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On peut obtenir un exemplaire du rapport
annuel en français en écrivant à l'adresse
suivante :
Corporate Secretary
Maclean Hunter Limited
Maclean Hunter Building
777 Bay Street
Toronto, Ontario
M5W 1A7



MACLEAN HUNTER *is a diversified communications corporation operating in Canada, the United States, and Europe with over 11,000 employees and revenue of \$1.3 billion.*

CORPORATE VALUES

The managers of Maclean Hunter's operating divisions are guided by a set of ten corporate values that have given the Company its character and contributed to its success for more than a century.

They are to:

• Hire and keep the best people • Stay close to the customer • Lead in our markets • Make products to be proud of • Decentralize decisions • Behave ethically in all dealings • Reward employee initiative • Share profits with employees • Be market-driven not product-driven • Make work enjoyable.

CORPORATE PLAN

Operating decisions are based on a well-defined corporate plan, summarized in these six points:

- We will stay exclusively within the communications business, primarily in North America and Europe.*
- All investments that fall into the normal-risk category will achieve a minimum after-tax return on net assets employed of 15%. In relatively lower-risk investments (eg. in most Cable TV operations), a minimum after-tax return of 12% may be more appropriate.*
- All properties that do not measure up to the corporate plan's objectives will require approval for continuance.*
- We will own, if not a majority interest, at least effective control of all activities.*
- The Company will pay 40% of the previous year's after-tax earnings in dividends.*
- We will manage our growth so that any new venture or acquisition will not jeopardize the future stability of the Company.*



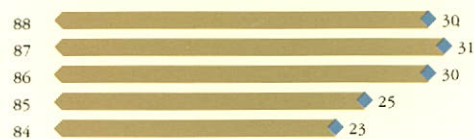
		Increase		Increase	
	(millions of dollars except per share data)	(%)		(%)	
OPERATING SUMMARY	1988		1987		1986
Revenue	\$1,302	16	\$1,125	16	\$974
Operating income	190	—	190	18	160
Income before extraordinary items	96	13	85	22	69
PER SHARE DATA					
Income before extraordinary items	62¢	15	54¢	20	45¢
Dividends declared					
Class X	21.0¢		17.5¢		15.38¢
Class Y	22.25¢		18.75¢		16.63¢
FINANCIAL POSITION AT YEAR-END					
Working capital	\$ 86		\$128		\$ 67
Fixed assets	446		370		339
Intangible assets and goodwill	287		216		198
Investment in Selkirk Communications Limited	606		—		—
Assets and capital employed	1,595		873		791
Long-term debt					
Operations	154		93		146
Debt to acquire Selkirk Communications Limited	604		—		—
Total long-term debt	758		93		146
Convertible debentures	33		52		54
Shareholders' equity	556		482		393
RATIOS					
Operating return on revenue	15%		17%		16%
Operating return on average assets employed	20%		23%		22%
Return on average shareholders' equity plus debentures	17%		18%		18%
Current assets to current liabilities	1.4:1		1.6:1		1.4:1
Total long-term debt to shareholders' equity plus debentures	1.3:1		0.2:1		0.3:1
Pro forma long-term debt to shareholders' equity plus debentures*	0.8:1				
EMPLOYEES					
Number of employees	11,276		9,545		9,889
SHARE PRICES					
Year End Closing					
Class X	\$13.25		\$9.81		\$9.50
Class Y	11.50		8.63		8.75
Current (March 8, 1989)					
Class X	13.13				
Class Y	11.50				

*Assumes debt is reduced by proceeds on sale of certain Selkirk operations (see note 11 to the Consolidated Financial Statements).

OPERATING INCOME BY BUSINESS SEGMENT

(millions of dollars)

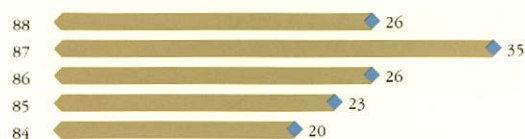
PERIODICALS



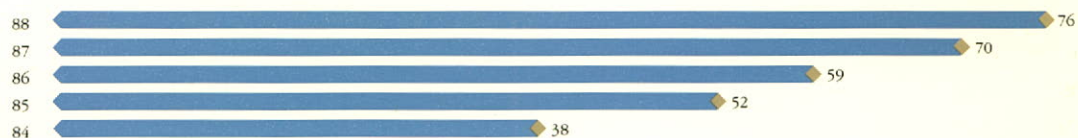
BUSINESS FORMS AND COMMERCIAL PRINTING



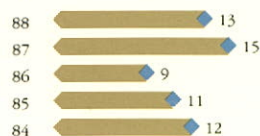
NEWSPAPERS



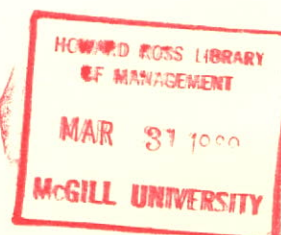
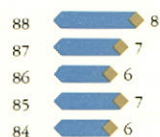
CABLE TELEVISION



BROADCASTING



COMMUNICATION SERVICES



Nineteen eighty-eight, a busy and exciting year, was capped with achievements in all divisions of Maclean Hunter.

Dedicated employees, led by dynamic managers, made it possible for the Company to absorb acquisitions smoothly while continuing to grow from within. Thanks to them, we're starting our second century strong and poised for further growth.

On December 31, Maclean Hunter concluded its one-hundred and first year in business with total revenue of \$1.3 billion. Consolidated income of \$96 million (before extraordinary items) represented an annual increase of 13% over 1987. Earnings per share rose by 15% to 62¢ in 1988 from 54¢ in 1987, as re-stated following the two-for-one stock split on May 16, 1988 – in itself a demonstration of our confidence in the future.

Our growth in income for the year is attributable to strong results in Canadian business forms and commercial printing, European publishing, Maclean's magazine, radio in Atlantic Canada, and cable television in both Canada and the United States. The Toronto Sun newspaper remained a strong contributor to earnings, although the new Financial Post daily and The Ottawa Sun, as expected, reported losses associated with the costs of start-up. Declines in the U.S. dollar relative to the Canadian dollar had a negative impact on the U.S. operations.

OPERATING HIGHLIGHTS

Following are some of the major developments and milestones of 1988 and early 1989:

- *The acquisition of Selkirk Communications*, involving a series of transactions which began in October 1988, will be the largest in the Company's history. It is described in a separate section.

- *The launch of The Financial Post daily* on February 2, 1988, by its new majority owner, The Toronto Sun. The Post continues to gain readership and is becoming the business community's "first-read". After the launch of satellite editions in Calgary, Edmonton, and, recently, Vancouver, paid circulation rose to 70,000. Montreal and Ottawa will be added in April, taking paid circulation to 83,000.
- *Cable's move into the U.K.* with the formation of East Lancashire Cablevision Ltd., in which we have an 84% interest. The Company will build and develop cable television franchises in Britain, beginning with the construction of a 168,000-home system in East Lancashire.
- *The on-going construction of the City of Detroit cable system.* We are continuing to build, on target and on budget, one of the largest urban cable systems in the U.S. During the year, Maclean Hunter increased its interest in the Barden Cablevision partnership to 59%.
- *The re-organization of our Canadian periodicals* and creation of an autonomous Canadian publishing unit under James K. Warrillow. During the year, Terry L. Malden rejoined the Company as Executive Vice-President of the Canadian Periodical Publishing division. He will also represent the U.S. publishing companies on Maclean Hunter's Management Committee.
- *The celebration of Maclean's tenth anniversary* as the country's leading newsweekly. With a bold re-design and a spectacular Olympic issue in 1988, Maclean Hunter's flagship was a strong performer.
- *The formation of a direct marketing group* within the business forms and printing operations, recently amalgamated into a printing division led by Frank Neubauer. By combining and co-ordinating direct marketing resources from our various organizations, Maclean Hunter has positioned itself to become a key player in this growing field.
- *Business forms' acquisitions* have given the Company plants in every province, from Quebec to British Columbia, to better serve our customers. We are now Canada's second largest manufacturer of business forms and ancillary products.
- *Maclean Hunter Printing's move to a new plant in Aurora, Ontario* is advancing on target. Equipment is now being installed to make this facility one of the most modern in North America.
- *The launch of The Ottawa Sun* by The Toronto Sun. The first daily edition was published on November 7. With the acquisition of Bowes Publishers Limited and of Comprint Inc., a U.S. commercial printing business, The Sun Publishing Group now publishes nine daily and 12 weekly newspapers and several special interest publications; it also runs a number of commercial printing operations. In 1988, The Sun began construction of a \$58 million expansion of its Toronto facility, due to be completed in 1990. Maclean Hunter has a 62% interest in Toronto Sun Publishing.
- *The formation of a joint-venture radio operation with Moffat Communications.* Subject to the approval of the Canadian Radio-television and Telecommunications Commission

(CRTC), Maclean Hunter's CKNG-FM will merge with CHED-AM in Edmonton. Maclean Hunter will own, through CFCN Communications, an initial 27½% of the combined entity, with options to increase to 35%.

