





## Lake Ontario Cement Limited

2 Carlton Street,  
Toronto, Ontario M5B 1J6

Lake Ontario Cement Limited is the only Canadian controlled public cement company. Through its three major operating groups — Cement, Pipe, and Building Products — the Corporation operates 31 plants in Ontario, Quebec, Michigan and New York State, producing and marketing cement, ready-mixed concrete, concrete block, brick and pipe, and a variety of pre-cast concrete products for sewer and water systems.

Through recent acquisitions and investments, the Corporation now manufactures and markets a patented interlocking concrete block system used to control erosion, will produce a range of construction chemicals, and supplies aggregates and other materials to the construction industry.

Denison Mines Limited, a major Canadian resource company, holds approximately 54% of the outstanding shares of the Corporation.

### COVER:

*Interlocking concrete block installed by Soil Protection Systems Inc., a newly acquired subsidiary of the Corporation. This unique product is laid on the bottom and slopes of canals, rivers, channels and shorelines to stabilize soil and prevent erosion.*



*Technology plays an important role in the efficient operation of many of the Corporation's manufacturing facilities. At the Picton, Ontario cement plant, an advanced monitoring system called an AGA Cemscanner monitors the temperature of the 280 foot long No.4 kiln 15 times per second. Moving along the kiln, the Cemscanner identifies "hot spots" — the abnormal heating that can occur in clinker manufacturing. This early warning system, which is one of the first and most sophisticated operations of its kind in North America, reduces kiln downtime and costly re-bricking.*

## Financial highlights

for the year ended December 31		1984	1983			
Financial						
Sales .....		\$147,797,269	\$120,744,556			
Net earnings before extraordinary item .....		5,881,106	2,463,466			
Extraordinary item .....		429,100	—			
Net earnings for the year .....		6,310,206	2,463,466			
Cash flow from current operations .....		14,176,675	7,295,080			
Capital expenditures .....		4,668,041	9,768,819			
Working capital .....		28,098,093	25,099,596			
Long-term debt (non-current portion) .....		32,623,896	34,836,991			
Shareholders' equity .....		47,792,363	43,635,387			
Per common share						
Net earnings						
Before extraordinary item .....		\$ 1.37	\$ 0.57			
After extraordinary item .....		1.47	0.57			
Cash flow from current operations .....		3.29	1.69			
Dividends .....		0.50	0.50			
Shareholders' equity .....		10.14	9.17			
Statistical data						
Number of common shareholders .....		2,259	2,394			
Number of common shares outstanding .....		4,306,461	4,306,461			
Quarterly sales and net earnings						
(dollars in thousands except per share)						
	Sales		Net earnings or (loss)		Net earnings or (loss) per share	
	1984	1983	1984	1983	1984	1983
1st quarter	\$ 15,523	\$ 15,333	\$(3,395)	\$(2,946)	\$(0.79)	\$(0.68)
2nd quarter	39,075	30,565	1,647	1,035	0.38	0.24
3rd quarter	48,978	41,112	3,867	1,976	0.90	0.46
4th quarter	44,221	33,734	3,762	2,398	0.88	0.55
	\$147,797	\$120,744	\$ 5,881	\$ 2,463	\$ 1.37	\$ 0.57
Extraordinary item	—	—	429	—	0.10	—
	\$147,797	\$120,744	\$ 6,310	\$ 2,463	\$ 1.47	\$ 0.57

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## Report to shareholders



Stephen B. Roman,  
*Chairman of the Board.*



John D. Fowler,  
*President and Chief Executive Officer.*

Improved economic conditions, product diversification and productivity improvements combined to produce record financial results for the Corporation in 1984.

Consolidated sales in the 12 months ended December 31, 1984 totalled \$147,797,269, an increase of 22% over \$120,744,556 in 1983. Consolidated net earnings for 1984 were \$6,310,206 or \$1.47 per share which represented a substantial gain over earnings of \$2,463,466 or \$0.57 per share in 1983. Included in the results for 1984 is an extraordinary gain of \$429,100 (\$0.10 per share), a benefit arising from a tax reassessment of an acquired business which was subsequently amalgamated.

### *Factors affecting performance*

The improved performance of the Corporation was primarily the result of three factors. The first and most significant factor was an expanding economy in the United States and, to a lesser extent, in Canada. Secondly, the performance reflects the positive results of the Corporation's strategy of product and market diversification that was initiated in 1980. Thirdly, the continuing programs to increase productivity have resulted in ongoing improvements in the use of the human, financial and physical resources of the Corporation.

Stronger demand for cement and concrete products occurred in 1984 and the improved sales results for the year were largely accounted for through higher product volumes rather than improved prices. Competitive pressures tended to restrain

selling prices and in particular extreme price cutting continued to be a feature of the Metropolitan Toronto ready-mixed concrete market.

In the U.S., the recovery was led by market strength in the defence, automobile and housing sectors. As well, the "Buy America" cement restrictions of the U.S. Surface Transportation Assistance Act were set aside in March, 1984. As a result, Canadian cement is now permitted in the construction of U.S. federally-funded projects for highway construction. However, protectionism and other non-tariff barriers remain a continuing concern. Such impediments to trade between Canada and the United States, as well as between provinces, must be avoided if economic stability is to be achieved in the North American marketplace.

The Canadian economic recovery in 1984 was less dramatic than in the U.S., with continuing concerns over interest rates, excess plant capacity and the need to rebuild balance sheets. Leading elements in the Canadian recovery included exports and auto sales. As well, activity in the development of serviced land for housing and an increase in housing starts from the low rates of the recent recession provided an improved market for the Corporation.

### *Economic and business outlook*

Although interest rates eased in late 1984, the threat of higher credit costs remained. There is continuing concern that interest rates may again move higher in 1985, leading to a slowdown of growth in Canada and the United States.

Housing, a sector particularly sensitive to interest rate movements,



has slowed since the substantial increase in mortgage rates that occurred in late 1983. Canadian housing starts, after peaking in May, 1983, have declined to annual rates in the 140,000 — 145,000 range, well below previous levels. However, a reasonably strong level of activity is expected in other construction sectors.

Housing starts in the U.S. are expected to decline to the 1.6 million level in 1985 from the 1.8 million starts in 1984. This projected 1985 level remains well above the recession low of approximately one million starts. However, in the U.S., renovation and modernization programs are underway to upgrade infrastructure. The public construction sector, depressed in recent years due to fiscal restraints, is now reviving, with work proceeding on streets, highways, bridges, sewers and other facilities.

Overall, the Corporation expects the demand for cement in major markets to show moderate growth in 1985. Sales volumes of pipe and building products are expected to be marginally higher, reflecting some anticipated improvement in construction activity. We also look forward to a more reasonable price pattern for our products and an improvement in profit margins.

#### **Acquisitions**

During the year our strategy of market and product diversification resulted in investments in three new companies to produce or manufacture products related to the cement, concrete and building products/construction industry.

- Soil Protection Systems Inc., a wholly owned subsidiary company,

manufactures and markets a patented, interlocking concrete block system used to control erosion on shorelines and waterways and for related applications. The company has the exclusive licence for this patented system for Canada, west of Quebec, and the bordering U.S. states, west of Syracuse, New York.

- Euclid Chemical Canada Inc., 51% owned by the Corporation and 49% by Euclid Chemical Company of Cleveland, Ohio, will manufacture and market licensed products in the construction chemicals field in Canada. A manufacturing facility has been established in Markham and operations are expected to begin early in 1985.

- United Aggregates Ltd., one-third owned by the Corporation, is a company established to provide a secure aggregate supply for the Corporation as well as to offer an additional product line to the construction industry. Products are marketed under the trade name of Armbro™. United Aggregates Ltd. operates three aggregate facilities in Ontario along with one ready-mixed concrete operation.

#### **Organization and management**

Continued growth and diversification necessitated a partial reorganization of functions within the corporate office during 1984. Mr. Denis R. T. White, previously Senior Vice-President Administration and Finance, who is also a Director of the Corporation, was named Senior Vice-President, Corporate Development. In addition to his administrative responsibilities, he now is responsible for strategic planning, acquisitions and business development.

As part of the reorganization, Mr. R. John Anderson has joined the Corporation as Vice-President, Controller and Treasurer.

Two other senior management appointments were made in 1984. Mr. Michael E. Doran was named Vice-President, Marketing for the Cement Group and Mr. John R. Coome was appointed General Manager of Soil Protection Systems Inc.

