be that until weak economic conditions subside, operating profit margins, primarily in the waste services segments, will remain under pressure. Improved economic conditions would result in significantly improved hazardous waste services segment margins and more moderately improved solid waste services segment margins.

Seasonality The passenger services segment experiences a significant decline in revenue and operating income in the fourth fiscal quarter because of school summer vacations. This impact will be moderated somewhat in the future as the Company expands its provision of year-round healthcare transportation services. Adverse winter weather moderately affects all of the Company's operations during the Company's second fiscal quarter. See also Note 17 of Notes to Consolidated Financial Statements.

Special and non-recurring charges During the third quarter of fiscal 1993, the Company completed an evaluation of its exposure and investment in its solid waste services segment. This evaluation was initiated due to the continuing decline in profitability of this segment and the fundamental structural changes taking place in the solid waste industry. These changes were the result of evolving environmental legislation and regulations, private and public demands for waste minimization and a weak North American economy. In light of these changes, the Company determined that certain projects commenced in a different political, economic and social environment were no longer economically viable at their then current investment level. Consequently, certain landfill development projects would not proceed as planned, additional planned investments in certain landfills would be reduced resulting in these facilities closing sooner than initially anticipated and the carrying values of certain operations were adjusted to reflect the changed industry characteristics.

During the fourth quarter of fiscal 1993, the Company acquired exclusive, long-term access to a competitor's solid waste landfill in a major U.S. market area. This change in strategy and recent developments in both the solid and hazardous waste services segments triggered the re-evaluation of certain U.S. and Canadian solid waste landfill expansion projects and hazardous waste incineration investments.

As a result, special and non-recurring charges of $120.5 million ($75.0 million after-tax or $0.27 per share) in the third quarter and $105.0 million ($95.0 million after-tax or $0.34 per share) in the fourth quarter for a total of $225.5 million ($170.0 million after-tax or $0.61 per share) in the year were recorded. These charges were substantially of a non-cash nature and were primarily associated with the restructuring of the U.S. solid waste segment.

Interest expense In 1993, interest expense decreased by 13.5% to $105.7 million. The decline was attributable to a 5% reduction in the average outstanding borrowing level for the year (primarily as a result of the February 1992 public equity issue of $215.5 million) and a decrease of approximately 9% in the cost of borrowing.

In 1992, interest decreased by 8.3% to $122.1 million. This decline was a result of a 5% decrease in the cost of borrowing and a 5% reduction in the average outstanding borrowing level. The lower borrowing level was due to the public equity issue in February 1992, the proceeds from which were used to reduce indebtedness of the Company and to the lower level of acquisitions and capital expenditures.

Interest expense in 1991 increased by 17.8% to $133.1 million. The change was attributable to an increase of approximately 20% in the average borrowing level, offset partially by a decrease of approximately 7% in the cost of borrowing.

Interest, dividend and other income In 1993, interest, dividend and other income was relatively unchanged from 1992 since increased investment levels were offset by lower prevailing interest rates.

In 1992, interest, dividend and other income decreased by $12.4 million to $13.6 million. The decrease was primarily attributable to significantly lower returns on the average investment level and a non-recurring gain in the prior period.

Interest, dividend and other income in 1991 decreased by $9.3 million to $26.0 million primarily as a result of the lower returns realized on the investment portfolio and from the loss on disposal of some long-term investments.

Equity in earnings of associated companies This income results from the Company's equity in earnings of ADT Limited (ADT) and Attwoods plc (Attwoods) both of which trade on the London and New York Stock Exchanges. ADT provides electronic security services primarily in the United States, Canada and Europe and provides vehicle auction services in the United Kingdom and United States.

Attwoods provides solid waste services in the United States, United Kingdom and Continental Europe, medical waste services in the United States and the rental of portable sanitation and accommodation units in Europe. It has contracted to sell its metals recycling business in the United States.

At August 31, 1993, the Company had a 23.9% (1992 – 28.4%) interest in ADT, and in Attwoods, on a fully-converted basis including the investment in Convertible Preference Shares, an interest of 34.8% (1992 – 34.9%).

In 1992, the income from these investments was 128% higher than in 1991, primarily as a result of an improvement in ADT's earnings. In 1991, there was a significant reduction in ADT's earnings from its non-core operations. The equity in earnings from Attwoods, reported in 1991, reflected both increased investment levels and improved earnings over 1990.

See also the discussions on unusual items and loss from discontinued operations.

Unusual items In 1993, the unusual items of $243.8 million (an after-tax loss of $0.88 per share) related to the write-down of the Company's investments in ADT of $141.6 million and in Attwoods of $102.2 million in order to reflect the Company's determination of a decline in realizable value other than temporary in nature.

The Company's interest in ADT declined from 28.4% to 23.9% as a result of the issue in August 1993 by ADT of 20.7 million shares for net proceeds of $160 million, in which the Company did not participate. As a result of this dilution of the Company's investment and the major capital restructuring plan that ADT effected, the Company determined that a decline in realizable value other than temporary in nature had occurred and adjusted the carrying value downwards by $141.6 million.

In 1993, Attwoods contracted to sell its metals recycling business in the United States at a loss of approximately $144 million. As a result of this loss and the Company's expectations of Attwoods' earnings from continuing operations, management has determined that an impairment in the amount of $102.2 million of the realizable value of its investment in Attwoods has occurred of an other than temporary nature. This impairment reflects the Company's assessment of the fundamental structural changes impacting the U.S. solid waste industry, as well as the general economic weakness being experienced at Attwoods' German operations.

In 1991, the unusual items of $461.2 million (an after-tax loss of $1.86 per share) consisted primarily of a write-down in carrying value of the Company's investment in ADT due to the Company's determination of a decline in realizable value other than temporary in nature.

Income taxes The effective income tax rate on income from continuing operations before special and non-recurring charges and unusual items increased to 19.5% from 18.0% in the previous year.

The effective income tax rate increased slightly to 18.0% in 1992 from 17.3% in 1991.

In 1991, the effective tax rate increased to 17.3% from 14.1% in 1990 primarily as a result of lower earnings from the Company's investment in ADT.

Loss from discontinued operations In 1991, the loss of $15.1 million from discontinued operations consisted of the Company's share of a loss reported by ADT in its year ended December 31, 1990 in connection with the disposal of assets of discontinued businesses.

Extraordinary item During 1992, the Company negotiated a settlement of a class action suit initiated in 1991. The Company agreed to settle in order to avoid the expense of litigation and in recognition of the uncertainty inherent in predicting the outcome of a court action. This payment, together with the Company's legal fees, was reflected as an extraordinary item and amounted to $6.1 million (two cents per share) on an after-tax basis.

Net income and earnings per share

Income from continuing operations before special and non-recurring charges and unusual items decreased 11.8% to $122.1 million from $138.5 million in 1992. In 1992, income from continuing operations before unusual items increased 6.6% to $138.5 million from $129.9 million in 1991.

The weighted average number of common shares outstanding during 1993 increased 4.2% to 277.2 million from 266.0 million in 1992. In 1991, there was an average of 246.7 million common shares outstanding. The increases are primarily the result of the February 1992 Class B Non-Voting Share issue of 23.65 million shares.

Accordingly, earnings per share from continuing operations before special and non-recurring charges and unusual items decreased to $0.44 per share in 1993 from $0.52 per share in 1992 and $0.51 per share in 1991.

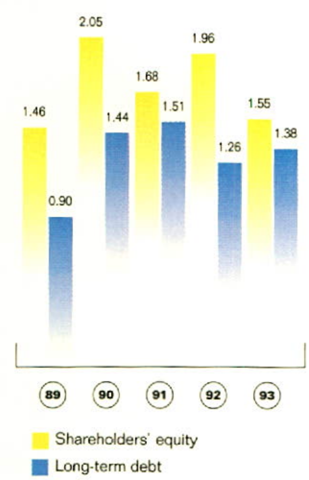
The aggregate of the special and non-recurring charges, unusual and extraordinary items and loss from discontinued operations amounted to a loss of $1.49 per share in 1993, $0.02 per share in 1992 and $1.92 per share in 1991.