- *The evolution of a joint Maritime/Eastern Broadcasting unit* under Jack Schoone, our partner in these ventures. Agreement was reached to acquire, subject to CRTC approval, radio station CKDH in Amherst, Nova Scotia, which will be consolidated with our existing Halifax stations.
- *The joint-publishing venture with CB Media*, in which Maclean Hunter has a 30% interest, gives the Company a window on a major Canadian business publication and an opportunity to fully exploit the potential of Small Business (now a sister publication to Canadian Business).
- *The growth of our paging operations* in Ontario, Quebec, Manitoba, and Alberta has moved us closer to realizing our objective of a national paging system. A new wholly owned subsidiary, Maclean Hunter Communications Inc., has been formed to combine the operations of Maclean Hunter Paging with the numerous radio paging and telemessaging entities acquired over the past 18 months. The size and scope of this operation is now such that Gil Allard, Vice-President Communication Services, is running it full-time.
- *The expansion of our Continental European advertising rate and data publishing operations into the business publishing sector* marked by the

launch of Print magazine and the acquisition of a 60% interest in Bauverlag in West Germany.

Bauverlag publishes many technical books, as well as 14 magazines related to the construction industry. The rate and data books we publish in six European countries, including the U.K., have also continued to grow.

- *The launch of Stature*, an upscale supplement to City and Country Home, in March 1989. The acquisition of three U.S. business publications also promises future growth in publishing, Maclean Hunter's oldest business.
- *The Toronto Sun's successful bid to become a \$5 million partner in SkyDome*, Toronto's domed stadium. The Sun will have exclusive signage opportunities as well as becoming a preferred supplier of tours and travel services. Through The Sun, Maclean Hunter Printing and its subsidiaries will provide all printed material, while The Sun will hold preferred supplier rights to all publishing at the Sky-Dome. Design Craft, Maclean Hunter's show services division, will be the official show contractor.
- *Divestitures* during the year included PhotoVideo, Visual Communications Canada, Truck Fleet, and Driver Owner in Canada, The Oilman in Britain and Texcom Marketing Inc. As part of the continuing rationalization of our business publications, Electronic Product News, MediaScene, Canadian Young Astronaut, Data Product News, Canadian Directory of Software, and Shopping Centre Canada ceased publication.

Some of these and other notable developments are discussed in greater

detail in the Review of Operations section of this report.

SELKIRK

Maclean Hunter has acquired virtually all of the Class A non-voting shares of Selkirk Communications Limited for approximately \$600 million. An agreement to purchase the 2,000 Class B voting shares at \$5 per share is conditional upon the prior approval of the Canadian Radio-television and Telecommunications Commission (CRTC). In the meantime, Selkirk continues to be operated by its own management team reporting to its own Board of Directors.

Once the sale of a number of the Selkirk assets has been approved by the CRTC and other regulatory bodies, the transaction will provide Maclean Hunter with key properties in broadcasting and cable television:

- cable systems in Ottawa and Florida, serving 125,000 and 75,000 subscribers, respectively;
- Brampton-based CFNY-FM 102.1, covering all of Metropolitan Toronto, a long sought-after FM radio station in this area;
- a combination AM/FM radio operation in Montreal, an important entrée into Quebec broadcasting.

After acquiring the Selkirk Class A shares, Maclean Hunter entered into agreements, also subject to CRTC approval, to sell certain of the Selkirk operations to other parties for total proceeds of \$310 million, specifically:

- television stations CFAC-TV Calgary and Lethbridge (where Maclean Hunter owns CFCN-TV), the Selkirk interest in British Columbia Broadcasting Company Ltd., and radio stations CJCA-AM and CIRK-FM in Edmonton (where Maclean Hunter owns CKNG-FM) were sold to Western International Communications Limited (WIC) for approximately \$217.5 million;

- television station CHCH-TV in Hamilton was sold to the Blackburn Group of London, Ontario, for approximately \$68.5 million;
- British Columbia radio stations CJVI-AM (Victoria), CKWX-AM and CKKS-FM (Vancouver), and CJIB-AM (Vernon) and Alberta radio stations CFAC-AM (Calgary, where Maclean Hunter owns AM106 and CJAY-FM), CJOC-AM and CILA-FM (Lethbridge), CJPR-AM (Blairmore), CJEV-AM (Elkford), CFHC-AM (Canmore and Banff), and CFGP-AM (Grande Prairie) were sold to Rogers Broadcasting Limited on January 5, 1989, for \$24.5 million.

If approved by the CRTC, these transactions will resolve many of the conflicts in markets where Maclean Hunter and Selkirk had overlapping broadcast licences. The Company is pleased by the calibre of these buyers and gratified that the prices offered for these properties are consistent with the Company's original evaluation at \$49.50 per Selkirk Class A share.

Pending the related CRTC decision, costs incurred in respect of the Selkirk acquisition, including interest expense, less dividends received from Selkirk will be added to the investment.

ISSUES

1988 was an election year in both Canada and the United States. On January 2, 1988, our governments signed an historic agreement, since passed into legislation, to free and facilitate trade between the two countries. Maclean Hunter's position on free trade, as stated in our previous reports to shareholders, is that enhancing the free flow of goods and services between Canada and the United States will benefit both countries and do much to remove the uncertainty that has hampered North American trade in recent years.

Concerns we had expressed regarding the protection of our cultural industries have been effectively laid to rest under the present agreement, which clearly preserves the regulatory framework necessary to the survival of the independent Canadian media so critical to Canadian self-expression and identity.

Some adjustment will undoubtedly be necessary, but most business leaders predict that free trade will be good for Canadian business; as such, it will also be good for Maclean Hunter business. In 1988, 37% of the Company's profits were generated outside Canada, mainly in the United States.

The long-standing question of copyright on broadcast signals carried by cable in distant markets is nearing resolution. Our cable companies are hoping for a reasonable resolution in the form of regulations that will permit us to continue to offer first-rate cable service at affordable cost to consumers.

Notwithstanding the highly regulated nature of cable, it remains the most efficient means of delivering a multiplicity of programming and information services to consumers. Despite, and partly because of, the existence of satellites and the evolution of fibre optics, we believe cable television, operated correctly, will be the main consumer entertainment medium for the foreseeable future. In this light, any risks involved in our recent expansion into the embryonic U.K. cable market are, we feel, well worth taking.

Advertising accounts for some 39% of Maclean Hunter's revenue and we are affected by cyclical industry trends, such as the recent swing toward direct marketing to the consumer (particularly among packaged goods advertisers) at the expense of some growth in traditional media advertising. While direct marketing (DM) will not replace the role

of image advertising in establishing brands and winning long-term loyalty to a product, there is no question that DM, including direct mail, is becoming more sophisticated and growing quickly as an industry in both Canada and the United States.

As a major commercial printer of direct mail brochures and catalogues, Maclean Hunter has been involved in the direct mail business for years. Recently, our business forms operations have also captured more business at the specialty printing end of the spectrum. In 1988, the Company reorganized some of its resources to expand our capability in the direct marketing field. A separate unit was established combining expertise from both printing and business forms, and eventually letter-shop and database related services will be brought under its umbrella. With these initiatives, Maclean Hunter is positioned to take full advantage of growth in the direct marketing industry in both Canada and the United States.