On behalf of the Board of Directors I would like to sincerely thank all employees of the Corporation for their support and assistance during the year. Their efforts, coupled with the loyalty of our customers, have been essential to our continued strength and growth.



J.D. Fowler  
*President and Chief Executive Officer*  
January 10, 1985



## Corporate perspective

Lake Ontario Cement Limited pursues a policy of growth based on product and market diversification. In implementing this policy the Corporation has evolved as much more than a manufacturer of cement.

A substantial share of our sales volumes and earnings is derived from other, though closely related, products: ready-mixed concrete, concrete block, brick, pipe and a wide range of concrete products used in the construction of bridges, culverts and similar infrastructure. Acquisitions and investments in 1984 further broadened the range of products offered and the markets served.

Five years ago (*see chart*), cement manufacturing accounted for 73% of the Corporation's sales volume and the remainder was contributed by the Building Products Group. The breakdown of sales in 1984 — cement 44%, pipe and building products 56% — underlines the results of the Corporation's strategy of diversification.

By its nature, our industry is subject to broad cyclical economic turns and, in particular, the ups and downs of the construction industry. As well, geographical location and the resulting limitations on moving our products, along with a relatively narrow product base, all have an impact on our operations. To reduce our vulnerability, the Corporation has charted a strategic direction to secure our market base and open the way for expansion and growth.

Important elements in our growth objective are acquisitions of the type undertaken in 1984.

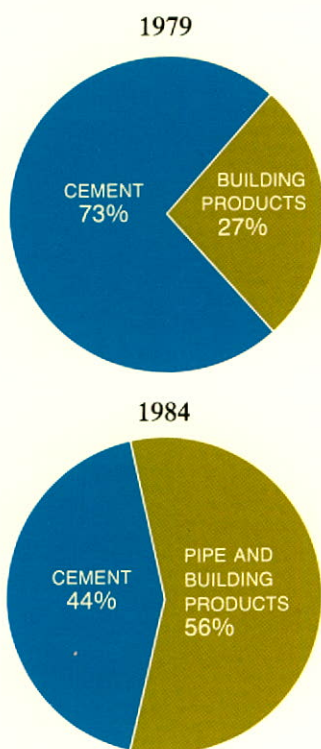
Growth from current operations is also a key element of ongoing profitability. In this regard the Corporation emphasizes engineering technology, innovation and effective marketing in all sectors. A further step planned to strengthen operations will be an expanded program of research and product development in both the Pipe and Building Products Groups, to be started in 1985.

Productivity improvement is also essential to continued growth. In this area, benefits have been realized from activities that include transportation efficiency through the use of the M/V "Stephen B. Roman"; improved operations at the Picton facilities that provide maximum efficiency through changes in scheduling, fuel use and plant operation; closer integration of ready-mixed concrete operations; and a variety of cost reduction programs.

Supporting these approaches to growth and diversification is the Corporation's cement manufacturing operation. The long-term outlook for cement is a sound one. Cement is the binding agent for all concrete products which, in turn, are essential for major construction projects, houses, other buildings, transportation facilities and necessary infrastructure.

While the demand for cement in Canadian markets is expected to expand slightly, there is a stronger uptrend anticipated in many United States markets. Estimates of overall Canadian consumption for 1985 are 6.42 million tonnes, the same as for 1984. Within the Ontario/Quebec market, 1985 projections call for consumption of 3.65 million tonnes, a slight increase over 1984 consumption of 3.62 million tonnes. In the U.S., the forecast for 1985 is 85.2

Distribution of Sales



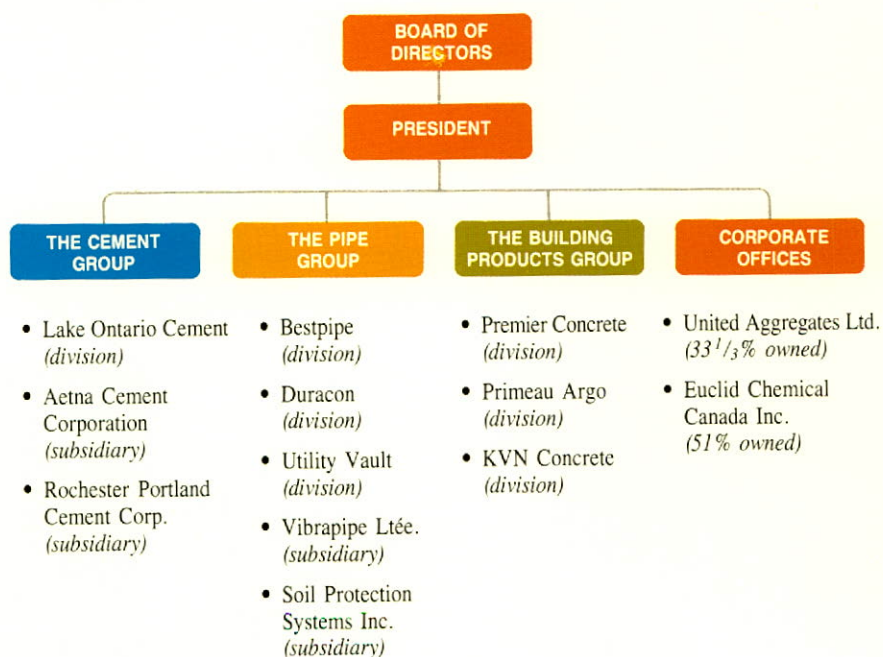




*The Corporation's Management Committee, (left to right) Gordon G. Weeks, President, The Building Products Group; Denis R.T. White, Senior Vice-President, Corporate Development; Ken Bruce, President, The Pipe Group; John D. Fowler, President and Chief Executive Officer, Lake Ontario Cement Limited; Joseph S. Pal, President, The Cement Group; R. John Anderson, Vice-President, Controller and Treasurer.*

million tons, up from 83.3 million tons in 1984. The Corporation is planning for future growth with these demand trends in mind and will seek acquisitions of, or investments in, sound companies operating in, or related to, the concrete/cement industry.

The Corporation has established a strong position within its present markets in the eastern Great Lakes Region of North America. This industrial heartland includes major commercial and industrial centres, a population of over 32 million, more than 11 million households, annual housing starts of over 150,000 and yearly construction values running to approximately \$12 billion. It is a region with the prospect of stability, long-term vitality and growth that will provide the Corporation with opportunities for expansion, further diversification and profitability.





## The Cement Group

### Review of operations

Shipments of cement by the Corporation rose by approximately 13% in the year. The Michigan market was particularly strong while demand in the Western New York market area improved by 5%. Shipments to Ontario customers recovered from the depressed levels of the previous two years.

The Group produced approximately one million tons of cement in 1984 and productivity was improved by 7% over 1983 levels. This improvement was the result of a major program to reduce costs through improved efficiency in the use of manpower, fuel and other key expense items.

Markets are serviced from the Corporation's manufacturing plant at Picton, Ontario, near the eastern end of Lake Ontario. This plant is one of the largest and most modern in North America. Shipments are made directly to customers and to various distribution depots to serve customers in their market areas.

The following table indicates the trends in cement consumption in the Corporation's major markets.

#### Total Industry Demand (million tons)

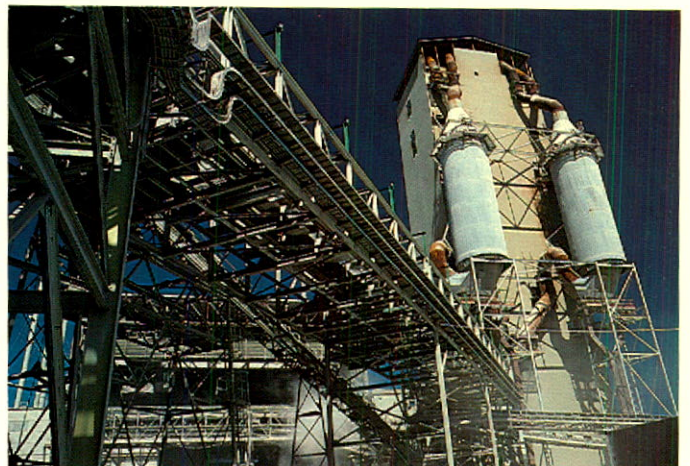
	1983	1984	1985
	Actual	Estimated	Forecast
Ontario	2.30	2.40	2.60
Western New York	.78	.82	.84
Michigan	1.50	1.80	2.00

In the Corporation's Michigan market, continuing strength in the

*Specialty types of cement have been moving from the Picton plant, bound for Rochester, New York and its major on-going program of sewer renovation and expansion. The contractors, requiring a cement of low alkalinity, used the Corporation as supplier of the type V cement product.*

*The Rochester project involves miles of tunnelling through the city's centre and the installation of concrete sewers, some reaching over 20 feet in diameter. For the first section of the project, underway in 1984, some 140,000 cubic yards of concrete were poured, utilizing cement from the Picton plant.*

*The world-class cement plant at Picton, Ontario has an annual capacity of 1.3 million tons. It is one of the largest in North America.*





automobile industry, coupled with a reconstruction program, led to higher cement demand for the second successive year. Total industry demand rose by approximately 20% in 1984.