After these items there was a net loss per share of $1.05 in 1993, net income per share of $0.50 in 1992 and a net loss per share of $1.41 in 1991.

The Company's consolidated financial statements have been prepared in accordance with Canadian GAAP, which conform in all material respects with U.S. GAAP, except as disclosed in Note 13 of Notes to Consolidated Financial Statements.

Under U.S. GAAP, the Company will be required to adopt the liability method of accounting for income taxes beginning September 1, 1993. The Company has not determined the effect this will have on its results. The Company prepares its financial statements in accordance with Canadian GAAP and any adjustments required to reflect the application of the liability method of accounting for income taxes would be a Canadian-U.S. GAAP reconciling item.

Capitalization
($ billions)



Financial condition

The Company's capital consisted of ($000's omitted):

August 31	**1993**		1992		1991	
Deferred items						
Income taxes	**$ 43,904**	**1.4%**	$ 88,800	2.6%	$ 89,781	2.7%
Other	**193,456**	**6.1**	105,569	3.1	92,609	2.7
Long-term debt	**1,377,086**	**43.5**	1,260,892	36.9	1,507,552	44.7
Shareholders' equity	**1,553,310**	**49.0**	1,959,954	57.4	1,682,063	49.9
	$3,167,756	**100.0%**	$3,415,215	100.0%	$3,372,005	100.0%

In 1993, the major decreases in capital were attributed to (i) the net loss of $291.6 million, (ii) dividends paid of $35.6 million and (iii) the $79.5 million increased deficiency in the cumulative foreign currency translation adjustments account. The increase in the deficiency in the cumulative foreign currency translation adjustments account results from the 9.5% decline in value of the Canadian dollar versus the U.S. dollar from August 31, 1992 to August 31, 1993. Increases in capital came from an $87.9 million increase in other deferred items (primarily accruals for the non-current portions of environmental and self-insurance liabilities) and a $116.2 million increase in long-term debt resulting in an overall net reduction of $247.5 million in the Company's total capital.

Investment activities, including capital expenditures of $214.5 million and acquisitions of $213.3 million were, in effect, largely financed by operating cash flows with a resultant net increased borrowing of long-term debt of $116.2 million.

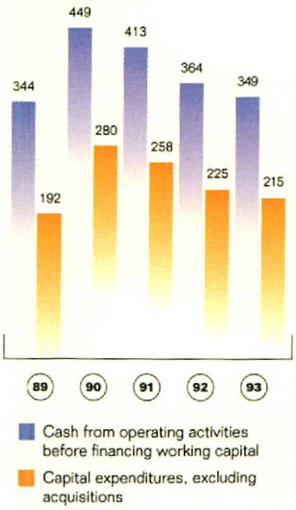
In 1992, the net increase in capital of $43.2 million was primarily related to the increase in retained earnings, which, after providing for dividends of $36.8 million, amounted to $95.6 million. Long-term debt was reduced by $246.7 million which approximates the growth in issued share capital of $215.5 million from the Class B Non-Voting Share issue in February 1992.

In 1991, the net decrease in capital of $289.6 million resulted primarily from (i) the net loss of $344.4 million, (ii) dividends paid of $70.7 million, (iii) cash received of $40.2 million on the conversion of preference shares and (iv) a $73.0 million net increase in long-term debt.

The Company had revolving/term bank lines of credit primarily for acquisition and expansion

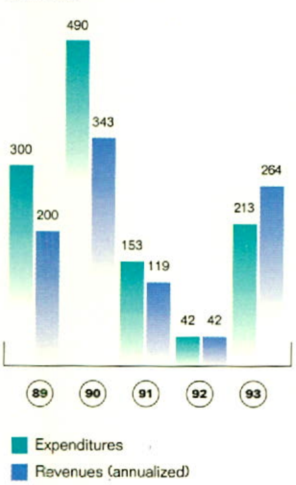
Cash from Operating Activities Before Financing Working Capital and Capital Expenditures

($ millions)



Acquisition Expenditures/Revenues

($ millions)



purposes of $1,059 million of which approximately $703 million was unused as at August 31, 1993. The Company is required to maintain certain balance sheet ratios, all of which have been met at August 31, 1993.

Fiscal 1994 principal repayments of $256.0 million which would otherwise be classified as current portion of long-term debt, have been classified as long-term debt because the Company intends to refinance these borrowings on a long-term basis using the available capacity under its existing bank credit agreements described above.

In May 1993, the Company issued $100 million of 7.05% debentures due May 15, 2003 and $100 million of 8.25% debentures due May 15, 2023. These issues extended the average minimum maturity of the Company's debt portfolio from 4 years to 6.5 years. The Company intends to continue to access the public debt markets as maturities and opportunities permit.

Liquidity Cash from operations before financing working capital was $348.7 million, $364.3 million and $412.5 million in 1993, 1992 and 1991, respectively, representing percentage decreases from the previous years of 4.3%, 11.7% and 8.1%.

Cash, short-term deposits and marketable securities which can be readily liquidated were $212.2 million, $163.2 million and $155.9 million at August 31, 1993, 1992 and 1991, respectively.

In 1993, trade and other accounts receivable increased by $53.4 million, primarily attributable to acquisitions. The average number of days sales outstanding has increased to 61 days from 53 days in 1992 primarily due to the nature of the engineering and healthcare transportation businesses acquired during the year, both of which have significant receivables from government agencies.

In 1992, trade and other accounts receivable decreased by $15.6 million, primarily attributable to an increased emphasis on collection. The average number of days sales outstanding decreased to 53 days from 57 days in 1991.

In 1991, trade and other accounts receivable increased by $24.8 million primarily attributable to an increase in sales. The average number of days sales outstanding increased to 57 days from 56 days in 1990.

Management believes that the existing level of working capital of $246.4 million at August 31, 1993 is adequate for the Company's normal growth and operating needs. Trade and other accounts receivable continues to represent the largest portion of current assets totalling $330.5 million at August 31, 1993.

Capital expenditures and capital resources Net expenditures for the purchase of fixed assets for normal replacement requirements and increases in services were $193.6 million, $193.0 million and $230.8 million in 1993, 1992 and 1991, respectively. The 1993 expenditures were significantly below the original projection of $250 million as a reflection of the Company's assessment of the declining profit margins and demand for services.

Capital expenditures for the purchase of fixed assets for fiscal 1994 are expected to be approximately $225 million, which represents normal replacement requirements and purchases of additional fixed assets necessary for planned increases in services. They do not include the financing of acquisitions and new contracts, which are continuously being pursued by the Company, and for which there is no determinable budget. Management believes that current operating cash flows are adequate to finance these expenditures as well as to service existing debt. At September 30, 1993, the Company had unused bank lines of credit of approximately $640 million.

Expenditures on the acquisitions of businesses were $213.3 million, $41.6 million and $152.7 million in 1993, 1992 and 1991, respectively.

The Company invested $57.4 million in Attwoods in 1992, and $52.7 million in ADT in 1991.

Acquisitions of businesses have generally been financed with revolving/term bank loans at rates of interest of at least one percent below prime. Purchases of fixed assets have generally been made from funds generated by operating cash flows.

Legal proceedings Increasing levels of government regulation continue to have a significant effect on the Company's waste services segments. The Company strives to conduct its operations at least in compliance with applicable laws and regulations. However, in the existing climate of heightened legal, political and citizen awareness and concerns, companies in the waste services industry, including the Company, will be faced with fines and penalties and the need to expend funds for remedial work and related activities at waste treatment and disposal facilities. The Company has concluded, based upon existing information and applicable laws and regulations, that the amounts expended or anticipated to be expended by the Company are not likely to be material to its operations or financial condition.

As of August 31, 1993, subsidiaries of the Company had been notified that they are potentially responsible parties in connection with 23 locations listed on the Superfund National Priority List under the Comprehensive Environmental Response, Compensation and Liability Act in the United States. The Company periodically reviews the role, if any, of each subsidiary with respect to each such location, considering the nature and extent of the subsidiary's alleged connection and the accuracy and strength of evidence connecting the potentially responsible parties at the location. The majority of these proceedings are based on allegations that certain Company subsidiaries (or their predecessors) transported hazardous substances to the facilities in question, often prior to the acquisition of such subsidiaries by the Company. Based on the results of the review of the various sites, expense accruals are provided by the Company for its anticipated share of future costs associated with remedial work to be undertaken and existing accruals are revised as deemed necessary.