Government initiatives, whether in the area of pensions, pay equity, or advertising, have a very significant bearing on our business. While governments and regulatory bodies have, in general, been supportive of our industries, we are concerned by the prospect of increasing government intervention in advertising. The recent ban on tobacco advertising sets a dangerous precedent in this regard, and Maclean Hunter continues to encourage a balance between the right to advertise and the obligation to advertise responsibly.

On another front, we are pleased with Canada Post's plan, announced in 1988, to spread postal increases for publishers over a five-year period, commencing in 1989. This phasing-in of increases will

give our publishers and their customers time to absorb them. Postal rates and service also affect other parts of our business. A dramatic postal increase in the U.S. in 1988, the first in three years, had a negative effect on the direct mail end of our U.S. business forms operation. Although we depend on the post office for fast and reliable service, the post office also depends on the revenue streams we create for them. Frequent consultation will benefit both publishers and post office, as it has in the past.

PEOPLE

Maclean Hunter's 11,000 employees are our main strength. We depend on the entrepreneurial spirit of our managers to keep us growing, whether it's through spin-offs, launches, or simply better ways of doing things.

The Company is structured to foster that spirit. Maclean Hunter operates in a highly decentralized fashion, each division reporting to its own division head. Within those divisions are numerous profit centres with their own autonomous marketing teams. This divisional structure provides the depth of management needed to absorb new acquisitions and run many kinds of businesses effectively, under the common umbrella of communications.

We let our managers manage and give them a stake in the success of the operations they run. In fact, virtually all of our employees are shareholders and, as such, committed to creating the best possible products and helping the Company grow. They are rewarded for initiatives that contribute to this growth. We believe that by creating this climate for entrepreneurial rewards, we will continue to attract ambitious people,

despite the shortage of younger people in some of the metropolitan areas where our businesses are located.

In this report we will introduce the division heads, members of the Management Committee of Maclean Hunter, who run the day to day operations of the Company. They are depicted, along with some of their senior managers, throughout the pages of the Review of Operations. Space limitations preclude our showing all members of our management teams, but in recognition of the contribution of these talented and hardworking people, we have listed many of their names in the final pages of this report.

OUTLOOK

The developments cited as highlights of 1988 in this Letter are not without short-term costs both in capital investment and constraints on earnings. We believe, however, that with them we have laid the base for future long-term growth. Just as important, they cut across all the divisions of Maclean Hunter, ensuring the diversified revenue streams that help the Company to weather economic downturns. In order to preserve a balance between more mature and developing assets and maintain our historic growth rates, we must be prepared to embark on new ventures. At the same time, within all our present operations there are ample opportunities for growth. The challenge for our managers is to find them and keep up the momentum.

Although we approach 1989 optimistically and from a position of financial strength, we will continue to be conservative in the tradition of Maclean Hunter. We are confident that, with the management we have in place, we can achieve growth in all our properties and maintain the proper balance between stability and forward-looking development.



On behalf of the Board

DONALD G. CAMPBELL
Chairman

RONALD W. OSBORNE
*President and
Chief Executive Officer*

TERRY L. MALDEN

DONNA M. SCOTT

JAMES K. WARRILLOW

BRUCE L. DRANE

HOWARD J. ADAMS

CHARLES E. WILSON

JEAN PARÉ



'THE FREE Trade Agreement clearly preserves the regulatory framework necessary to the survival of the independent Canadian media so critical to Canadian self-expression and identity.'



CANADIAN PUBLISHING

Maclean Hunter leads in the publishing of Canadian business and consumer magazines. The Canadian Periodical Publishing Division, under its president, James K. Warrillow, is responsible for many of the leading consumer titles in both French and English Canada, more than 90 publications serving major industries across the country. Operations are based in four publishing centres in Vancouver, Calgary, Toronto, and Montreal to serve a total circulation of nearly 4 million.

1988 was a year of milestones, several of our major titles celebrating important anniversaries. The division saw revenues grow by 9.5% over 1987 levels, an encouraging result given the increasingly competitive climate in magazine publishing in Canada. A series of price increases for coated stock, however, could not be offset by increased advertising recovery rates; consequently margins were below last year's level.

The federal Department of Communications announced increases of between 7 and 12% for Second Class postal rates, which became effective in January of 1989.

Management of the division was further strengthened in 1988 by the addition of Terry L. Malden as Executive Vice-President. The division is well on its way to operating as an autonomous entity within the parent company.

The 1988 Free Trade Agreement with the United States will maintain the current healthy environment for publishing in Canada. However, the publishing operations will feel the effect in 1989 of the government ban on tobacco advertising, a dangerous precedent of infringement upon the freedom of commercial speech.

Consumer Magazines

The leading women's magazine in Canada, *Chatelaine*, marked 1988 with a new logo and a redesign for its 60th

year. *Chatelaine* and *Châtelaine*, in Quebec, enjoyed strong growth. Both titles carried record numbers of advertising pages, recording increases of 19% for *Chatelaine* and 24% for *Châtelaine*. Despite these gains, our consumer titles felt the effect of paper prices, which reduced margins.

City & Country Home once again led all magazines measured by the Print Measurement Bureau in readers per copy (more than eight adults per copy). The magazine achieved international recognition by winning the prestigious International Association of Printing House Craftsmen Award for printing excellence. In 1989 a new upscale men's supplement, *Stature*, will be launched.

New *Mother and Mère Nouvelle*, our digest-size parents' books, saw revenue growth of more than 20% over 1987. Plans are underway for ancillary products to build upon this very successful franchise.

Flare

Flare, Canada's fashion magazine, recorded a 9% increase in revenues over the previous year. These results are encouraging in view of the increased competition in the fashion magazine category. In 1988 *Flare* won a Judy Award from the Ontario Fashion Exhibitors Association, for excellence in fashion coverage by a Canadian magazine. *Flare* will celebrate its tenth anniversary with its September issue in 1989.

Maclean's

1988 was a banner year for *Maclean's* magazine, Canada's national news-weekly. *Maclean's* marked its tenth anniversary as a newsweekly in September with a complete redesign, which has met with an enthusiastic response from readers and advertisers. 1988 also saw the opening of *Maclean's* Moscow Bureau, an important editorial resource that will broaden international coverage for *Maclean's* 2 1/2 million weekly readers across Canada and worldwide.

Maclean's 1988 revenues surpassed last year's levels by more than 17%,

buoyed by the highly successful Calgary Winter Games issue. Profits also surpassed those of 1987. In 1989 *Maclean's* will look for ways to replace tobacco advertising revenue, which has been a significant contributor.

Business Publications

With more than 90 titles serving industries across the country, Maclean Hunter is the largest publisher of business publications in Canada. 1988 was a year of change for the division. Several unprofitable titles were sold or discontinued as part of a continuing program to streamline our business publishing activities and improve performance. A number of new publications were launched to exploit market niches, while other publications were repositioned to better serve changing reader and advertiser needs.

1988 revenues for the division as a whole were slightly ahead of 1987 levels. The medical publications had a particularly strong year, as did publications serving the resource sector.

Quebec Publications

Our Quebec titles enjoyed another strong year in 1988. *L'Actualité*, which published its 150th issue in February 1989, had revenues grow by more than 10% over 1987. The addition of *Le Bulletin des Agriculteurs*, the largest French-language farm publication in Canada, helped bring both revenues and profits above 1987 levels for the group overall. *Le Bulletin* was redesigned during its first year as part of the Quebec publications division. *L'Actualité Médicale*, a tabloid for the medical profession published 44 times a year, also enjoyed strong revenues and profits.

Special Interest Publications

The five titles making up our Special Interest Publications group serve outdoor enthusiasts across Canada. Significant product improvements were undertaken in 1988, with the redesign of both *Canadian Yachting* and *BC Outdoors*. This, coupled with an aggressive pricing strategy on both advertising and circulation for all titles, should improve the group's results in 1989.

INTERNATIONAL PUBLISHING (U.S.)