The total value of construction increased by over 38% in 1984 and should show a further gain in 1985. Housing starts are expected to continue to show strength.

This market is served by Aetna Cement Corporation, a wholly-owned subsidiary of Lake Ontario Cement Limited. Aetna's plant, located at Essexville, Michigan, produces Portland and masonry cements from clinker shipped from Picton.

Rochester Portland Cement Corp., a wholly-owned subsidiary, serves the Western New York State market from facilities in Rochester and Rome. It obtains product from Picton. Cement demand in this market continued to trace a relatively stable trend. Cement consumption is expected to increase slightly in 1985. This market is regarded as mature and, in the longer term, is expected to remain level.

A significant factor in U.S. markets has been an improvement in business and public spending on construction projects, as well as an increase in housing activity. The U.S. Surface Transportation Assistance Act, designed to spur the renovation and upgrading of roads

and bridges, is expected to exert a positive influence over the next few years.

Cement consumption in Ontario, which had remained relatively flat the previous year, advanced by a moderate 4% in 1984, led by an improving level of activity in Metropolitan Toronto.

The overall economic environment in Ontario in 1985 should be one of stability, with moderate increases in housing starts and in building permits for non-residential, commercial and institutional government construction.



*The use of the latest technology ensures the Picton plant will operate as efficiently as possible to reduce downtime and increase productivity.*

*Limestone "benches", located adjacent to the plant, provide ready access to various grades of raw material to make different types of cement. The range of finished cement product enables the Corporation to meet a wide spectrum of specifications in the market.*



## The Pipe Group

Higher sales volumes of concrete pipe and related products were achieved during the year by the Pipe Group. The severe price competition that prevailed in 1983 abated in 1984 in most of the Group's major markets. The more reasonable price levels, together with ongoing programs to increase productivity and reduce expenses, resulted in improved profit margins. The Pipe Group manufactures a full range of concrete pipe and fittings, manholes, catchbasins, and precast

reinforced box sections for culverts, storm sewers, small bridge replacements and water course relocations. Manufacturing is carried out at plants in Kitchener, Guelph, Metcalfe and Mississauga in Ontario, and at a plant in Blainville, Quebec. Included in the Group are the operations of Bestpipe, Duracon, Utility Vault and Vibrapipe Ltée.

In addition, the newly acquired company, Soil Protection Systems Inc., has been added to the operations of the Group. This new company markets an innovative, unique

system of erosion control for canals and waterways. It adds a further dimension to the Group's wide range of pipe and concrete products.

Markets for the Group's products in 1985 should be stronger. Overall construction activity has improved from the recession period and expectations are that this trend will continue. In Ontario, however, it is anticipated that there will be little or no change in construction activity related to highways, bridges and sewage systems because of continuing restrictions in government budgets.



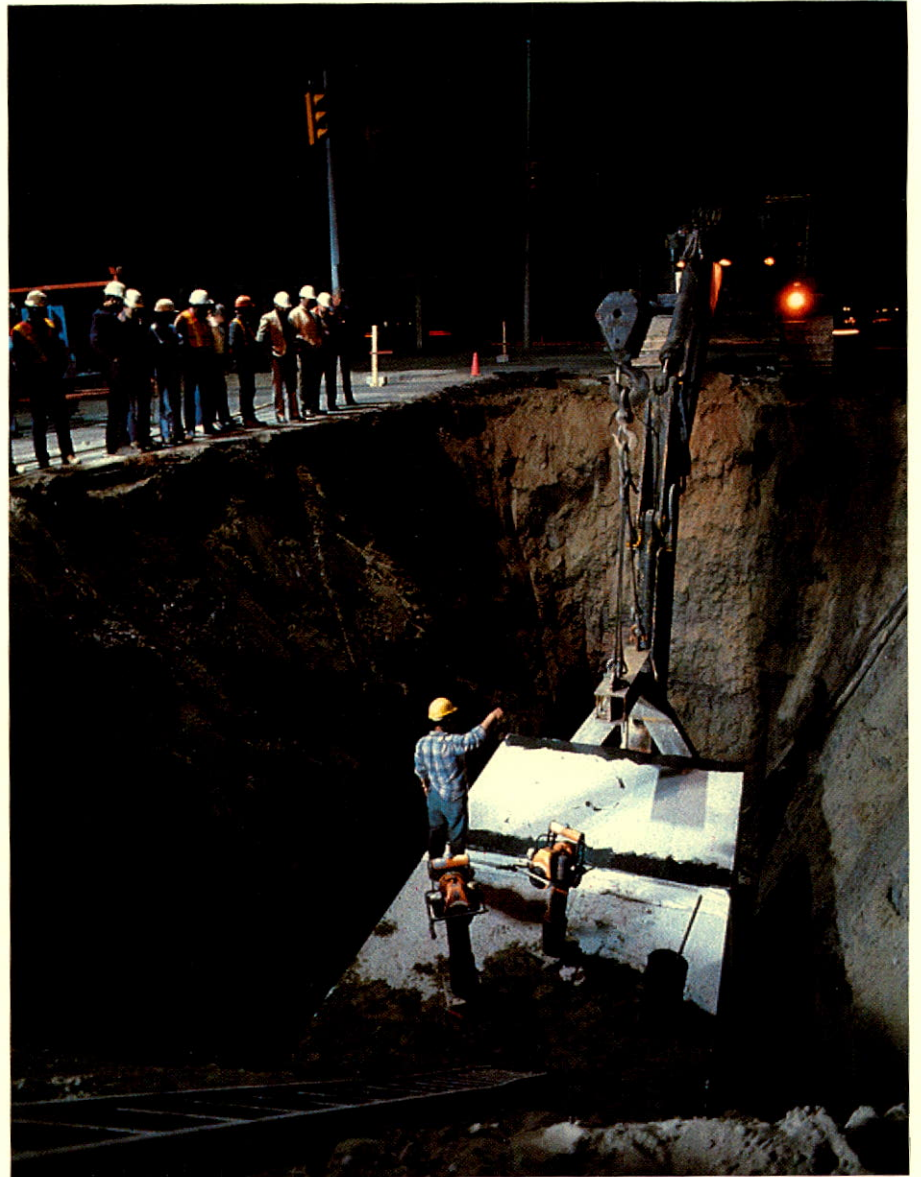
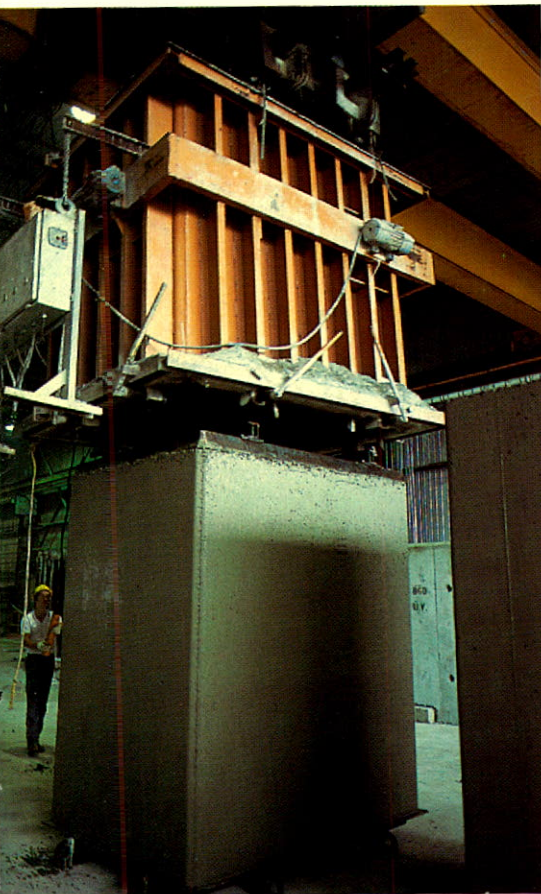
*Aggressive marketing, and a full range of products for a variety of requirements, help the Pipe Group's various divisions compete in the marketplace. The wide product range means that an installing contractor can turn to the Group for all requirements, and select products by quality and size to fill the needs of any particular job.*

*The Group seeks to be innovative and provide new product development to meet market needs. An example: "Flat Bed Bestseal Pipe" is a flatbottomed but otherwise round pipe with steel end ring joints for superior performance. This pipe makes it easier and less costly for a contractor to prepare a soil bed for pipe installation.*





Quebec experienced stronger growth in 1984, moving up from a very low recessionary base in the first part of the 1980s. While housing starts and building permits may improve, construction of roads and bridges is not expected to show significant increases in 1985. However there is optimism in the area of sewage projects where a ten year program has been introduced by the provincial government to upgrade water treatment and sewage facilities within the province.