In June 1992, the Ministry of the Environment of the Province of Quebec requested a subsidiary of the Company to advise the Ministry of its intentions concerning the carrying out of certain characterization studies of soil and water and restoration work with respect to certain areas of the subsidiary's property in Ville Mercier. In 1968, the Quebec government issued two permits to an unrelated company to dump organic liquids into lagoons on this property. By 1971, groundwater contamination had been identified. In July 1992, the subsidiary responded by first denying any responsibility for the decontamination and restoration of its site and secondly by proposing that the Ministry and the subsidiary form a working group to find the most appropriate technical solution to the contamination problem. In November 1992, the Ministry served the subsidiary with two Notices alleging the subsidiary was responsible for the presence of contaminants on its property and that of its neighbour and ordering the subsidiary to take all the necessary measures to excavate, eliminate or treat all the contaminated soils and residues located within the areas defined in the Notices and to recover and treat all of the contaminated waters resulting from the aforementioned measures or the Ministry would proceed to do the work and would claim from the subsidiary the direct and indirect costs relating to such work. The subsidiary responded by reiterating its position that it had no responsibility for the contamination and proposing to submit the question of responsibility to the Courts for determination. The subsidiary has filed legal proceedings to obtain a Court determination of the liability associated with the contamination of the former Mercier lagoons.

While the final resolution of these proceedings may have an impact on the financial results for a particular period, the Company does not believe that these matters are material to its business or financial condition.

The consolidated federal income tax returns of the Company's United States subsidiaries for the fiscal years ended August 31, 1986, 1987 and 1988 have been under audit by the Internal Revenue Service. In July 1993, the subsidiaries received Revenue Agent's reports proposing that the subsidiaries pay additional taxes of approximately $52 million (plus interest of approximately $38 million as of August 31, 1993) relating to disallowed deductions in those income tax returns. The principal issue involved relates to the determination of the applicable year for the deduction for tax purposes of interest attributable to loans owing to related foreign persons. The subsidiaries intend to vigorously contest the proposed adjustments. Although the final outcome cannot be predicted with certainty, management believes that the ultimate disposition of these issues will not have a materially adverse effect upon the Company's consolidated financial position or results of operations.

Consolidated Statements of Income and Retained Earnings

(U.S. $000's omitted except per share amounts)

Year Ended August 31	**1993**	1992	1991
Revenue	**$1,993,259**	$1,925,617	$1,882,426
Operating expenses	**1,394,346**	1,300,178	1,257,419
Selling, general and administrative expenses	**158,247**	152,226	161,928
Depreciation and amortization	**236,980**	235,517	216,245
Special and non-recurring charges (Note 7)	**225,524**	—	—
Income (loss) from operations	**(21,838)**	237,696	246,834
Interest expense	**(105,655)**	(122,114)	(133,106)
Interest, dividend and other income	**13,787**	13,597	26,009
Equity in earnings of associated companies	**39,894**	39,713	17,455
Unusual items (Note 8)	**(243,760)**	—	(461,203)
Income (loss) from continuing operations before income taxes	**(317,572)**	168,892	(304,011)
Income tax recovery (expense) (Note 9)	**26,000**	(30,400)	(25,250)
Income (loss) from continuing operations	**(291,572)**	138,492	(329,261)
Loss from discontinued operations (Note 10)	**—**	—	(15,100)
Income (loss) before extraordinary item	**(291,572)**	138,492	(344,361)
Extraordinary item (Note 11)	**—**	(6,100)	—
Net income (loss)	**$ (291,572)**	$ 132,392	$ (344,361)
Earnings (loss) per share (Note 12)			
Continuing operations	**$ (1.05)**	$ 0.52	$ (1.35)
Discontinued operations	**—**	—	(0.06)
Extraordinary item	**—**	(0.02)	—
Net income (loss)	**$ (1.05)**	$ 0.50	$ (1.41)
Retained earnings – beginning of year	**$ 206,488**	$ 115,109	$ 530,181
Net income (loss)	**(291,572)**	132,392	(344,361)
Dividends – Preference Shares	**(516)**	(558)	(4,570)
– Class A Shares and Class B Non-Voting Shares	**(35,037)**	(36,267)	(66,141)
Share issue expenses (net of income taxes)	**—**	(4,188)	—
Retained earnings (deficit) – end of year	**$ (120,637)**	$ 206,488	$ 115,109
Dividends per share (Cdn. $)			
– Preference Shares	**$ 1.00**	$ 1.00	$ 1.00
– Class A Shares and Class B Non-Voting Shares	**0.16**	0.16	0.31

The accompanying notes are an integral part of these statements.

operating earning 122 million or $0.44/ Share.

Consolidated Balance Sheets

(U.S. $000's omitted)

August 31	**1993**	1992
ASSETS		
Current assets		
Cash	**$ 14,959**	$ 9,889
Short-term deposits and marketable securities – at cost which approximates market value	**197,211**	153,337
Trade and other accounts receivable (net of allowance for doubtful accounts of $4,547; 1992 – $3,817)	**330,475**	277,073
Income taxes recoverable	**53,150**	49,343
Inventories	**29,045**	30,788
Other current assets	**28,907**	34,779
Total current assets	**653,747**	555,209
Long-term investments (Note 2)	**711,167**	910,905
Fixed assets (Note 3)	**1,715,104**	1,795,073
Other assets		
Excess cost of businesses purchased over fair value of net tangible assets acquired (net of accumulated amortization of $74,422; 1992 – $65,047)	**474,479**	452,957
Deferred charges	**20,585**	17,305
	495,064	470,262
	$3,575,082	$3,731,449

The accompanying notes are an integral part of these statements.

Signed on behalf of the Board

James R. Bullock, Director

Donald M. Green, C.M., Director

August 31	1993	1992
LIABILITIES		
Current liabilities		
Accounts payable	**$ 154,204**	$ 111,579
Accrued liabilities	**159,758**	115,263
Accrued self-insurance liabilities	**49,983**	43,514
Current portion of long-term debt (Note 4)	**43,381**	45,878
Total current liabilities	**407,326**	316,234
Deferred items		
Income taxes	**43,904**	88,800
Other	**193,456**	105,569
	237,360	194,369
Long-term debt (Note 4)	**1,377,086**	1,260,892
	2,021,772	1,771,495
Commitments and contingencies (Note 15)		
SHAREHOLDERS' EQUITY		
Preference Shares (Note 5)	**9,609**	9,609
Class A Shares; issued and outstanding 47,632,092 (1992 – 47,632,092) (Note 5)	**2,871**	2,871
Class B Non-Voting Shares; issued and outstanding 229,555,668 (1992 – 229,555,668) (Note 5)	**1,815,437**	1,815,437
Cumulative foreign currency translation adjustments (Note 6)	**(153,970)**	(74,451)
Retained earnings (deficit)	**(120,637)**	206,488
Total shareholders' equity	**1,553,310**	1,959,954
	$3,575,082	$3,731,449

The accompanying notes are an integral part of these statements.

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of Laidlaw Inc. as at August 31, 1993 and 1992 and the consolidated statements of income and retained earnings and changes in financial position for each of the three years in the period ended August 31, 1993. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at August 31, 1993 and 1992 and the results of its operations and the changes in its financial position for each of the three years in the period ended August 31, 1993 in accordance with Canadian generally accepted accounting principles.