Maclean Hunter Publishing Company in Chicago achieved only a marginal increase in operating profit in 1988. Strong performances from a number of publications, including those acquired from McGraw-Hill in 1987 (Coal Age, Engineering and Mining Journal, and Mining Information Service) contributed to this increase. The merger of Coal Age with our Coal Mining to create Coal met with outstanding increases in advertising lineage and operating income.

These increases were offset, however, by lineage declines on American Printer and Graphics Arts Products News, in a market that was both aggressively competitive and soft. Electronic Publishing and Printing, in its fourth year of publication, continued to improve its results with a 60% increase in advertising pages. Overall, the U.S. business publishing industry was unable to pass through all its cost increases in 1988, including a major postal increase, the first in three years.

Lakewood Publications in Minneapolis experienced a difficult year in a competitive market. A number of experimental projects were suspended after it became clear that despite strong reader interest, advertising support would be slow to develop. A bright spot was the strong circulation gains made by the Creative Training Techniques and Service Edge newsletters, both launched in 1988. Advertising sales staff changes and the implementation of an extensive sales and sales management training program will help to improve results in 1989.

Hospital Practice, published by HP Publishing in New York, suffered from a cyclical slowdown in new drug introductions during the year. Advertising in this area is expected to pick up in 1989.

Strong advertising sales continued at Maclean Hunter Media Inc. in Stamford, Connecticut. Progressive Grocer maintained its market leadership. Frozen Food Age, in its second year as part of the company, also made a strong contribution. However, the non-publication operations of MH Media had difficulties meeting their targets. Retail Insights, the

experimental video publishing operation, generated markedly lower revenues and income. However, advance bookings going into 1989 are strong for the first half of the year. This project will be reappraised mid-year.

Near the end of 1988, a number of acquisitions were announced. These included Auto Age and Motorcycle Product News, published in California, and Textile World, acquired from McGraw-Hill and published in Atlanta. These publications are expected to make positive contributions to the operating results of the U.S. publishing operations in 1989.

PERIODICALS

(millions)	1988	1987
Revenue	\$334.6	\$315.4
Operating income	\$ 29.9	\$ 30.7
	United States and Canada	Europe
Employees	1,207	748

INTERNATIONAL PUBLISHING (U.K.)

Maclean Hunter Limited, London, produced record profits, which increased by 92% over 1987. British Rate & Data (BRAD) and its associated titles moved forward with the launch of a new twice-yearly directory, BRAD Direct Marketing Lists, Rates, & Data. Similar success was achieved by Kitchens, International Freighting Weekly, and Packaging News and financial improvements were also made by Airtrade, The Heating & Air Conditioning Journal, and Travel Agency. Bedroom Bathroom Kitchen Industry Yearbook & Directory and Converting World were acquired and a new profit centre was created to market mailing lists and special one-off industry reports.

Due to continued uncertainty in the oil industry, The Oilman and its newsletter were sold.

Further in-house computerization programs continue on BRAD and on Routel, the electronic database and information service associated with International Freighting Weekly.

INTERNATIONAL PUBLISHING (EUROPE)

In Italy, where Maclean Hunter publishes nine titles, 1988 was another year of growth for Dati e Tariffe, the rate and data book. Strategia and Promozione, marketing and promotion related magazines respectively, continue to establish themselves as leaders in their markets.

The Media-Daten rate and data books in Germany, Austria, and Switzerland experienced steady growth, as did the weekly advertising magazine Werbe-woche in Switzerland. In Germany, Print magazine was launched and, effective January 1, 1989, we acquired a 60% interest in Bauverlag, a German company which publishes many technical books and 14 magazines related to the construction industry. We are pleased that Messrs A. and M. Schirmer, whose family has been in the business more than 75 years, will remain in executive positions with the company.

Our rate and data book in France, Tarif Media, also performed well. Under a new management team, it embarked upon a technological update and conversion to a computerized editorial and production system. The French company has acquired a rate and data book in Belgium which will publish under the title Media (Indicateur Publicitaire).

It was an exciting year of growth and expansion in Continental Europe where, overall, these subsidiaries produced record revenues and profits.

1988 was a good year for Maclean Hunter's Printing Division. Our 16 companies, running operations from 27 manufacturing locations across Canada and the United States, thrived despite intense competition, a more than 20% price increase in paper, and a tight labour market in most locations. Canadian business forms, guided by John Greenhough, recorded impressive year-over-year gains. The same held true for our Canadian commercial printing operations under Matt Fyfe and Rod McGregor.

COMMERCIAL PRINTING

Maclean Hunter is a major commercial printer in Canada, providing a complete range of printing and related services to our customers. Our commercial printing operations consist of Maclean Hunter Printing in Metropolitan Toronto, which produced 186 million bound copies of magazines and catalogues in 1988; The Yorkville Group and Corporate Lithographing, also in Metro Toronto; and the Jasper Printing Group in Edmonton, Alberta.

The Yorkville Group had an excellent year in 1988, establishing new records for revenue and after-tax income. A new six-colour sheetfed press was installed and other equipment purchased to expand Yorkville's rapidly growing laser response and electronic publishing business sectors. York Litho added a second state-of-the-art finishing line to its half-web presses and was operating through most of 1988 at full capacity. Specializing in film work, colour separations, and page make-up systems, Litho Plus continued to lead the way in pre-press technology and is now one of the largest operations of its kind in Canada.

In Alberta, the economy is gradually improving, promising growth opportunities in 1989. While Jasper increased its sales volume in 1988, margins remained tight in this highly competitive locale, which has also suffered from excess capacity. The addition of five-colour equipment has enhanced Jasper's product line.

Renovations to Maclean Hunter Printing's new plant site in Aurora, Ontario are proceeding on schedule. A new 32-page web offset press and a 16-page fast make-ready press will be installed in the first half of 1989. Plant personnel and equipment are expected to be completely moved into the new location by the end of 1989. The Aurora facility, more than 50% larger, will be one of the most modern printing plants in North America.

Electronic imaging, list and mailing services and desktop publishing are areas Maclean Hunter Printing will continue to develop and expand for both internal and commercial clients.

CANADIAN BUSINESS FORMS

Good economic conditions, growth in existing operations, and acquisitions helped Data Business Forms and its companies enjoy another strong year. This was true in each operating division: General Business Forms, Data Direct Sales Operations group, and Pakfold, the distributor sales unit. Margins were held or improved despite unprecedented raw material price increases.

Virtually all the business forms operations underwent change or reorganization to accommodate acquisitions made in late 1987 and early 1988. As a result, we enter 1989 with better managed and more responsive business units. Today's buyer of business forms and pressure-sensitive labels and related services requires fast response. Data Business Forms companies now have ten self-contained, full-service plants with production units to serve customers in every province west of Quebec. Business forms, pressure-sensitive labels, mailers, bar-coded products, variably imaged and direct response pieces, and allied services all grew in 1988, and with them, Data's reputation as a high-quality stock, custom, or special feature forms supplier.

New equipment was added to our modern facilities and a 20,000 square foot expansion was completed at the Pakfold distributor division in Niagara Falls, Ontario.

Specialty Printing and Imaging

The cheque printing division of Davis & Henderson is now known as Davis & Henderson Intercheques to reflect Intercheques' acquisition by Davis & Henderson in December 1987. The company now serves financial document customers with regionally located facilities and service units specifically structured to their needs. Cheque volumes were strong throughout 1988. Work began on a comprehensive computer and software project to automate the ordering, manufacturing, and fulfillment of new features and services. When finished, our computer-integrated manufacturing operation will be unique and will provide a strong base for value-added services in the future.

In addition, new facilities were established in a separate division to service short-run continuous forms orders for our small business bank customers.

The Data Imaging division of Davis & Henderson also had an active year. It provides a variety of bar-coded laser-imaged documents for retail and industrial users across Canada. It also provides tape to mail laser-imaging services. Its capacity to produce laser-imaged documents expanded significantly with the addition of new machinery, and a one-of-a-kind converting unit installed to produce high-density bar-coded labels with specialized adhesives or overlaminates. Labels requiring these characteristics have broad potential application in the electronic, computer, automotive, and health care fields.

UNITED STATES

Transkrit faced challenge and disappointment in 1988. While paper prices increased by 20%, price competition also increased and margins were reduced.