Close timing, coordination and speed were the prime requirements when a large-scale box culvert was to be installed under the busy four-lane Highway No. 7 in Markham, near the northeastern border of Metropolitan Toronto. The contractor, working under the pressure of time, used Utility Vault for the supply of rectangular pipe to create the culverts. The job began at 6 p.m., traffic was diverted to two temporary lanes, the highway surface was broken into and a trench prepared, the pipe laid, and the highway returned to normal operations — all by 6 o'clock the next morning. Similar projects often have required several days to complete. The overnight job involved coordination of supplier, contractor, and both highway and town employees. The correct quality of product, the right size (manufactured specifically for this job) and the ability to deliver were factors in the selection of the Pipe Group for this project. The total completed culvert is 575 metres long, has a rise of 2.7 metres and has a span of 2.4 metres.



## The Building Products Group

Sales volumes for the Group improved in 1984 as the Ontario economy continued to make a moderate recovery from the recessionary levels of 1982 and 1983.

The Building Products Group manufactures and markets ready-mixed concrete, concrete block, calcite (concrete) brick and related products. It produces ready-mixed concrete at 10 locations in Ontario and block and brick at two Metropolitan Toronto sites and at one in Windsor.

While demand in the Toronto ready-mixed concrete market was strong, price competition continued to pose a serious problem and profit margins were adversely affected through 1984. However, the Group improved its strong position in this important market and there is a reasonable expectation that price levels will improve in 1985. Sales volumes in other ready-mixed concrete markets in Ontario were strong during the year.

Sales of block and brick continued to advance in 1984. Calcite brick

made further penetration into brick markets as this product line gains increasing acceptance. While housing starts eased down from the rate experienced in the recovery peak of 1983, brick sales increased due to increased use in housing, industrial and commercial building projects.

Housing starts are a key factor for the Group's business. In Ontario they are expected to be in the area of 44,000 units in 1985 compared with some 42,000 in 1984, and they should show some continuing increases in 1986 and 1987. Building

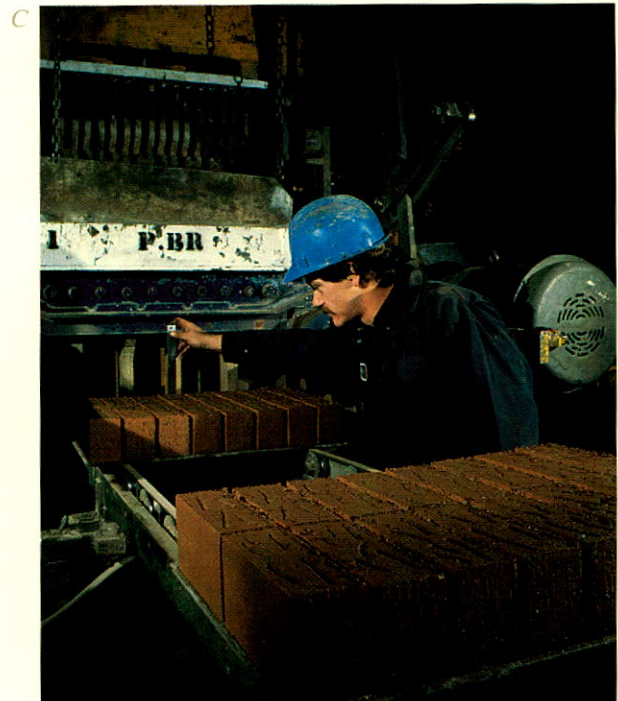


*Flexibility and the ability to deliver product on time were the essential factors for the Building Products Group to be selected as supplier in a large-scale plant construction job for General Motors in Oshawa. Working with a contractor, Premier Concrete supplied 30,000 cubic metres of ready-mixed concrete.*

*In order to meet the delivery requirements for the GM project, a portable plant (A) was temporarily located in Oshawa. A Premier plant, located in the east end of Toronto, was also called upon for production. In addition, the Building Products Group received an order for 850,000 blocks for this project.*



permits are expected to increase again with the exception of permits for industrial building. The industrial sector in Ontario remains a weak spot, with no significant advances likely in manufacturing plant expansion in 1985. Overall, conditions should generate an improvement in both unit volumes and average selling prices for ready-mixed concrete, block and brick in 1985.



(B) The Building Products Group continues to develop innovative, new products for the block and brick market. The Group was chosen to supply concrete block for a new Hudson's Bay Company store in the large Woodbine Plaza in the western area of Metropolitan Toronto. Architects specified a new moisture-resistant material and a new water-repellent block, developed by the Group's Primeau Argo division, met the specification. The result was that the Group shipped one of its largest orders of architectural blocks — 58,000 blocks. About 164,000 regular blocks were also supplied.

(C) Calcite (concrete) brick is making greater inroads into the industrial, commercial and residential building markets. This high quality aesthetic brick has become an economical alternative to many facing materials.



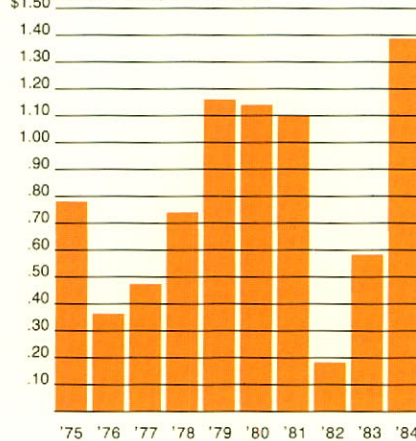
## Financial review

Earnings of \$6,310,206 (\$1.47 per share) in 1984 reached a record level compared with \$2,463,466 (\$0.57 per share) earned in 1983.

As a result of the overall economic recovery, the quantities of all products sold increased in the 10% - 15% range. In addition to benefiting from the market recovery, the Corporation realized savings from cost reduction programs which have significantly improved productivity. Earnings for the year were also improved by an extraordinary gain of \$429,100, which reflected a benefit arising from a tax reassessment of an acquired company which was subsequently amalgamated. The strong market demand experienced during the second half of 1984 is continuing and it is anticipated that sales should show some improvement in 1985.

### NET EARNINGS PER SHARE

BEFORE EXTRAORDINARY ITEMS



### Financial Results

Consolidated sales for 1984 were \$147,797,269 compared with \$120,744,556 in 1983. This 22% improvement was mainly a result of increased sales volumes for all products. Revenues, however, continued

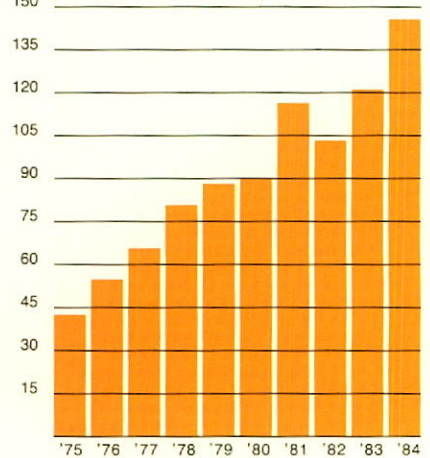
to be adversely affected by downward pressure on selling prices in key market areas. Profit margins have improved as a result of the increased volumes and the benefits from the productivity improvement programs which were implemented over the last two years. The gross profit margin of 22% returned to the level of profitability experienced prior to the 1982 recession.

Selling, general and administrative expenses increased over 1983 levels, reflecting increased business activity and inflation. Expressed as a percentage of sales, these expenses were 11%, the same level as in 1983.