Coopers & Lybrand

Hamilton, Canada
October 13, 1993

Coopers & Lybrand
Chartered Accountants

Consolidated Statements of Changes in Financial Position

(U.S. $000's omitted)

Year Ended August 31	1993	1992	1991
Net cash provided by (used in):			
Operating activities	$ 363,075	$ 377,697	$ 371,746
Investing activities	(428,087)	(304,617)	(475,841)
Financing activities	113,956	(65,803)	23,487
	48,944	7,277	(80,608)
Cash, short-term deposits and marketable securities – beginning of year	163,226	155,949	236,557
Cash, short-term deposits and marketable securities – end of year	$ 212,170	$ 163,226	$ 155,949
Operating activities			
Income from continuing operations before special and non-recurring charges and unusual items (Note 13)	$ 122,138	$ 138,492	$ 129,942
Add (deduct) items not affecting cash:			
Depreciation and amortization	236,980	235,517	216,245
Deferred income taxes	7,574	13,150	750
Deferred other	22,339	12,960	8,052
Equity in earnings of associated companies	(26,537)	(26,341)	56,902
Special and non-recurring charges (Note 7)	(5,677)	—	—
Unusual items (Note 8)	(8,132)	(4,669)	(2,155)
Other	—	(4,808)	2,804
Cash provided by operating activities before financing working capital	348,685	364,301	412,540
Cash provided by (used in financing) working capital (Note 13)	14,390	13,396	(40,794)
Net cash provided by operating activities	$ 363,075	$ 377,697	$ 371,746
Investing activities			
Proceeds from sale of fixed assets	$ 20,917	$ 31,866	$ 27,009
Purchase of fixed assets	(200,712)	(208,723)	(248,448)
Purchase of other assets	(13,830)	(16,100)	(9,361)
Purchased on acquisitions (Note 14)			
– Fixed assets	(118,530)	(20,319)	(107,917)
– Other assets	(81,738)	(21,298)	(44,829)
– Long-term investments	(13,025)	—	—
Decrease in working capital relating to investment activities	(4,543)	(3,447)	(5,279)
Proceeds from sale of long-term investments	524	7,011	9,201
Increase in long-term investments			
– ADT Limited and Attwoods plc	—	(57,415)	(52,701)
– Other	(17,150)	(13,685)	(16,341)
Discontinued operations	—	—	(1,804)
Extraordinary items	—	—	(15,850)
Other	—	(2,507)	(9,521)
Net cash used in investing activities	$ (428,087)	$ (304,617)	$ (475,841)
Financing activities			
Net proceeds from share issues and conversions (Note 5)	$ —	$ 217,227	$ 42,175
Increase in long-term debt	444,135	462,769	651,596
Increase in non-current liabilities on acquisitions (Note 14)	237,611	38,045	154,967
Reduction in long-term debt	(532,237)	(747,019)	(754,540)
Dividends	(35,553)	(36,825)	(70,711)
Net cash provided by (used in) financing activities	$ 113,956	$ (65,803)	$ 23,487

The accompanying notes are an integral part of these statements.

1. Summary of significant accounting policies

The consolidated financial statements of Laidlaw Inc. ("the Company") have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP") and all figures are presented in U.S. dollars, as the majority of the Company's operating assets are located in the United States. Except as indicated in Note 13, the consolidated financial statements conform, in all material respects, with accounting principles generally accepted in the United States ("U.S. GAAP").

Consolidation

The consolidated financial statements include the accounts of Laidlaw Inc. and all of its subsidiary companies. All significant intercompany transactions are eliminated. The purchase method of accounting for business combinations has been used.

Inventories

Inventories are valued at the lower of cost, determined on a first-in, first-out basis, and replacement cost.

Long-term investments

Investments in shares of associated companies, over which the Company has significant influence, are accounted for by the equity method. Other long-term investments are carried at cost.

Fixed assets

Landfill sites, preparation costs and improvements are recorded at cost and amortized on the basis of landfill capacity utilized during the year.

Depreciation and amortization of other property and equipment is provided substantially on a straight-line basis over their estimated useful lives which are as follows:

Buildings – 20 to 40 years, and
Vehicles and other – 5 to 15 years.

Other assets

The excess cost of businesses purchased over the fair value of net tangible assets acquired is amortized on a straight-line basis over forty years. Deferred charges are amortized on a straight-line basis over a two to five year period depending on the nature of the deferred costs.

Income taxes

Deferred income taxes are provided for all significant timing differences arising from recognizing certain expenses, principally depreciation, in different periods for income tax and financial reporting purposes.

Deferred items – other

Other deferred items primarily represent the accruals for the non-current portions of environmental and self-insurance liabilities.

Foreign currency translation

The Company's operations are all of a self-sustaining nature. The accounts are translated into U.S. dollars on the following basis:

Assets and liabilities at the exchange rate in effect at the balance sheet date, and
Revenue and expenses at weighted monthly average exchange rates for the year.

Comparative Figures

Certain figures as at August 31, 1992 and for the years ended August 31, 1992 and 1991 have been reclassified to conform to the current period's presentation. These reclassifications have had no effect on the consolidated statements of income and retained earnings.

2. Long-term investments ($000's omitted)

August 31	**1993**	1992
Associated companies – at equity		
ADT Limited		
(market value – $306,735; 1992 – $247,084) (ownership percentage – 23.9%; 1992 – 28.4%)	**$363,509**	$478,093
Attwoods plc		
(market value – $222,127; 1992 – $240,556) (ownership percentage – 29.9%; 1992 – 29.9%)	**244,379**	347,019
	607,888	825,112
Other long-term investments – at cost	**103,279**	85,793
	$711,167	$910,905

In 1993, the Company wrote-down its investments in associated companies to reflect a decline in realizable value that was other than temporary (Note 8). The excess of the carrying value over the Company's share of the underlying net tangible assets of these associated companies of $278.0 million (1992 – $543.1 million) is being amortized on a straight-line basis over forty years.

The investment in Attwoods plc consists of both 84.5 million (1992 – 84.5 million) Ordinary Shares and 47.9 million (1992 – 47.9 million) Convertible Redeemable Preference Shares, which represent 34.8% (1992 – 34.9%) of the votes on a fully converted basis.

In August 1993, ADT Limited completed an issue of 20.7 million shares for net proceeds of approximately $160 million. As the Company did not participate in this offering, its ownership interest declined to 23.9% (1992 – 28.4%), represented by 31.1 million (1992 – 31.1 million) common shares.

Summarized financial information for ADT Limited and Attwoods plc which has been extracted from the most recent audited financial information available, is as follows ($000's omitted):

	ADT Limited Year Ended December 31		Attwoods plc Year Ended July 31	
	1992	1991	**1993**	1992
Revenue	$1,345,300	$1,250,700	$ 550,878	$485,142
Income from operations	181,900	152,500	53,362	53,232
Income (loss) from continuing operations	109,100	(476,700)	40,186	35,956
Net income (loss)	109,100	(514,300)	(103,421)	30,840
Current assets	415,900	536,800	237,023	263,700
Non-current assets	2,265,500	2,406,300	734,849	900,100
Current liabilities	372,100	503,800	160,862	165,700
Non-current liabilities	1,117,100	1,192,500	275,884	190,800
Redeemable preference stock	434,600	485,900	107,633	140,602

ADT Limited provides electronic security services primarily in the United States, Canada and Europe and provides vehicle auction services in the United Kingdom and United States. Attwoods plc provides solid waste management services in the United States, United Kingdom, and Continental Europe, medical waste services in the United States and the rental of portable sanitation and accommodation units in Europe. In 1993, Attwoods plc contracted to sell its metals recycling business in the United States.