A 30% bulk-mail postal increase and a reduction in insurance-industry mailings, resulting from a restructuring within parts of the U.S. personal insurance industry, played havoc with Transkrit's direct marketing sales forecast. Manufacturing problems in Brewster, New York, since addressed, clouded excellent results in Ft. Smith, Arkansas and Miami.

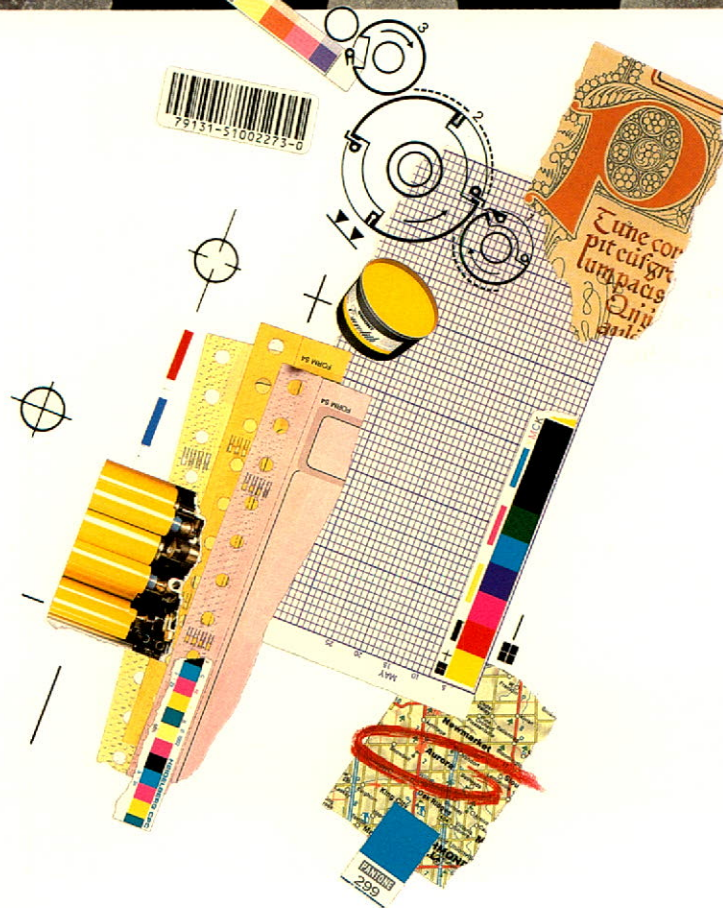
At Label Art, Transkrit's pressure-sensitive label subsidiary, the restructuring started in 1987 continued, but progress was slower than expected. The addition of a modest start-up plant in Ft. Smith, Arkansas will widen Label Art's geographic markets. Most of the start-up cost was absorbed in 1988.

BUSINESS FORMS AND COMMERCIAL PRINTING		
(millions)	1988	1987
Revenue		
Canada	\$235.2	\$186.9
U.S.	102.4	106.7
Total	\$337.6	\$293.6
Operating income	\$ 36.8	\$ 32.1
	Canada	United States
Employees	2,840	964

The outlook for our U.S. business forms operations is decidedly better in 1989. A new 28-inch four-colour press, the addition of specialized equipment to manufacture a new product, Infoseal®, and laser composing capabilities, all now in place, will enhance manufacturing efforts. Margins are expected to improve as a result of stable paper prices and sales efforts are being strengthened.

1989 is the first year of the Free Trade Agreement between Canada and the United States. Maclean Hunter is dedicated to maintaining its competitive posture by operating up-to-date facilities, teaching, training, and continuously developing its employees, and pursuing value-added niche segments of the printing marketplace. It will continue to grow both internally and by acquisition.

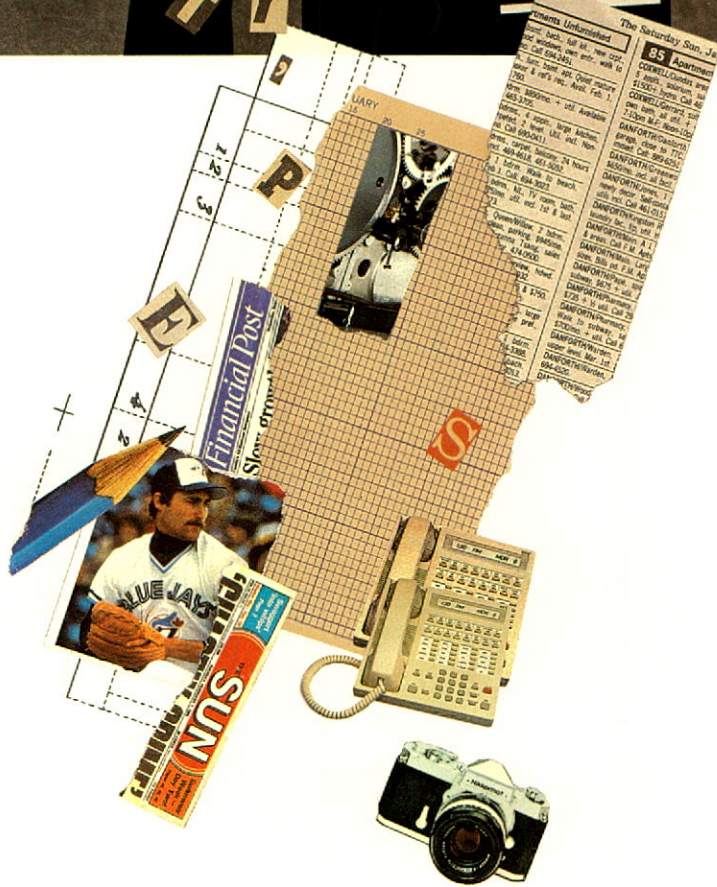
During the year, the group will launch a North American Direct Marketing division to combine and co-ordinate the resources of its individual facilities. Maclean Hunter Printing has become a significant player in direct marketing and the new division will enhance its role in this growing field. We are pleased to announce that Marilyn Stewart, former president of Ogilvy + Mather Direct and a pre-eminent resource in the direct marketing field, will head up this new division.



'MACLEAN
HUNTER is posi-
tioned to take full
advantage of growth
in the direct market-
ing industry in both
Canada and the
United States.'



'THE SUN Publishing Group now publishes nine daily and 12 weekly newspapers, and several special interest publications; it also runs a number of commercial printing operations.'



Maclean Hunter has a 62% interest in Toronto Sun Publishing, up from 58% as a result of its purchase of common shares in January 1988, together with treasury shares received as proceeds from the sale of The Financial Post to The Toronto Sun.

The "hands-off" management agreement that has limited our involvement in The Toronto Sun's affairs since 1982 remains in effect. The agreement gives Maclean Hunter two seats on the board of directors and certain veto rights over major capital expenditures and dilution of equity.

The following report was prepared by Douglas Creighton, President and Chief Executive Officer of The Toronto Sun Publishing Corporation.

The face of the Sun organization changed substantially in 1988. Our goal was to ensure that its soul did not.

About a year ago, after we sold the Houston Post, the Sun organization consisted of our daily newspapers in Toronto, Edmonton and Calgary. Since that time, however, we have greatly expanded:

- we purchased the Financial Post and turned it into a national daily newspaper;
- we purchased the Sunday Herald in Ottawa and started the daily Ottawa Sun;
- we became a partner in the SkyDome with resulting involvement in tours, travel, printing and publishing;
- we purchased 60% of Bowes Publishers, increased to 85% in early March 1989;
- we purchased Comprint Inc., a Washington, D.C., area commercial printing operation.

All this means that the Sun organization now publishes nine dailies and 12 weeklies. Our staff of 1,600 in early

1988 has increased to over 2,200 employees across Canada and the United States. Our goal is to maintain the camaraderie and employee involvement that the Sun has enjoyed in its 18 year history. I believe we have managed to do this.

In 1988, the Toronto Sun sold more newspapers and more advertising and, therefore, posted record earnings. The western economy impaired the performance of the Edmonton and Calgary Sun newspapers, but they remained profitable with increasing market share.