Interest expenses in 1984 increased to \$5,534,893 compared with \$4,661,665 in 1983. This increase was primarily due to an increase in working capital requirements in the fourth quarter.

### SALES

\$ MILLIONS

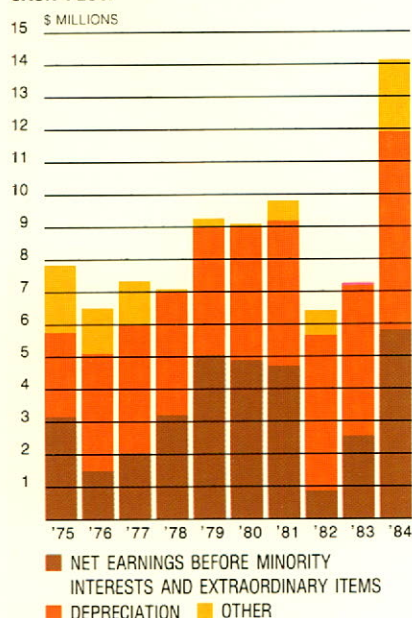


### Cash Flow

Cash flow from operations before working capital requirements was \$14,176,675 compared to \$7,295,080 in the previous year.



## CASH FLOW



## Investment Activities

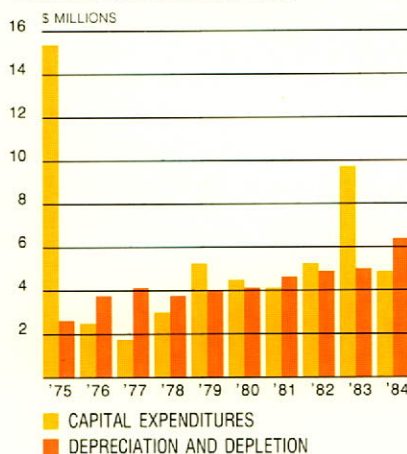
A number of investments were made during 1984. In February, the Corporation acquired Soil Protection Systems Inc., a manufacturer of a patented concrete system for erosion and water resource control. In August, the Corporation, together with a U.S. chemical company, formed Euclid Chemical Canada Inc., 51% owned by the Corporation, to manufacture and distribute construction chemicals in Canada.

In September, the Corporation acquired a one-third interest in United Aggregates Ltd., a new company operating two sand and gravel pits, a stone quarry and a ready-mixed concrete operation, all located in Ontario.

Capital expenditures for 1984 totalled \$4,668,041. The capital expenditure program was directed at maintaining production facilities, completing environmental and safety projects and undertaking cost-savings projects with high rates of return. The \$9,768,819 level of expenditures the previous year mainly related to the purchase and

conversion of the Corporation's bulk cement carrier, the M/V "Stephen B. Roman".

## CAPITAL EXPENDITURES DEPRECIATION AND DEPLETION



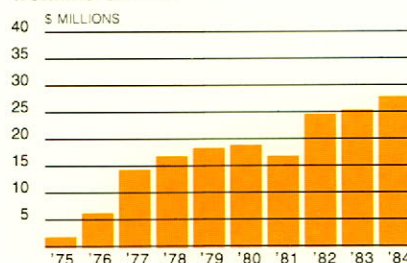
## Dividends

Dividend payments during 1984 totalled \$2,153,230, the equivalent of 50¢ per share, and were paid in four instalments of 12½¢ per share. The Corporation has paid dividends since 1973 and the current rate of dividend has been maintained since 1981.

## Working Capital

The working capital at December 31, 1984 was \$28,098,093 compared with \$25,099,596 at the end of 1983. The increase reflected higher accounts receivable and inventories due to increased business activity in 1984. Management will continue to focus attention on programs to reduce the investment in inventories and in accounts receivable.

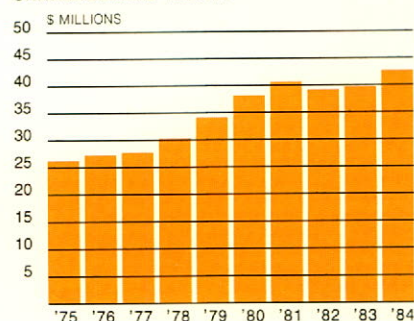
## WORKING CAPITAL



## Financial Position

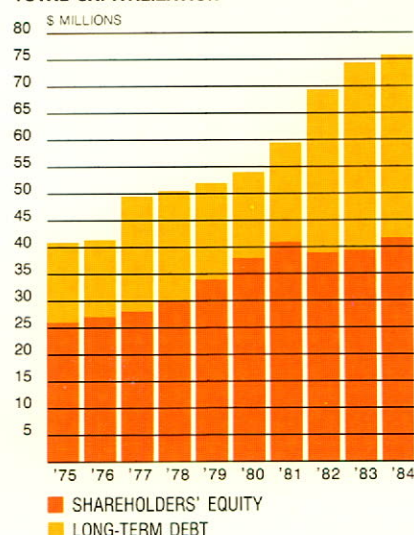
Long-term debt (non-current portion) amounted to \$32,623,896 at the end of 1984 compared to \$34,836,991 at the end of 1983. Current bank debt totalled \$8,331,423, compared to \$7,373,747 for 1983.

## SHAREHOLDERS' EQUITY



The shareholders' equity at the end of 1984 was \$10.14 per share compared with \$9.17 per share a year earlier. The Corporation has a debt to equity ratio of 0.75 to 1.0. It is management's policy to maintain a strong balance sheet position with a favourable debt to equity ratio. As a result, the Corporation is in a position to take advantage of acquisition or other expansion opportunities as they develop.

## TOTAL CAPITALIZATION





# Consolidated Financial Statements

*for the year ended December 31, 1984*



## Auditors' Report

### To the Shareholders of Lake Ontario Cement Limited

We have examined the consolidated balance sheet of Lake Ontario Cement Limited as at December 31, 1984 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of foreign currency translation as explained in note 2 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Toronto, Ontario,  
January 7, 1985

Coopers & Lybrand,  
Chartered Accountants



# Consolidated Balance Sheet *as at December 31*

	1984	1983
<b>Assets</b>		
<b>Currents assets</b>		
Accounts receivable .....	\$ 28,967,761	\$ 23,455,605
Inventories (note 3) .....	24,768,210	23,378,674
Prepaid expenses .....	2,126,976	1,997,148
	55,862,947	48,831,427
Long-term investment (note 4) .....	2,353,073	—
Fixed assets (note 5) .....	64,215,093	65,559,359
	\$122,431,113	\$114,390,786
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank indebtedness .....	\$ 8,331,423	\$ 7,373,747
Accounts payable and accrued liabilities .....	13,677,615	11,534,439
Income taxes payable .....	2,756,335	2,013,703
Long-term debt due within one year (note 6) .....	2,999,481	2,809,942
	27,764,854	23,731,831
Long-term debt (note 6) .....	32,623,896	34,836,991
Deferred income taxes (note 7) .....	14,250,000	12,186,577
	74,638,750	70,755,399
<b>Shareholders' equity</b>		
Share capital (note 9) .....	4,306,461	4,306,461
Contributed surplus .....	4,896,161	4,896,161
	9,202,622	9,202,622
Retained earnings (note 7) .....	38,589,741	34,432,765
	47,792,363	43,635,387
	\$122,431,113	\$114,390,786

Signed on behalf of the Board of Directors

C.D. Parmelee, *Director*

J.D. Fowler, *Director*

*(The accompanying notes are an integral part of this financial statement.)*



## Consolidated Statement of Earnings

for the year ended December 31

	1984	1983
Sales .....	\$147,797,269	\$120,744,556
Cost of sales .....	115,113,296	98,336,408
Gross profit .....	32,683,973	22,408,148
Expenses		
Selling, general and administrative .....	16,280,974	13,356,017
Interest on long-term debt .....	4,206,201	3,827,520
Other interest expense .....	1,328,692	834,145
	21,815,867	18,017,682
Operating profit .....	10,868,106	4,390,466
Provision for income taxes (note 8) .....	4,987,000	1,927,000
Net earnings before extraordinary item .....	5,881,106	2,463,466
Extraordinary item (note 10) .....	429,100	—
Net earnings for the year .....	\$ 6,310,206	\$ 2,463,466
Net earnings per share before extraordinary item .	\$1.37	\$0.57
Net earnings per share .....	\$1.47	\$0.57