3. Fixed assets ($000's omitted)

	August 31, 1993			August 31, 1992		
	Cost	Accumulated Depreciation and Amortization	Net	Cost	Accumulated Depreciation and Amortization	Net
Land, landfill sites and improvements	**$ 927,672**	**$227,740**	**$ 699,932**	$ 966,910	$185,280	$ 781,630
Buildings	**198,684**	**39,565**	**159,119**	174,979	34,596	140,383
Vehicles and other	**1,514,008**	**657,955**	**856,053**	1,446,752	573,692	873,060
	$2,640,364	**$925,260**	**$1,715,104**	$2,588,641	$793,568	$1,795,073

4. Long-term debt ($000's omitted)

August 31	**1993**	1992
Revolving/term bank loans with interest rates, as a result of swap agreements extending to February 1998, averaging 5.86% at August 31, 1993	**$ 266,587**	$ 240,529
9.49% notes due December 29, 1993, with an interest rate, as a result of a swap agreement, of LIBOR plus 0.20%	**155,000**	155,000
10.47% notes due November 1, 1994	**170,000**	170,000
9.03% notes due December 19, 1995, with an interest rate, as a result of a swap agreement, of 8.76%	**230,000**	230,000
$154,991 notes with an interest rate, as a result of swap agreements, of 6.99%, with an average term to 1999 as a result of exercised interest prepayment options	**38,534**	145,410
7.70% debentures due August 15, 2002, of which $150,000, as a result of swap agreements, bear interest at LIBOR plus 0.63%	**200,000**	200,000
7.05% debentures due May 15, 2003, with an interest rate, as a result of a swap agreement, of LIBOR plus 0.63%	**100,000**	—
8.25% debentures due May 15, 2023	**100,000**	—
Notes due at various dates to 1999, with interest rates from 6% to 11%	**160,346**	165,831
	1,420,467	1,306,770
Less current portion	**43,381**	45,878
	$1,377,086	$1,260,892

On August 31, 1993, the Company had available $1,059 million (1992 – $1,218 million) of revolving/term bank credit agreements, of which approximately $703 million (1992 – $914 million) was unused, with interest rates generally at the lower of bank prime rates or money market rates plus fees of approximately 0.50% and commitment fees of 0.125% on the unused available facilities. Revolving periods generally extend for two years and if not extended, the lines, to the extent being used at the end of the revolving period, become repayable in equal semi-annual instalments of principal over the next five years. Under these agreements, the Company is required to maintain certain balance sheet ratios, all of which have been met at August 31, 1993.

Fiscal 1994 principal repayments of $256 million which would otherwise be classified as current portion of long-term debt, have been classified as long-term debt because the Company intends to refinance these borrowings on a long-term basis using the available capacity under its existing bank credit agreements described above.

Based on estimated interest rates currently available to the Company for long-term debt with similar terms and average maturities, the fair value of all long-term debt at August 31, 1993 amounted to approximately $1,467 million.

The aggregate amount of minimum payments required on long-term debt in each of the years indicated below is as follows:

Year ending August 31,	1994	$ 43,381
	1995	256,305
	1996	362,023
	1997	115,644
	1998	95,009
	thereafter	548,105
		$1,420,467

5. Capital stock ($000's omitted except per share amounts)

(a) Authorized

Unlimited numbers of First, Second, Third and Fourth Preference Shares, each of which is issuable in series, are authorized. Unlimited numbers are designated as First Preference Shares Series E, Convertible First Preference Shares Series F and Convertible First Preference Shares Series G.

Unlimited numbers of voting Class A Shares and Class B Non-Voting Shares are authorized. Class B Non-Voting Shares are entitled to certain priorities in the payment of dividends. After payment of a similar amount on the Class A Shares, Class B Non-Voting Shares rank equally in further distributions.

(b) Issued and fully paid preference shares

August 31	**1993**	**1992**
5% Cumulative Convertible First Preference Shares Series G; issued at Cdn $20 per share, convertible into 1.5 Class B Non-Voting Shares upon payment of Cdn. $8 on or before the earlier of February 17, 1994 and the day preceding the date fixed for redemption. They are redeemable prior to February 18, 1994, at the Company's discretion, if the market price of the Class B Non-Voting Shares on the fifth trading day prior to the date on which notice of redemption is given exceeds 125% of the conversion price on the date fixed for redemption, and after February 17, 1994 are redeemable, at the Company's discretion, at Cdn. $20; issued and outstanding 653,070 (1992 – 653,070)	$9,609	$9,609

(c) Material changes in all classes of capital stock since September 1, 1990:

(i) During fiscal 1991, 9,340,248 5% Cumulative Convertible First Preference Shares Series G with a stated value of $137,433 were converted to 14,010,366 Class B Non-Voting Shares. The proceeds from this conversion were $40,233.

(ii) On May 1, 1991, stock options representing 270,000 Class B Non-Voting Shares were exercised for proceeds of $1,942.

(iii) On November 12, 1991, the Company issued 201,857 Class B Non-Voting Shares in the amount of $1,768 as partial consideration for the acquisition of a business.

(iv) On February 20, 1992, the Company issued 23,650,000 Class B Non-Voting Shares for net proceeds of $215,459.

(d) Employee stock option program

Effective in 1984, the Directors of the Company set aside 2,700,000 Class B Non-Voting Shares for issuance under an employee stock option program. Options were granted under this plan on May 1 of each year from 1984 to 1990. These options are exercisable on the 5th anniversary of their date of granting provided that, if the closing price per share on The Toronto Stock Exchange on any of the ten trading days immediately preceding the exercise date of the option is less than the exercise price, the date of exercise is postponed to the next anniversary date of the grant. In 1991, the Directors of the Company set aside ten million Class B Non-Voting Shares for issuance under the 1991 employee stock option program. All options under this plan are for a term of ten years from the date of grant and become exercisable with respect to 20% of the total number of shares subject to the option, one year after the date, and with respect to an additional 20% at the end of each twelve month period thereafter on a cumulative basis during the succeeding four years. Both plans provide for the granting of stock options to certain senior employees and officers of the Company at the discretion of the Board of Directors. All options are subject to certain conditions of service and a non-competition agreement. At August 31, 1993, the aggregate options outstanding entitled holders to purchase 3,719,200 (1992 – 2,834,500; 1991 – 2,019,500) Class B Non-Voting Shares.

Options to purchase Class B Non-Voting Shares have been granted under the 1984 plan as follows:

232,000 Class B Non-Voting Shares at Cdn. $18.42 per share exercisable May 1, 1994

247,750 Class B Non-Voting Shares at Cdn. $14.63 per share exercisable May 1, 1994

419,750 Class B Non-Voting Shares at Cdn. $15.75 per share exercisable May 1, 1994

392,750 Class B Non-Voting Shares at Cdn. $22.75 per share exercisable May 1, 1995

Options to purchase Class B Non-Voting Shares have been granted under the 1991 plan as follows:

564,150 Class B Non-Voting Shares at Cdn. $14.00 per share granted May 1, 1991

837,300 Class B Non-Voting Shares at Cdn. $11.375 per share granted May 1, 1992

1,025,500 Class B Non-Voting Shares at Cdn. $10.875 per share granted May 1, 1993

6. Cumulative foreign currency translation adjustments ($000's omitted)

An analysis of the cumulative foreign currency translation adjustments included in shareholders' equity is as follows:

August 31	**1993**	*1992*
Balance – beginning of year	**$ (74,451)**	$(39,548)
Translation adjustments for the year	**(79,519)**	(34,903)
Balance – end of year	**$(153,970)**	$(74,451)

7. Special and non-recurring charges ($000's omitted)

During the third quarter of fiscal 1993, the Company completed an evaluation of its exposure and investment in its solid waste services segment. This evaluation was initiated due to the continuing decline in profitability of this segment and the fundamental structural changes taking place in the solid waste industry. These changes were the result of evolving environmental legislation and regulations, private and public demands for waste minimization and a weak North American economy. In light of these changes, the Company determined that certain projects commenced in a different political, economic and social environment were no longer economically viable at their then current investment level. Consequently, certain landfill development projects would not proceed as planned, additional planned investments in certain landfills would be reduced resulting in these facilities closing sooner than initially anticipated and the carrying values of certain operations were adjusted to reflect the changed industry characteristics.

During the fourth quarter of fiscal 1993, the Company acquired exclusive, long-term access to a competitor's solid waste landfill in a major U.S. market area. This change in strategy and recent developments in both the solid and hazardous waste services segments triggered the re-evaluation of certain U.S. and Canadian solid waste landfill expansion projects and hazardous waste incineration investments.

As a result, special and non-recurring charges of $120,524 ($74,950 after-tax or $0.27 per share) in the third quarter and $105,000 ($95,000 after-tax or $0.34 per share) in the fourth quarter for a total of $225,524 ($169,950 after-tax or $0.61 per share) in the year were recorded. These charges were substantially of a non-cash nature and were primarily associated with the restructuring of the U.S. solid waste services segment.

0.61

8. Unusual items ($000's omitted)

In 1993, the unusual items of $243,760 (an after-tax loss of $0.88 per share) relate to the write-down of the Company's investments in ADT Limited of $141,584 and in Attwoods plc of $102,176 in order to reflect the Company's determination of a decline in realizable value other than temporary in nature.