NEWSPAPERS

(millions)	1988	1987
Revenue	\$278.2	\$213.3
Operating income	\$ 25.9	\$ 35.0
	Canada	United States
Employees	2,115	118
	Monday to Friday	Sunday
Circulation (Financial Post and Sun newspapers)	511,952	934,268

Bowes Publishers, under the leadership of Chairman Jim Bowes, also had record earnings in 1988. At year end, Jim Bowes relinquished the title of Chief Executive Officer to President Ken Kirkpatrick. Bowes publishes four dailies – The Daily Herald-Tribune in Grande Prairie, Alberta; Fort McMurray TODAY in Fort McMurray, Alberta; the Kenora Miner and News in Kenora, Ontario; and The Daily Graphic in Portage La Prairie, Manitoba; twelve weeklies – The Peace River Record-Gazette in Peace River, Alberta; the Hinton Parklander in Hinton, Alberta; the Fort Saskatchewan Record in Fort Saskatchewan, Alberta; the Wetaskiwin Times-Advertiser in Wetaskiwin, Alberta; The Camrose Canadian in Camrose, Alberta; the Western News-Advertiser in Penticton, British Columbia; the Sherwood Park News in Sherwood Park, Alberta; the Ontario Farmer in London, Ontario, which publishes an eastern and western edition; the Strathroy Age-Dispatch in

Strathroy, Ontario; The Herald Leader Press in Portage La Prairie, Manitoba; the Western Weekend of Penticton in Penticton, British Columbia; and the Leamington Shopper in Leamington, Ontario; as well as three magazines – the Ontario Dairy Farmer (quarterly); the London Business (monthly); and the Ontario Hog Farmer (quarterly); all published in London, Ontario.

Comprint, our wholly owned commercial printing business in Washington which was purchased in August 1988, also contributed profits to the Company in the last quarter of 1988. Comprint is in the process of adding press equipment and by the Fall of 1989 will have more than doubled its press capacity.

Turning the Financial Post into a daily was and is a significant challenge but, despite a more costly start-up than projected, the Sun and its partners at the Financial Times of London and Hollinger are extremely pleased with the progress made.

At the time of writing, Financial Post daily circulation is over 70,000, while the weekend paper is selling over 220,000. Home delivery will begin in Ottawa and Montreal in the Spring of 1989, and the Post is projected to reach 100,000 daily circulation in the Fall of 1989. Losses, however, will continue through 1989.

The Ottawa Sun faces severe competition, but circulation is gaining steadily and the product has been generally accepted. Once again, however, the paper is not expected to reach profitability in 1989.

In Toronto, the Sun is in the midst of a major 240,000 square foot expansion which, with additional press equipment, will cost \$58 million by the time it is completed in the Spring of 1990. This addition will dramatically increase our printing and colour capacity, and will move the Financial Post employees into the Sun building.

The dreams we had in 1971 continue to be realized. The Sun is truly the little paper that grew. Our loyal employees have seen to that.

Maclean Hunter Cable TV will surpass the 1 million subscriber mark in 1989, if the Selkirk acquisition receives regulatory approval. The continuing build of the Detroit system, new franchises in the United Kingdom, and solid projected gains in our other operations both in Canada and the U.S. will ensure strong subscriber growth over the next few years.

ONTARIO

Continued economic growth in the province contributed to healthy subscriber increases for our Ontario cable operations. As of December 31, 1988, our systems served 429,300 subscribers, an increase of 3% over 1987. Aggressive marketing campaigns and the launch of a new movie service, the Family Channel, helped to increase total pay-TV revenues by 21% compared to the previous year.

Maclean Hunter Cable TV subscribers received three new basic cable services following their launch in September: Youth TV, WeatherNow, and Vision TV have added variety to an expanding cable line-up. Subscriber choice will increase further in the fall of 1989 when The Sports Network, MuchMusic, and the new CBC World News are added to basic service. These new services will increase cable's information and entertainment value while fostering the growth of distinctive Canadian programs.

Channel capacity expansion and system upgrade programs continued in 1988 in the Ontario systems. These programs reflect Maclean Hunter Cable TV's efforts to improve the quality of product being delivered to the customer. Approximately 40% of our cable subscribers are now in systems that have 54-channel capacity.

In October 1988, the cable division entered into an agreement to purchase the 5,000-subscriber cable television system in Hawkesbury, Ontario. Maclean Hunter's announcement in December of its purchase of Selkirk Communications will mean the eventual addition of some 125,000 subscribers to the company's Ontario cable opera-

tions. Both the Selkirk transaction and the Hawkesbury acquisition require the approval of the Canadian Radio-television and Telecommunications Commission.

MICHIGAN

Maclean Hunter Cable TV, Inc. became the first Maclean Hunter U.S. system to provide cable service to over 60% of available homes. This operation, serving 15 communities in the suburbs of Detroit, ended the year with 62,800 basic subscribers taking 69,300 pay-TV services.

Barden Cablevision, the 59%-owned partnership building the cable system in the City of Detroit, constructed an additional 450 miles of cable plant in 1988. With almost 40% of the 2,300 miles complete, this build is progressing well ahead of schedule and on budget, with completion now expected before the end of 1991.

CABLE TELEVISION

(millions)	1988	1987
Revenue		
Canada	\$ 83.2	\$ 73.1
U.S.	136.5	126.4
Total	\$219.7	\$199.5
Operating income	\$ 75.8	\$ 70.3
Basic subscribers		
Canada	429,000	415,000
U.S.	348,000	302,000
Pay services		
Canada	96,000	84,000
U.S.	512,000	419,000
	Canada	United States
Employees	537	767

Barden closed 1988 with 55,000 basic subscribers taking 142,300 pay-TV services, one of the highest ratios of pay services per basic subscriber in the industry. 1988 marked the launch of local advertising sales and pay-per-view special event programming at Barden which helped to achieve both revenues and operating profits well in excess of original expectations.

NEW JERSEY

Wholly owned Suburban Cablevision, which provides cable service to 42 municipalities in northern New Jersey,

reached the 200,000-subscriber level during the year. Suburban is only the fifth system in the country to achieve this milestone.

Strong subscriber growth of over 5% was experienced with the addition of 11,000 basic subscribers and 15,000 pay services, closing the year with 207,800 basic subscribers.

The system upgrade to 54-channel capacity is well on its way with over 600 miles of plant rebuild now completed. This project is on plan and the remaining 1,000 miles will be completed by 1990. Plans are also in place to construct an optical fiber network to interconnect the headends with several hub site locations. This new technology will position us well for future growth opportunities.

80%-owned Cable TV of Jersey City, Inc. now passes 68,400 homes with cable. During 1988, 4,000 subscribers were added to end the year with 22,600 basic subscribers. This new system turned the corner during its second year of operation and is now showing a profit after all costs, including interest.

UNITED KINGDOM

In December 1988, Maclean Hunter Cable TV announced its entry into the developing cable television market in Britain. Maclean Hunter Cable TV, in partnership with Sir Peter Blaker and Cable Systems Development Co. Ltd., formed Maclean Hunter Cablevision Ltd., a U.K. company which will build and develop cable television franchises in Britain. The new company holds the franchise for a 168,000-home area in East Lancashire and took the first steps, in late 1988, toward beginning construction on this project. The total cost of the East Lancashire system will be approximately \$65 million and will be funded with \$22 million in equity and \$43 million in debt. Maclean Hunter will have an effective equity interest of approximately 84% in this system.

Maclean Hunter Cablevision Ltd. will continue to seek additional franchise opportunities in the U.K. cable television market.