## Consolidated Statement of Retained Earnings

for the year ended December 31

	1984	1983
Retained earnings — beginning of year as previously reported .....	\$34,613,545	\$34,226,529
Adjustments of prior years' translation of foreign currency amounts (note 2) .....	180,780	104,000
As restated .....	34,432,765	34,122,529
Net earnings for the year .....	6,310,206	2,463,466
	40,742,971	36,585,995
Dividends .....	2,153,230	2,153,230
Retained earnings — end of year .....	\$38,589,741	\$34,432,765

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



# Consolidated Statement of Changes in Financial Position

for the year ended December 31

	1984	1983
<b>Cash provided (used)</b>		
<b>Operations</b>		
Net earnings before extraordinary item .....	\$ 5,881,106	\$ 2,463,466
<b>Noncash items included in the determination of net earnings</b>		
Depreciation, depletion and amortization .....	6,351,119	5,163,586
Deferred income taxes .....	2,097,523	(331,972)
Increase in operating working capital .....	(4,041,152)	(1,202,393)
Other .....	(153,073)	—
Funds provided from current operations .....	10,135,523	6,092,687
Dividends paid .....	(2,153,230)	(2,153,230)
Extraordinary item (note 10) .....	429,100	—
Net cash flow from operations .....	8,411,393	3,939,457
<b>Financing activities</b>		
Long-term debt issued .....	450,000	8,000,000
Capital lease obligations assumed .....	—	320,133
Long-term debt repaid .....	(2,987,596)	(5,152,937)
	(2,537,596)	3,167,196
<b>Investing activities</b>		
Property, plant and equipment purchased .....	(4,631,473)	(9,104,393)
Acquisitions (note 4) .....	(2,200,000)	—
	(6,831,473)	(9,104,393)
<b>Increase in current bank loans .....</b>	<b>\$ (957,676)</b>	<b>\$(1,997,740)</b>

The increase in current bank loans represents the change in short-term bank indebtedness resulting from the cash flow derived from operations, financing and investment activities. The 1983 data have been restated to conform to this definition.

*(The accompanying notes are an integral part of this financial statement.)*



# Notes to Consolidated Financial Statements

for the year ended December 31, 1984

## 1. Summary of significant accounting policies

### (a) Basis of consolidation

The consolidated financial statements include the accounts of Lake Ontario Cement Limited and all subsidiary companies. The operations and earnings of businesses acquired are consolidated with those of the Corporation from the dates of acquisition, using the purchase method. The equity method of accounting is used to record the long-term investment.

### (b) Foreign currency translation

The United States subsidiaries are considered to be an integral part of the Corporation's operations and therefore the Corporation applies the temporal method of accounting for the translation of foreign currency amounts into Canadian dollars. Under this method, current assets (except inventories), current liabilities and long-term debt are translated at year-end currency exchange rates. Other assets, liabilities, sales and expenses are translated at the average rate of exchange for the month when they were acquired or incurred. Unrealized exchange gains and losses on translation of long-term debt are deferred and amortized on a straight-line basis over the remaining repayment periods; other gains or losses are reflected in the statement of earnings for the year.

### (c) Inventories

(i) Finished and semi-processed products are stated at the lower of average cost and net realizable value. Cost includes attributable direct costs and overheads other than depreciation.

(ii) Raw materials, fuel supplies and maintenance and repair parts are stated at the lower of cost (generally average cost) and replacement cost.

### (d) Depreciation

Assets are depreciated over their estimated useful lives, using the straight-line method, with the rate adjusted for certain categories in accordance with established criteria to reflect variations from normal utilization.

The rates of depreciation used are:

Land improvements	5% to 10%
Buildings and structures	2½% to 10%
Machinery and equipment	5% to 10%
Vehicles and mobile equipment	10% to 20%
Marine transportation equipment	6⅔%
Leased equipment	16% to 28%

Depletion of mineral deposits is recorded on a unit of production basis using estimated reserves.

## 2. Change in accounting policy

Effective January 1, 1984 the Corporation adopted, on a retroactive basis, the new foreign currency translation recommendations of the Canadian Institute of Chartered Accountants. The United States subsidiaries are considered to be an integral part of the Corporation's operations and, as such, their results have been consolidated using the temporal method.

The prior years' financial statements have been restated to conform with this new policy. The 1983 net earnings previously reported have decreased through such restatement by \$76,780 or 2 cents per share.

As a result of adopting the new foreign currency translation method, the net earnings in 1984 were reduced by \$136,448 or 3¢ per share.

## 3. Inventories

Inventories consist of:

	1984	1983
Finished and semi-processed products	\$13,367,948	\$12,317,998
Raw materials and fuel supplies	5,756,293	6,061,458
Maintenance and repair parts	5,643,969	4,999,218
	\$24,768,210	\$23,378,674

## 4. Acquisitions

### (a) Long-term investment

Effective September 5, 1984 the Corporation paid \$2,200,000 for a one-third interest in United Aggregates Ltd., a company operating sand and gravel pits, a stone quarry and a ready-mixed concrete operation. United Aggregates Ltd. will be a supplier to the Corporation and a purchaser of cement from the Corporation. The results of the operations for the period from the date of acquisition to December 31, 1984 are not material.

The equity method of accounting is used to record the investment as the Corporation's acquisition of a one-third share reflects a significant level of influence. Under the equity method the original cost of the shares is adjusted for the Corporation's share of earnings or losses less dividends received.

### (b) Acquisition of subsidiary

The Corporation acquired 100% of the shares of Soil Protection Systems Inc. in February, 1984. As the purchase cost was not material, the acquisition has been recorded as a purchase of property, plant and equipment.



## 5. Fixed assets

(a) Fixed assets consist of:

		1984		1983
	Cost	Accumulated depreciation and depletion	Net	Net
Land and land improvements .....	\$ 8,147,701	\$ 1,041,791	\$ 7,105,910	\$ 6,561,748
Mineral properties .....	2,852,802	838,241	2,014,561	2,021,855
Buildings and structures .....	21,824,393	9,798,144	12,026,249	12,782,707
Machinery and equipment .....	69,452,913	39,118,682	30,334,231	31,225,987
Vehicles and mobile equipment .....	14,545,671	9,965,885	4,579,786	4,171,648
Marine transportation equipment .....	8,797,414	787,066	8,010,348	8,518,568
Leased equipment .....	572,555	428,547	144,008	276,846
	<b>\$126,193,449</b>	<b>\$61,978,356</b>	<b>\$64,215,093</b>	<b>\$65,559,359</b>

(b) Included in the cost of fixed assets at December 31, 1984 are fully depreciated assets with an original cost of \$17,477,585.

## 6. Long-term debt

Long-term debt consists of:

	1984	1983
9.75% debenture due 1985 - 1994 .....	\$ 8,620,000	\$ 9,480,000
Term bank loans at optional rates of interest, based on Canadian prime or banker's acceptances, U.S. prime or Eurodollar rates:		
— Due 1985-1991 — effective rate at December 31, 1984 — 11.2% .....	6,500,000	7,500,000
— Due 1992 — effective rate at December 31, 1984 — 11.3% .....	15,000,000	15,000,000
Demand bank loan at Canadian prime interest rate with repayments scheduled monthly 1985-1987 .....	1,881,000	2,625,000
Term bank loan due 1986, with the interest rate based on U.S. prime or Eurodollar rates. Effective rate at December 31, 1984 — 11.2% (U.S. \$2,000,000) .....	2,417,228	2,280,780
Miscellaneous mortgages and notes due 1985-1990, with average interest rates of approximately 10% .....	1,034,107	450,497
Capital portion of lease obligations due 1985-1986, with the interest rate averaging 16.5% .....	171,042	310,656
	<b>35,623,377</b>	<b>37,646,933</b>
Less: Current portion .....	<b>2,999,481</b>	<b>2,809,942</b>
	<b>\$32,623,896</b>	<b>\$34,836,991</b>



The aggregate repayments of principal required to meet debt obligations, other than obligations under capital leases, in each of the next five years are as follows:

1985 .....	\$2,882,819
1986 .....	5,283,725
1987 .....	2,521,043
1988 .....	1,917,597
1989 .....	1,924,571

The debenture is payable in annual instalments of \$860,000 and is secured by a first mortgage on the manufacturing facility in Picton, by a floating charge on substantially all other property, plant and equipment of the Corporation and by a pledge of the shares of U.S. subsidiary companies.