In 1991, the unusual items of $461,203 (an after-tax loss of $1.86 per share) consisted primarily of a write-down of the Company's investment in ADT Limited due to the Company's determination of a decline in realizable value other than temporary in nature.

.41

.88

9. Income taxes ($000's omitted)

Income before income taxes and provision for income taxes by geographic area are as follows:

Year Ended August 31	**1993**	1992	1991
Income (loss) from continuing operations before income taxes			
United States and foreign	**$(236,624)**	$182,388	$(277,236)
Canada	**(80,948)**	(13,496)	(26,775)
	$(317,572)	$168,892	$(304,011)
Provision for (recovery of) current income taxes			
United States and foreign	**$ 34,000**	$ 19,750	$ 16,750
Canada	**(12,000)**	(2,500)	7,750
	22,000	17,250	24,500
Provision for (recovery of) deferred income taxes			
United States and foreign	**(37,000)**	6,650	16,500
Canada	**(11,000)**	6,500	(15,750)
	(48,000)	13,150	750
Total provision for (recovery of) income taxes	**$ (26,000)**	$ 30,400	$ 25,250
The Company's effective income tax rates are as follows:			
Combined basic Canadian Federal and Provincial income tax rates	**43.5 %**	43.5 %	43.5 %
Effect of lower tax rates applicable to U.S. and foreign income	**(18.1)**	(22.2)	(25.2)
Effect of lower tax rates applicable to dividend and other income and equity in earnings of associated companies	**(11.4)**	(9.3)	(3.6)
Other	**5.5**	6.0	2.6
Effective income tax rates before effect of special and non-recurring charges and unusual items	**19.5**	18.0	17.3
Effect of special and non-recurring charges (Note 7) and unusual items (Note 8)	**(11.3)**	—	(25.6)
Effective income tax rates	**8.2%**	18.0 %	(8.3)%

Under U.S. GAAP, the Company will be required to adopt the liability method of accounting for income taxes beginning September 1, 1993. The Company has not determined the effect this will have on its results. The Company prepares its financial statements in accordance with Canadian GAAP and any adjustments required to reflect the application of the liability method of accounting for income taxes would be a Canadian-U.S. GAAP reconciling item.

10. Discontinued operations ($000's omitted)

In 1991, the loss of $15,100 from discontinued operations consisted of the Company's share of a loss reported by ADT Limited in its year ended December 31, 1990 in connection with its disposal of assets of discontinued businesses.

11. Extraordinary item ($000's omitted)

In 1992, the extraordinary item consisted of the settlement of a class action suit of $6,100 (net of income taxes of $4,800).

12. Earnings (loss) per share ($000's omitted except per share amounts)

The earnings (loss) per share figures are calculated using the weighted average number of shares outstanding during the respective fiscal years. Assumed conversion of the convertible preference shares and exercise of employee stock options would not be dilutive.

Information required to calculate the basic or primary earnings (loss) per share is as follows:

Year Ended August 31	**1993**	**1992**	**1991**
Income from continuing operations before special and non-recurring charges and unusual items	**$ 122,138**	$138,492	$ 129,942
Preference share dividends	**516**	558	4,570
Income from continuing operations before special and non-recurring charges and unusual items available to common shareholders	**121,622**	137,934	125,372
Special and non-recurring charges (net of tax) (Note 7)	**(169,950)**	—	—
Unusual items (net of tax) (Note 8)	**(243,760)**	—	(459,203)
Income (loss) from continuing operations available to common shareholders	**(292,088)**	137,934	(333,831)
Loss from discontinued operations	—	—	(15,100)
Extraordinary item	—	(6,100)	—
Net income (loss) available to common shareholders	**$(292,088)**	$131,834	$(348,931)
Weighted average number of shares outstanding (in thousands)	**277,188**	266,034	246,734
Earnings (loss) per share			
– Continuing operations			
– before special and non-recurring charges and unusual items	**$ 0.44**	$ 0.52	$ 0.51
– special and non-recurring charges (net of tax)	**(0.61)**	—	—
– unusual items (net of tax)	**(0.88)**	—	(1.86)
	(1.05)	0.52	(1.35)
– Discontinued operations	—	—	(0.06)
– Extraordinary item	—	(0.02)	—
– Net income (loss)	**$(1.05)**	$ 0.50	$(1.41)

13. Statement of changes in financial position ($000's omitted)

Year Ended August 31	**1993**	**1992**	**1991**
Income from continuing operations before special and non-recurring charges and unusual items comprises:			
Income (loss) from continuing operations	**$(291,572)**	$138,492	$(329,261)
Special and non-recurring charges (net of tax) (Note 7)	**169,950**	—	—
Unusual items (net of tax) (Note 8)	**243,760**	—	459,203
	$ 122,138	$138,492	$ 129,942
Cash provided by (used in financing) working capital comprises:			
Trade and other accounts receivable	**$ (23,402)**	$ 15,608	$ (24,774)
Income taxes recoverable	**(5,098)**	(9,235)	(31,223)
Inventories	**1,744**	(1,808)	(1,992)
Other current assets	**5,872**	5,249	(4,706)
Accounts payable and accrued liabilities	**35,274**	3,582	21,901
	$ 14,390	$ 13,396	$ (40,794)

In accordance with Canadian GAAP, the Company defines cash and cash equivalents as cash, short-term deposits and marketable securities which are readily convertible into cash. Under U.S. GAAP marketable securities with an initial maturity greater than three months are excluded from the definition of cash and cash equivalents. These differences would be reflected as follows:

Year Ended August 31	**1993**	1992	1991
Net cash provided by operating activities	**$334,285**	$379,414	$359,036
Cash, short-term deposits and marketable securities – end of year	**91,600**	71,446	62,452

14. Acquisitions ($000's omitted except per share amounts)

During the year ended August 31, 1993, the Company purchased 8 solid waste services businesses, 7 hazardous waste services businesses and 26 passenger services businesses. During 1992, the Company purchased 7 solid waste services businesses, 2 hazardous waste services businesses and 10 passenger services businesses. During 1991, the Company purchased 25 solid waste services businesses, 4 hazardous waste services businesses and 6 passenger services businesses.

These acquisitions have been accounted for as purchases, and accordingly, these financial statements include the results of operations of the acquired businesses from the dates of acquisition. The net assets acquired are summarized as follows:

Year Ended August 31	**1993**	1992	1991
Net tangible assets acquired at book value	**$ 76,729**	$ 22,342	$ 62,348
Increase of net tangible assets to fair value at dates of acquisition	**39,156**	—	47,061
Excess of cost over fair value of net tangible assets acquired	**59,763**	15,112	41,433
Total consideration given	**$175,648**	$ 37,454	$150,842
Total use of working capital on these acquisitions consisted of:			
Non-current assets acquired	**$213,293**	$ 41,617	$152,746
Non-current liabilities assumed	**61,963**	591	4,125
	151,330	41,026	148,621
Long-term debt financing	**175,648**	37,454	150,842
Net increase (decrease) in working capital	**$ 24,318**	$ (3,572)	$ 2,221

Pro forma data (unaudited)

Condensed pro forma income statement data, as if acquisitions each year had been acquired at the beginning of the previous year, are as follows:

Year Ended August 31	**1993**	1992	1991
Income statement data			
Revenue	**$2,150,543**	$2,103,034	$2,008,903
Income from continuing operations before special and non-recurring charges and unusual items	**129,811**	144,600	133,297
Earnings per share from continuing operations before special and non-recurring charges and unusual items	**$0.47**	$0.54	$0.52

15. Commitments and contingencies ($000's omitted)

Lease commitments

Rental expense incurred under operating leases was $39,697, $37,539, and $39,065 in 1993, 1992, and 1991, respectively. Rentals payable under operating leases for premises and equipment are as follows:

Year ending August 31,	1994	$27,776
	1995	20,491
	1996	14,281
	1997	10,480
	1998	8,625
	thereafter	13,652

Legal proceedings

The business of the Company's solid waste and hazardous waste services segments is continuously regulated by federal, state, provincial and local provisions that have been enacted or adopted, regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment. The nature of the Company's business results in it frequently becoming a party to judicial or administrative proceedings involving all levels of governmental authorities and other interested parties. The issues that are involved generally relate to applications for permits and licenses by the Company

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and their conformity with legal requirements and alleged technical violations of existing permits and licenses.