R. MERLE ZOERB

J. BARRY GAGE

R. SCOTT COLBRAN

GEOFF HEATHCOTE

PHIL R. PATTERSON

JOHN HAUGHEY

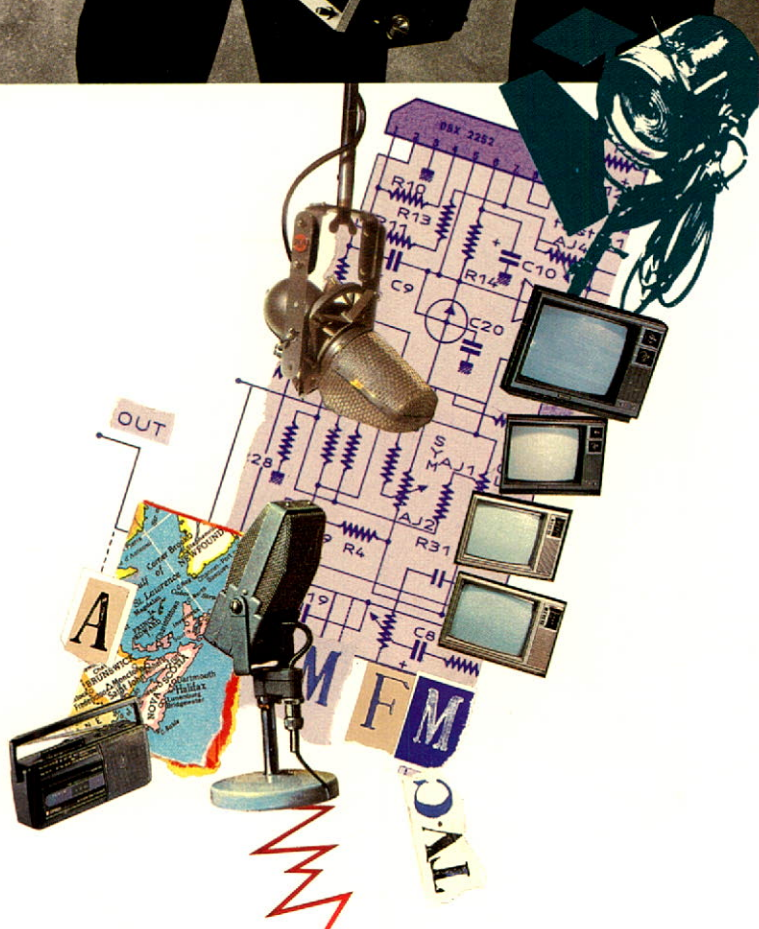


"WE BELIEVE
cable television,
operated correctly,
will be the main
consumer entertain-
ment medium for the
foreseeable future."



THE SELKIRK

transaction (subject to CRTC approval) will give us 'a long sought-after FM radio station in Toronto, and an important entrée into Quebec broadcasting.'



Macleon Hunter's Broadcast Division comprises three operating units: Maritime Broadcasting System Limited (Atlantic Canada), KEY Radio Limited (Ontario), and CFCN Communications Limited (Alberta). In addition, the division is involved in two associated companies: KEG Productions Limited, 50%-owned by CFCN Communications, and Paul Mulvihill Limited, 40%-owned by Maclean Hunter Limited.

MARITIME BROADCASTING

Maritime Broadcasting System Limited, the newly reorganized company for Maritime Broadcasting and Eastern Broadcasting, operates 10 radio stations in Nova Scotia, New Brunswick, and Prince Edward Island. Financial results for Maritime were positive in 1988, with the company performing well above its expected profit plan, a notable success being the excellent performance of CHNS and CHFX in Halifax, where new facilities were constructed in 1988. During the year, Maritime reached an agreement to acquire CKDH-AM, Amherst, Nova Scotia. The application is presently before the CRTC.

KEY RADIO

In Ontario, KEY Radio Limited and its associated company Blue Water Broadcasting operate nine radio stations. Results were mixed for KEY Radio, with excellent performance in Ottawa and Kitchener and substantial improvements in the remainder of the stations, with the exception of CKEY.

In 1988, KEY Radio applied to the Canadian Radio-television and Telecommunications Commission (CRTC) for permission to exchange frequencies with CKO so that CKEY's gold-oriented format could be heard on 99.1 FM and CKO's all-news format could be heard on 590 AM. Unfortunately, the Commission denied the application.

Shortly thereafter, CKEY was relaunched as KEY590 with an advertising campaign focusing on classic hits. The heavy investment in advertising for the balance of 1988 made for decreased

profitability at KEY590 and had a negative impact on the overall KEY Radio operations. However, the results of this investment spending have been encouraging, and the station expects a profit recovery in 1989.

As a consequence of the Selkirk transaction, Maclean Hunter may, with CRTC approval, acquire CFNY-FM 102.1, a Brampton-based FM station covering an area that includes all of Metropolitan Toronto. The application is before the CRTC and a decision should be reached in 1989.

Blue Water Broadcasting's first full year of operation saw a dramatic turnaround in all aspects of the stations' operations. A new, stand-alone broadcast facility housing the AM and FM station in Sarnia was completed in late spring, and both stations were relaunched into new programming formats and assigned the new call letters CKTY-AM and CFGX-FM. The first BBM analysis indicated that the stations had increased their audience share from 19% to 31% as a result of the new programming and marketing.

BROADCASTING

(millions)	1988	1987
Revenue	\$72.2	\$69.0
Operating income	\$13.3	\$14.7
	Radio	TV
Employees	842	202
Population served	8,057,000	1,202,000

To resolve an inconvenient and inefficient split-frequency AM situation, CHYR-AM, Leamington, filed an application to operate on FM rather than AM so as to provide Leamington and surrounding communities with a consistent 24-hour signal. A decision is expected in the spring.

CFCN COMMUNICATIONS

In Western Canada, CFCN Communications experienced a good year, with strong performance in local sales offsetting some slackening in national advertising.

As the Calgary affiliate of the CTV Television Network, CFCN-TV was

centrally involved in 1988 Winter Olympics broadcasting activity. Our mobile production facility was fully utilized to originate coverage of the Olympic Games and our studio facilities were shared with visiting networks for production of American and European coverage.

Several developments in Western Canada in 1988 will affect our operations in 1989. An agreement was reached with Moffat Communications to merge CKNG-FM, Edmonton, and Moffat's AM operation CHED-AM. Attempts over several years to succeed with this stand-alone FM station convinced the company that both it and the community would benefit if the situation in Edmonton were rationalized and an AM station partner were found. The agreement, yet to be approved by the CRTC, would see CKNG-FM co-locate with CHED-AM under the ownership and management of a newly formed company owned by Moffat Communications Limited of Winnipeg and CFCN Communications Limited. CFCN's initial 27½% ownership interest could increase over time to 35%. This application should be heard by the CRTC during 1989.

In 1988, CFCN-TV appeared before the CRTC to present its licence renewal application. We look forward to receiving this renewal in the first quarter of 1989.

Our Calgary radio stations continue to hold a strong position in the market, both stations now contributing profits.

Through our co-ownership of KEG Productions, CFCN invested heavily in additional documentary and children's programming during 1988. Several 60-minute-format wildlife documentaries were filmed during the year, as well as KEG's first entry into children's programming with "Wild Guess", a 30-minute-format nature-oriented quiz series, now regularly scheduled on specialty cable service YTV.

Audiences remained strong during the year for both radio and television. CFCN-TV local news programs continued to gain audience and lead in the Calgary market.

RADIO PAGING - TELEMESSAGING

The Company strengthened its leadership position in radio paging in Ontario through a successful takeover bid for Better Business Communications Inc., the shares of which were traded on the Toronto Stock Exchange. On the date of acquisition, Better Business Communications Inc. was operating in major centres in Southwestern Ontario, including Toronto, and was providing service to 24,000 radio paging and 9,800 telephone answering subscribers.

The Company further expanded its scope of operations by acquiring Standard Communications Services Ltd. of Newmarket and Richmond Hill, Ontario; B.P.R. Relay Inc. of Toronto; Intel Page of Edmonton; T.A.C. Telephone of Winnipeg; and Alberta Answering Service of Calgary; and by purchasing the remaining 25% of Servi-Page in Quebec City. A telephone answering bureau was also purchased in Montreal in December.

The construction of our radio paging network in Montreal and the surrounding area was completed during the year. The range of coverage and scope of services now available to this market provide a solid base for future subscriber growth.

In summary, radio paging and telephone answering services are provided by the company in Quebec City, Montreal, and Valleyfield, Quebec; Toronto, Ottawa, and other major centres in Southwestern Ontario; and Winnipeg, Calgary, and Edmonton. We hope to establish a presence in the Vancouver market in 1989.

At year-end, the Company counted 68,000 radio paging units in service and 10,600 telephone answering service subscribers.