The \$15,000,000 term bank loan is unsecured, but the Corporation has undertaken to provide the lender with security ranking pari passu to any future security that may be given to any other lender, other than for indebtedness incurred to acquire property or equipment. The principal amount is repayable in full at the end of the term or alternatively, at the option of the Corporation, in a series of scheduled amounts over the final six years of the loan.

The \$6,500,000 term bank loan is secured by a first mortgage on the Corporation's marine transportation equipment and is repayable in semi-annual instalments of \$500,000.

Both the debenture and the term bank loans contain a number of covenant conditions imposing maintenance of minimum levels of equity and working capital and limiting the amount of debt the Corporation may assume. In addition, the debenture agreement allows the payment of dividends up to 50% of post-1973 consolidated net earnings, provided that consolidated net tangible assets are not reduced below a specified level.

## 7. Deferred income taxes

The total deferred income taxes to December 31, 1984 amount to \$18,372,000, of which \$4,122,000 is not recorded in the accounts. Until December 31, 1967, deferred income taxes were reported by note to the financial statements. On January 1, 1968, the Corpora-

tion changed its method and, from that date, has recorded subsequent deferred income taxes in the accounts.

## 8. Income taxes

The Corporation's effective income tax rate is made up as follows:

	1984	1983
Combined basic federal and provincial income tax rates (including the corporate surtax) .....	51.0%	51.5%
Manufacturing and processing profits deduction .....	(6.8)	(6.8)
Inventory allowance .....	(2.0)	(4.6)
Investment tax credits .....	(1.4)	(4.1)
Non-deductible items .....	1.5	3.2
Other .....	4.1	5.2
Tax rate applicable to Canadian operations .....	46.4	44.4
Effect of foreign income tax rates .....	(0.5)	(0.5)
Tax rate on earnings before extraordinary item .....	45.9%	43.9%

## 9. Share capital

The Corporation is authorized to issue an unlimited number of common and preferred shares without nominal or par value. At December 31, 1984, 4,306,461 fully paid common shares only were issued and outstanding.

## 10. Extraordinary Item

The Corporation has recognized a net benefit of \$429,100 arising from a tax reassessment of an acquired company which was subsequently amalgamated.

## 11. Commitments and contingencies

The Corporation has entered into a number of lease agreements, mainly for property. The future minimum lease payments under capital and operating leases that



have terms in excess of one year as at December 31, 1984 are as follows:

	Capital leases	Operating leases
1985 .....	\$136,000	\$1,179,000
1986 .....	57,000	1,080,000
1987 .....	—	943,000
1988 .....	—	721,000
1989 .....	—	640,000
Subsequent .....	—	950,000
Total minimum lease payments .....	193,000	\$5,513,000
Less: Amount representing interest ....	22,000	
Obligations under capital leases .....	\$171,000	

## 12. Pension plans

The Corporation has a number of employee retirement pension plans covering substantially all employees. Current service pension costs amounting to \$718,949 in 1984 (\$1,015,779 in 1983) were charged against earnings and funded based upon the recommendations of independent consulting actuaries. Based on the December 31, 1983 consultants' reports, an actuarial unfunded liability in respect of past service amounting to approximately \$1 million is being amortized over varying periods up to eleven years.

## 13. Segmented information

The Corporation operates in what is considered to be a single industry, namely cement and concrete products. Its products are sold in a limited regional geographic area adjacent to the Great Lakes.

In the geographic analysis data shown opposite, Canadian information relates to manufacturing and distribution operations for cement and concrete products. United States information relates only to the secondary grinding and distribution of cement. The

profitability of the two geographic segments is affected by the different markets served and the transfer prices established to handle the significant movement of product between the Corporation's Canadian and United States facilities. Management cautions that these figures should not be regarded as an absolute indication of the comparative profitability of the geographic areas in which the Corporation operates.

### Geographic analysis for the year ended December 31

	1984	1983
Sale of products to outside customers:		
Canada .....	\$103,425,313	\$ 83,356,269
United States .....	44,371,956	37,388,287
Inter-area sales by:		
Canada .....	42,761,769	38,483,509
United States .....	130,947	121,935
	190,689,985	159,350,000
Elimination of inter-area sales ..	42,892,716	38,605,444
Total sales per consolidated statement of earnings .....	\$147,797,269	\$120,744,556
Contributions to earnings from:		
Canadian operations .....	\$ 8,601,398	\$ 5,184,060
United States operations .....	2,266,708	(793,594)
	10,868,106	4,390,466
Less: Provision for income taxes	4,987,000	1,927,000
Net earnings before extraordinary item .....	\$ 5,881,106	\$ 2,463,466
Identifiable assets analyzed by geographic area:		
Canada .....	\$104,774,621	\$ 99,131,676
United States .....	17,656,492	15,259,110
Total assets per consolidated balance sheet .....	\$122,431,113	\$114,390,786



## Ten year financial summary

*Dollars in thousands, except amounts per share*

	1984	1983	1982
<b>Operating results</b>			
Sales .....	\$147,797	\$120,744	\$102,509
Cost of sales .....	115,113	98,336	82,069
Gross profit .....	32,684	22,408	20,440
Selling, general and administrative expenses .....	16,281	13,356	12,951
Interest on long-term debt .....	4,206	3,828	4,000
Other interest .....	1,329	834	1,950
	21,816	18,018	18,901
<b>Operating profit</b> .....	10,868	4,390	1,539
Provision for income taxes .....	4,987	1,927	805
Net earnings before the following: .....	5,881	2,463	734
Minority interest in net earnings of subsidiary company .....			
Extraordinary items .....	429		
<b>Net earnings for the year</b> .....	\$ 6,310	\$ 2,463	\$ 734
<b>Balance Sheet</b>			
Working capital .....	\$ 28,098	\$ 25,100	\$ 24,926
Fixed assets — net .....	64,215	65,559	61,542
Long-term debt .....	32,624	34,837	30,624
Deferred income taxes (2) .....	18,372	16,309	16,640
Shareholders' equity (2) .....	\$ 43,670	\$ 39,513	\$ 39,203
<b>Other information</b>			
Cash flow from current operations (1) .....	\$ 14,177	\$ 7,295	\$ 6,428
Capital expenditures .....	4,668	9,769	5,159
Depreciation, depletion and amortization .....	6,351	5,164	4,871
Common share price range			
High .....	10.00	9.00	7.00
Low .....	\$ 7.00	\$ 6.25	\$ 4.55
Number of common shareholders .....	2,259	2,394	2,645
Return on average shareholders' equity (1 & 2) .....	14.1%	6.3%	1.8%
<b>Per common share</b>			
Earnings (1) .....	\$ 1.37	\$ 0.57	\$ 0.17
Cash flow from current operations (1) .....	3.29	1.69	1.49
Common dividends .....	0.50	0.50	0.50
Shareholders' equity (2) .....	\$ 10.14	\$ 9.17	\$ 9.10

Notes: (1) Before extraordinary items.

(2) After full provision for deferred income taxes — see notes to the consolidated financial statements.

(3) Data for the years 1981, 1982 and 1983 have been restated to reflect the change in foreign exchange accounting policy — see note 2 to the consolidated financial statements.



1981	1980	1979	1978	1977	1976	1975
\$114,925	\$89,346	\$88,317	\$78,364	\$64,641	\$54,845	\$41,833
89,926	69,992	69,340	64,186	53,167	44,810	31,469
24,999	19,354	18,977	14,178	11,474	10,035	10,364
11,432	8,031	7,539	6,470	5,494	4,753	3,449
2,772	2,148	2,299	2,277	2,023	1,615	1,553
2,757	843	326	362	637	1,001	(8)
16,961	11,022	10,164	9,109	8,154	7,369	4,994
8,038	8,332	8,813	5,069	3,320	2,666	5,370
3,329	3,475	3,854	1,902	1,262	1,126	2,045
4,709	4,857	4,959	3,167	2,058	1,540	3,325
		(16)	(17)	(50)	(55)	
	575	950				
\$ 4,709	\$ 5,432	\$ 5,893	\$ 3,150	\$ 2,008	\$ 1,485	\$ 3,325
\$ 16,428	\$18,667	\$18,503	\$16,836	\$14,821	\$ 6,909	\$ 2,393
58,987	49,263	49,265	48,546	49,126	48,817	48,207
18,975	15,274	17,784	20,245	21,338	15,239	15,698
15,817	14,589	14,467	14,168	14,168	13,146	11,842
\$ 40,622	\$38,067	\$34,573	\$30,166	\$27,877	\$26,730	\$26,106
\$ 9,855	\$ 9,071	\$ 9,326	\$ 7,116	\$ 7,258	\$ 6,386	\$ 7,770
4,125	4,469	5,128	3,132	1,848	2,325	15,434
4,525	4,092	4,056	3,937	4,024	3,688	2,769
8.50	7.50	6.25	5.87	3.60	4.20	3.85
\$ 5.75	\$ 5.00	\$ 4.85	\$ 3.25	\$ 3.05	\$ 3.05	\$ 2.80
2,769	3,052	3,237	3,598	3,915	4,094	4,187
12.0%	13.3%	15.3%	10.9%	7.4%	5.6%	13.4%
\$ 1.09	\$ 1.13	\$ 1.15	\$ 0.73	\$ 0.47	\$ 0.35	\$ 0.77
2.29	2.11	2.17	1.65	1.69	1.48	1.81
0.50	0.45	0.35	0.20	0.20	0.20	0.15
\$ 9.43	\$ 8.84	\$ 8.03	\$ 7.01	\$ 6.48	\$ 6.21	\$ 6.07