In June 1992, the Ministry of the Environment of the Province of Quebec requested a subsidiary of the Company to advise the Ministry of its intentions concerning the carrying out of certain characterization studies of soil and water and restoration work with respect to certain areas of the subsidiary's property in Ville Mercier. In 1968, the Quebec government issued two permits to an unrelated company to dump organic liquids into lagoons on this property. By 1971, groundwater contamination had been identified. In July 1992, the subsidiary responded by first denying any responsibility for the decontamination and restoration of its site and secondly by proposing the Ministry and the subsidiary form a working group to find the most appropriate technical solution to the contamination problem. In November 1992, the Ministry served the subsidiary with two Notices alleging the subsidiary was responsible for the presence of contaminants on its property and that of its neighbour and ordering the subsidiary to take all the necessary measures to excavate, eliminate or treat all the contaminated soils and residues located within the areas defined in the Notices and to recover and treat all of the contaminated waters resulting from the aforementioned measures or the Ministry would proceed to do the work and would claim from the subsidiary the direct and indirect costs relating to such work. The subsidiary responded by reiterating its position that it had no responsibility for the contamination and proposing to submit the question of responsibility to the Courts for determination. The subsidiary has filed legal proceedings to obtain a Court determination of the liability associated with the contamination of the former Mercier lagoons.

While the final resolution of these proceedings may have an impact on the financial results for a particular period, the Company does not believe that these matters are material to its business or financial condition.

Postretirement benefits

The Company does not provide postretirement benefits to its employees and, accordingly, will not incur any cost arising from the issuance of the U.S. Financial Accounting Standards Board Statement No. 106 – Employers' Accounting for Postretirement Benefits Other Than Pensions.

16. Segmented information ($000's omitted)

	Solid Waste Services			Hazardous Waste Services			Passenger Services		
Year Ended August 31	**1993**	1992	1991	**1993**	1992	1991	**1993**	1992	1991
Revenue	**$756,041**	$ 804,231	$ 773,809	**$511,554**	$458,150	$440,639	**$725,664**	$663,236	$667,978
Income from operations	**60,590***	83,258	92,553	**52,348****	66,611	70,514	**90,748**	87,827	83,767
Total identifiable assets	**954,567**	1,081,431	1,134,637	**994,516**	932,648	897,481	**754,724**	643,692	659,308
Capital expenditures, including acquisitions	**99,999**	75,920	193,744	**147,416**	92,218	155,195	**165,573**	90,883	57,471
Depreciation and amortization	**105,809**	108,342	100,602	**56,961**	55,285	45,405	**71,598**	67,910	67,036

* Before special and non-recurring charges of $191,024 in 1993

** Before special and non-recurring charges of $34,500 in 1993

Geographic

	United States and Europe			Canada		
Year Ended August 31	**1993**	1992	1991	**1993**	1992	1991
Revenue	**$1,456,553**	$1,332,629	$1,329,329	**$536,706**	$592,988	$533,097
Income from operations	**141,217***	148,130	154,751	**62,469****	89,566	92,083
Total identifiable assets	**1,977,248**	1,835,813	1,881,247	**726,559**	821,958	810,179

* Before special and non-recurring charges of $179,324 in 1993

** Before special and non-recurring charges of $46,200 in 1993

Consolidated

Year Ended August 31	**1993**	1992	1991
Revenue	**$1,993,259**	$1,925,617	$1,882,426
Income from operations before special and non-recurring charges	**203,686**	237,696	246,834
Special and non-recurring charges	**(225,524)**	—	—
Interest expense net of other income	**(91,868)**	(108,517)	(107,097)
Equity in earnings of associated companies	**39,894**	39,713	17,455
Unusual items	**(243,760)**	—	(461,203)
Income taxes	**26,000**	(30,400)	(25,250)
Income (loss) from continuing operations	**$ (291,572)**	$ 138,492	$ (329,261)
Total identifiable assets of segments	**$2,703,807**	$2,657,771	$2,691,426
Corporate assets	**871,275**	1,073,678	964,613
Total assets	**$3,575,082**	$3,731,449	$3,656,039
Capital expenditures, including acquisitions	**$ 427,835**	$ 266,440	$ 410,555
Depreciation and amortization	**236,980**	235,517	216,245

17. Quarterly financial information (unaudited) ($000's omitted except per share amounts)

	1993					1992				
	1st	**2nd**	**3rd**	**4th**	**Total**	1st	2nd	3rd	4th	Total
Revenue	**$512,910**	**$469,032**	**$543,772**	**$467,545**	**$1,993,259**	$521,344	$462,459	$517,418	$424,396	$1,925,617
Income from operations before special and non-recurring charges	**72,018**	**47,912**	**66,220**	**17,536**	**203,686**	72,036	53,427	72,338	39,895	237,696
Income before special and non-recurring charges and unusual items	**48,892**	**28,083**	**41,349**	**3,814**	**122,138**	40,577	28,159	44,874	24,882	138,492
Special and non-recurring charges (net of tax)	—	—	**(74,950)**	**(95,000)**	**(169,950)**	—	—	—	—	—
Unusual items (net of tax)	—	—	—	**(243,760)**	**(243,760)**	—	—	—	—	—
Extraordinary item	—	—	—	—	—	—	—	(6,100)	—	(6,100)
Net income (loss)	**48,892**	**28,083**	**(33,601)**	**(334,946)**	**(291,572)**	40,577	28,159	38,774	24,882	132,392
Earnings per share – Income before special and non-recurring charges and unusual items (Note 12)	**$0.18**	**$0.10**	**$0.15**	**$0.01**	**$0.44**	$0.16	$0.11	$0.16	$0.09	$0.52
Earnings (loss) per share – Net income (loss)	**0.18**	**0.10**	**(0.12)**	**(1.21)**	**(1.05)**	0.16	0.11	0.14	0.09	0.50

Selected Financial Information

The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). These consolidated financial statements conform, in all material respects, with accounting principles generally accepted in the United States ("U.S. GAAP"), except for the definition of cash in the Consolidated Statements of Changes in Financial Position (Note 13 of Notes to Consolidated Financial Statements), and the reporting of certain extraordinary items and a prior period adjustment in 1990.

Year Ended August 31	**1993**	1992	1991	1990	1989
	($000's omitted except per share amounts)				
Income Statement Data Under Canadian GAAP					
Revenue	**$1,993,259**	$1,925,617	$1,882,426	$1,737,517	$1,339,396
Income from operations before special and non-recurring charges	**203,686**	237,696	246,834	291,199	239,610
Income from continuing operations before special and non-recurring charges and unusual items	**122,138**	138,492	129,942	265,478	195,404
Income (loss) from continuing operations	**(291,572)**	138,492	(329,261)	265,478	207,710
Income (loss) before extraordinary items	**(291,572)**	138,492	(344,361)	247,928	210,785
Net income (loss)	**(291,572)**	132,392	(344,361)	214,506	210,785
Earnings per share from continuing operations before special and non-recurring charges and unusual items (Note 12)	**0.44**	0.52	0.51	1.10	0.92
Earnings (loss) per share from continuing operations	**(1.05)**	0.52	(1.35)	1.10	0.98
Earnings (loss) per share before extraordinary items	**(1.05)**	0.52	(1.41)	1.02	1.00
Earnings (loss) per share	**(1.05)**	0.50	(1.41)	0.88	1.00
Dividends per Class A Share	**0.126**	0.137	0.268	0.231	0.192
Dividends per Class B Non-Voting Share	**0.126**	0.137	0.268	0.231	0.192
Average number of Class A and Class B Shares (000's)	**277,188**	266,034	246,734	233,522	202,704
Approximate Amounts Under U.S. GAAP					
Income (loss) from continuing operations	**$ (291,572)**	$ 138,492	$ (329,261)	$ 232,056	$ 207,710
Income (loss) before extraordinary items	**(291,572)**	138,492	(344,361)	214,506	210,785
Net income (loss)	**(291,572)**	132,392	(344,361)	199,506	210,785
Earnings (loss) per share from continuing operations	**(1.05)**	0.52	(1.35)	0.96	0.98
Earnings (loss) per share before extraordinary items	**(1.05)**	0.52	(1.41)	0.88	1.00
Earnings (loss) per share	**(1.05)**	0.50	(1.41)	0.82	1.00
Balance Sheet Data (at end of year) Under Canadian GAAP					
Working capital	**$ 246,421**	$ 238,975	$ 266,637	$ 279,888	$ 91,689
Fixed assets, net	**1,715,104**	1,795,073	1,833,764	1,701,648	1,344,316
Total assets	**3,575,082**	3,731,449	3,656,039	3,950,280	2,695,723
Long-term debt	**1,377,086**	1,260,892	1,507,552	1,434,543	899,012
Shareholders' equity	**1,553,310**	1,959,954	1,682,063	2,053,867	1,462,194
Other Data					
Operating margin	**10.2%**	12.3%	13.1%	16.8%	17.9%
Pre-tax margin*	**7.6**	8.8	8.4	17.8	17.2
After-tax margin*	**6.1**	7.2	6.9	15.3	14.6
Return on average common shareholders' equity*	**6.4**	7.5	6.1	15.1	19.0
Return on assets*	**3.3**	3.8	3.5	8.1	9.3
Long-term debt/capital	**43.5**	36.9	44.7	39.2	36.5
Long-term debt/equity	**88.7**	64.3	89.6	69.8	61.5