## Directors and corporate information

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### DIRECTORS

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Rudolph P. Bratty, Q.C.  
Toronto, Ontario  
Partner, Gambin, Bratty

Edward P. Curtis, Jr.  
Rochester, New York  
President, Genesee Public Affairs Inc.

John D. Fowler  
Toronto, Ontario  
President and Chief Executive Officer,  
Lake Ontario Cement Limited

Richard H. Grimm  
Toronto, Ontario  
Director of Professional Tournaments,  
Royal Canadian Golf Association

G. Ernest Jackson  
Toronto, Ontario  
Senior Vice-President,  
Reed Stenhouse Limited

Donald J. Matthews  
London, Ontario  
Chairman, Matthews Group Limited

E. Bruce McConkey  
Toronto, Ontario  
Vice-Chairman,  
Denison Mines Limited

John A. Mullin, Q.C.  
Toronto, Ontario  
Partner, Fraser & Beatty

Charles D. Parmelee  
Toronto, Ontario  
Executive Vice-President,  
Denison Mines Limited

Franklin Rittmueller  
Frankenmuth, Michigan  
Chairman of the Board  
and President, New Century  
Banking Corporation

Stephen B. Roman, K.C.S.G., LL.D.  
Toronto, Ontario  
Chairman and Chief Executive  
Officer, Denison Mines Limited

Denis R.T. White  
Toronto, Ontario  
Senior Vice-President,  
Corporate Development,  
Lake Ontario Cement Limited

### OFFICERS

---

Stephen B. Roman, K.C.S.G., LL.D.  
Chairman of the Board

Charles D. Parmelee  
Vice-Chairman of the Board

John D. Fowler  
President and Chief Executive Officer

Denis R.T. White  
Senior Vice-President,  
Corporate Development

R. John Anderson  
Vice-President, Controller  
and Treasurer

J. Scott Cowan  
Secretary

Ken Bruce  
President, The Pipe Group

Joseph S. Pal  
President, The Cement Group

Gordon G. Weeks  
President,  
The Building Products Group

John A. Clarke  
Vice-President, Cement  
Manufacturing

### HEAD OFFICE

---

2 Carlton Street, Toronto, Ontario  
M5B 1J6  
(416) 977-0611  
Telex: 06-218738

### AUDITORS

---

Coopers & Lybrand,  
Toronto, Ontario

### TRANSFER AGENT AND REGISTRAR

---

Guaranty Trust Company  
of Canada,  
Toronto, Ontario

### STOCK LISTING

---

Toronto Stock Exchange  
Stock Symbol "LOP"

### ANNUAL MEETING

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The Annual Meeting of the  
shareholders of Lake Ontario  
Cement Limited will be held  
in the Quebec Room, Main  
Mezzanine Floor, Royal York  
Hotel, 100 Front Street West,  
Toronto, Ontario on Tuesday,  
February 12, 1985 at 11:00 a.m.  
(E.S.T.)



## Lake Ontario Cement Limited operating groups

### THE CEMENT GROUP

2 Carlton Street,  
Toronto, Ontario M5B 1J6  
(416) 977-0611

J.S. Pal, *President*  
J.A. Clarke, *Vice-President,*  
*Cement Manufacturing*  
M.E. Doran, *Vice-President,*  
*Marketing*

#### Lake Ontario Cement (Canada) Sales Office:

2 Carlton Street, Toronto, Ontario  
M5B 1J6  
(416) 977-0611

R.K. Post, *General Sales Manager,*  
*Canada*

#### Cement Manufacturing Plant:

Highway 49, Picton, Ontario  
K0K 2T0  
(613) 476-3233

L.P. Finnegan, *Plant Manager*

#### Aetna Cement Corporation

Main Street,  
Essexville, Michigan 48732  
(517) 894-4581

K.L. Neering, *Vice-President,*  
*Sales and Marketing*

L.D. Van Sumeren, *Controller*

A.M. Walraven, *Plant Manager*

#### Rochester Portland Cement Corp.

361 Boxart Street,  
Rochester, New York 14612  
(716) 663-7272

H.W. Ingmire, *Vice-President, Sales*

### JOINT INVESTMENT COMPANIES

#### Euclid Chemical Canada Inc.

2 Carlton Street,  
Toronto, Ontario M5B 1J6  
(416) 977-0611

G.G. Weeks, *President*

### THE BUILDING PRODUCTS GROUP

2 Carlton Street,  
Toronto, Ontario M5B 1J6  
(416) 977-0611

G.G. Weeks, *President*  
S.W. Knott, *Vice-President,*  
*Operations Analysis*

#### Premier Concrete — Western Ontario Region

1625 Shawson Drive,  
Mississauga, Ontario L4W 1T7  
(416) 678-9540

A.S. Frayne, *General Manager*

#### Premier Concrete — Eastern Ontario Region

949 Wilson Avenue,  
Downsview, Ontario M3K 1G2  
(416) 633-2180

V.F. Butler, *General Manager*

#### Primeau Argo

949 Wilson Avenue,  
Downsview, Ontario M3K 1G2  
(416) 635-9905

G.R. Wilson, *General Manager*

#### KVN Concrete

949 Wilson Avenue,  
Downsview, Ontario M3K 1G2  
(416) 633-2180

V.F. Butler, *General Manager*

### THE PIPE GROUP

2 Carlton Street,  
Toronto, Ontario M5B 1J6  
(416) 977-0611

K. Bruce, *President*

#### Bestpipe

245 Strasburg Road,  
Kitchener, Ontario N2G 3Y9  
(519) 745-8406

R.S. Wood, *Vice-President and*  
*General Manager, Ontario*

Highway 31,  
Metcalf, Ontario K0A 2P0  
(613) 821-1291

R.H. Sachs, *Area Manager,*  
*Ottawa*

#### Vibrapipe Ltée

648 Boulevard Labelle,  
Blainville, Quebec J7C 2J2  
(514) 430-7650

H.D. Daigle, *General Manager,*  
*Quebec*

#### Duracon

1850 Britannia Road East,  
Mississauga, Ontario L4W 1J3  
(416) 677-1600

A.P. Greer, *Vice-President and*  
*General Manager*

#### Utility Vault

Puslinch Sideroad 25,  
Guelph, Ontario N1H 6H9  
(519) 836-8250

R.S. Wood, *Vice-President and*  
*General Manager*

#### Soil Protection Systems Inc.

50 Steeles Avenue West,  
Suite No. 20,  
Milton, Ontario L9T 4W9  
(416) 878-4135

J.R. Coome, *General Manager*

#### United Aggregates Ltd.

35 Van Kirk Drive, Unit 20A,  
Brampton, Ontario L7A 1A5  
(416) 454-4200

B.F. Burkart, *President*



## Lake Ontario Cement Limited

2 Carlton Street,  
Toronto, Ontario M5B 1J6



### *Lake Ontario Cement Limited facilities and markets*

The Corporation operates facilities in Ontario, Quebec, Michigan and New York State. Markets are served by land-based transport as well as Great Lakes vessels including the M/V "Stephen B.

Roman". The market area serviced by the Corporation includes major commercial and industrial centres, a population of over 32 million people, more than 11 million households, annual housing starts of over 150,000 and yearly construction values of approximately \$12 billion.



*M/V "Stephen B. Roman", with an 8,500 ton capacity, provides efficient transportation to move cement from the Picton plant to various markets on the Great Lakes.*