* *Before special and non-recurring charges and unusual items*

The following table sets forth, for the periods and dates indicated, certain information concerning the Canadian dollar exchange rate for translating United States dollars based on the noon buying rate in New York City for cable transfers payable in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York.

Year Ended August 31	**1993**	1992	1991	1990	1989
High	**Cdn $1.3208**	Cdn $1.2048	Cdn $1.1678	Cdn $1.2068	Cdn $1.2390
Low	**1.2216**	1.1228	1.1422	1.1316	1.1713
Average	**1.2658**	1.1705	1.1553	1.1710	1.1958
End of year	**1.3208**	1.1952	1.1422	1.1545	1.1763

On October 13, 1993, the noon buying rate in New York City for the U.S. dollar, as reported by the Federal Reserve Bank of New York, was Cdn. $1.3293.

The Company's Class A Shares and Class B Non-Voting Shares are listed on the Montreal Exchange, The Toronto Stock Exchange and the New York Stock Exchange.

The following table sets forth the reported high and low sales prices, in Canadian dollars, for the Class A Shares and the Class B Non-Voting Shares on The Toronto Stock Exchange for the periods indicated.

	Class A Shares		Class B Non-Voting Shares	
1992 Fiscal Year	**High**	**Low**	**High**	**Low**
First Quarter	$13.13	$ 8.38	$13.25	$ 8.25
Second Quarter	12.75	8.63	13.00	8.50
Third Quarter	12.50	10.88	12.63	10.75
Fourth Quarter	13.00	9.63	13.13	9.50
1993 Fiscal Year	**High**	**Low**	**High**	**Low**
First Quarter	$11.25	$ 9.00	$11.25	$ 8.63
Second Quarter	12.25	10.50	12.25	10.50
Third Quarter	11.50	9.75	11.38	9.63
Fourth Quarter	10.63	7.88	10.75	7.75

The following table sets forth the reported high and low sales prices, in U.S. dollars, for the Class A Shares and the Class B Non-Voting Shares on the New York Stock Exchange for the periods indicated.

	Class A Shares		Class B Non-Voting Shares	
1992 Fiscal Year	**High**	**Low**	**High**	**Low**
First Quarter	$11.50	$ 7.38	$11.63	$ 7.25
Second Quarter	11.25	7.63	11.25	7.50
Third Quarter	10.50	9.13	10.50	9.13
Fourth Quarter	10.88	8.13	11.00	8.00
1993 Fiscal Year	**High**	**Low**	**High**	**Low**
First Quarter	$ 9.13	$ 7.25	$ 9.13	$ 6.88
Second Quarter	9.50	8.25	9.63	8.25
Third Quarter	9.13	7.63	9.13	7.63
Fourth Quarter	8.50	6.00	8.50	6.00

As of September 30, 1993, there were 1,753 and 7,553 holders of record of Class A Shares and Class B Non-Voting Shares, respectively.

The Company has paid cash dividends every year since 1969. Cash dividends of $0.04 Canadian per Class A Share and Class B Non-Voting Share were paid on each of November 15, 1991, February 15, 1992, May 15, 1992, August 15, 1992, November 15, 1992, February 15, 1993, May 15, 1993 and August 15, 1993. Cash dividends of $0.04 Canadian per Class A Share and Class B Non-Voting Share have been declared payable on November 15, 1993.

Holders of record of Class A Shares and Class B Non-Voting Shares with U.S. addresses will receive dividends in U.S. dollars based on the then current exchange rate. Dividends paid to non-residents of Canada will be subject to Canadian non-resident withholding tax at the rate of 25% unless reduced by an applicable tax treaty. The present treaty reduced rate for U.S. residents is generally 15%. A holder who is not resident in Canada will not be subject to Canadian capital gains taxes on the disposition of Class A Shares or Class B Non-Voting Shares unless they are taxable Canadian property within the meaning of the Income Tax Act of Canada and the non-resident is not entitled to relief under an applicable tax treaty.

Corporate Information

DIRECTORS

PETER N.T. WIDDRINGTON*
Chairman of the Board
The Toronto Blue Jays Baseball Club

JAMES R. BULLOCK*
President and
Chief Executive Officer
Laidlaw Inc.

MICHAEL A. ASHCROFT
Chairman and
Chief Executive Officer
ADT Limited
(Electronic security and vehicle auction company)

WILLIAM P. COOPER*
President and
Chief Executive Officer
Cooper Corporation Limited
(Construction company)

RONALD K. GAMEY†
Executive Vice-President
Canadian Pacific Limited
(Management company)

DONALD M. GREEN, C.M.†
Chairman and
Chief Executive Officer
Tridon Limited
(Automotive and industrial parts manufacturing)

JAMES F. HANKINSON*
President and
Chief Operating Officer
Canadian Pacific Limited
(Management company)

MERVYN H. LAHN†
Corporate Director

RALPH J. SAZIO
Retired Executive

WILLIAM W. STINSON
Chairman and
Chief Executive Officer
Canadian Pacific Limited
(Management company)

** Member of the Executive Committee*
† Member of the Audit Committee

OFFICERS

PETER N.T. WIDDRINGTON
Chairman of the Board

JAMES R. BULLOCK
President and
Chief Executive Officer

IVAN R. CAIRNS
Senior Vice President and
General Counsel

LESLIE W. HAWORTH
Senior Vice President and
Chief Financial Officer

KENNETH W. WINGER
Senior Vice President,
Corporate Development

GLENNA L. CARR
Vice President, Corporate Affairs

JEFFREY CASSELL
Vice President, Risk Management

WILLIAM R. COTTICK
Associate General Counsel and
Secretary

DONALD L. SCHWIEG
Vice President, Technology

PAUL J. VAN DAMME
Vice President, Controller

THOMAS A.G. WATSON
Vice President, Communications

MAJOR SUBSIDIARIES

LAIDLAW ENVIRONMENTAL SERVICES
William E. Stilwell, *President*

LAIDLAW TRANSIT
John R. Grainger, *President*

LAIDLAW WASTE SYSTEMS
Kenneth L. Lyons, *President*

OTHER MAJOR INTERESTS

ADT LIMITED
ATTWOODS plc

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Mellon Securities Trust Company
120 Broadway
New York, New York
10271

ANNUAL MEETING

Laidlaw Inc.'s Annual Meeting will be held at 11:00 a.m., January 12, 1994 at the Royal York Hotel, Ballroom, 100 Front Street West, Toronto, Ontario, Canada.

FORM 10-K

A copy of the Company's Annual Report on Form 10-K for 1993 may be obtained without charge by writing to Laidlaw Inc.

VERSION FRANÇAISE

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