BOOK DISTRIBUTION

The Learning Tree has operated as a division of Maclean Hunter since the purchase of the remaining 50% of the company in early 1988.

The division has maintained its position as Canada's largest wholesaler of books to schools and public libraries. 1988 saw restored customer confidence in The Learning Tree's selection and order fulfillment services after the difficulties in 1987 that resulted from combining The Learning Tree with the National Book Centre.

Operating efficiencies, coupled with a revised marketing strategy, contributed to a significant improvement in the division's financial results. Sales growth and improved margins are forecast for 1989.

TRADE AND CONSUMER SHOWS

A total of 19 trade and five consumer shows were produced during the year, three on behalf of associations.

COMMUNICATION SERVICES

(millions)	1988	1987
Revenue	\$59.8	\$34.2
Operating income	\$ 8.3	\$ 6.7
Employees	1,138	494

Two new shows were developed during the year: The Western Materials Management Machinery and Welding Show, which was staged in Vancouver, B.C., in March 1989 and The Ottawa Kitchen, Bath and Window Show, held at Landsdowne Park in January 1989.

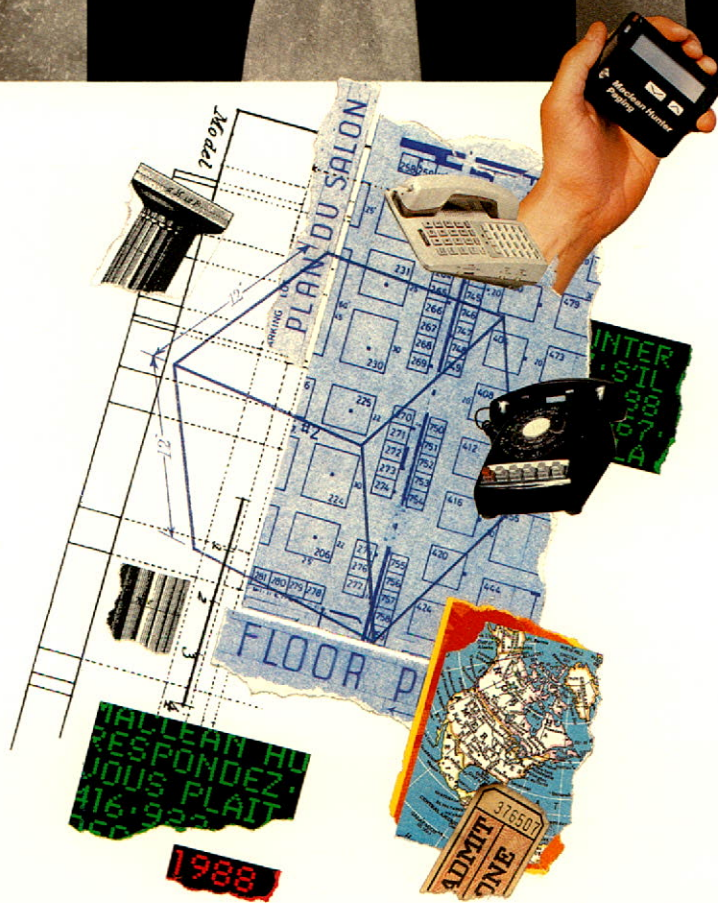
The computer shows produced by the company in Toronto, Montreal, Quebec City, Ottawa, Halifax, Calgary, and Edmonton continue to grow and develop. The Canadian Computer Show, held last November in Toronto, was the largest ever held in Canada, with a record number of exhibitors.

All five consumer shows once again met with considerable success, the Metro Toronto Home Show leading the way. The latter, which is staged at the Metro Toronto Convention Centre, will expand into the adjoining SkyDome in 1990.

Design Craft, the Company's show services division, had a relatively good year, considering the labour shortages in the Toronto area due to a busy construction season. Design Craft has been selected by the SkyDome in Toronto to act as the preferred show service organization for shows and concerts held there.

OTHER COMMUNICATION SERVICES

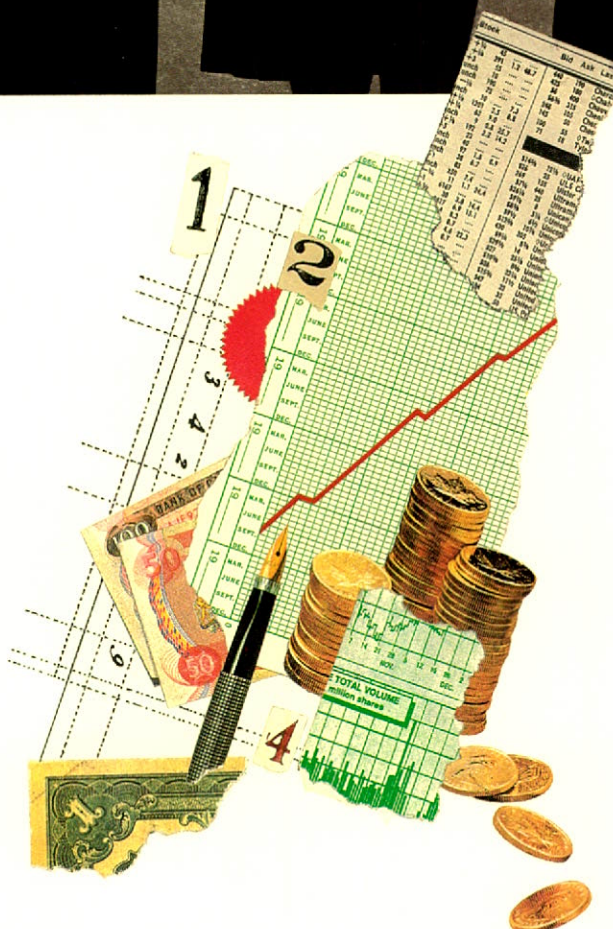
Bowden's, our media-monitoring operation and Canadian Ad-Check, a co-operative advertising auditing service, both recorded excellent years.



'MACLEAN
HUNTER Communi-
cations Inc. has been
formed to combine
the operations of MH
Paging with the
numerous radio
paging and tele-
messaging entities
acquired over the
past 18 months.'



'To preserve a balance between more mature and developing assets, and maintain our historic growth rates, we must be prepared to embark on new ventures.'



**FINANCIAL
SUMMARY**

<i>(millions of dollars except earnings per share)</i>	1988	1987	1986
Revenue	\$1,302	\$1,125	\$974
Operating income	190	190	160
Income before extraordinary items	96	85	69
Earnings per share	62¢	54¢	45¢
Assets and capital employed	1,595	873	791
Long-term debt	758	93	146
Shareholders' equity and convertible debentures	589	534	447

**FINANCIAL
HIGHLIGHTS**

Revenue increased by 16% in 1988 over 1987 while operating income was flat. Earnings per share increased by 15% to 62¢ from 54¢ in 1987.

The strengthening Canadian dollar vis-a-vis the U.S. dollar has reduced the growth in Canadian dollar revenue and income figures for our foreign operations. If exchange rates prevailing throughout 1987 had continued into 1988, revenue would have been approximately \$24 million higher, operating income would have been \$5 million higher and earnings per share would have been higher by 1.4¢.

The sale of surplus real estate and the disposition of the Company's investment in Texcom Marketing Inc. resulted in a net extraordinary gain in 1988 of \$1.3 million.

During 1988, the Company continued to invest in future growth. Business acquisitions and additions to fixed assets totalled over \$240 million plus our \$606 million investment in Selkirk Communications Limited. In addition, there were a number of new ventures such as the launch of The Financial Post Daily and Ottawa Sun for which the start-up costs were charged directly to income.

REVENUE

Revenue increased 16% to \$1,302 million in 1988 from \$1,125 million in 1987. Approximately \$74 million of the total increase of \$177 million resulted from acquisitions in 1988 or late 1987. As previously indicated, exchange rate fluctuations resulted in reduced Canadian dollar revenue from our U.S. operations.

The 6% increase in revenue from periodicals is the result of strong growth from our consumer magazines and European periodicals. The acquisition of Intercheques in late 1987 and Lawson Business Forms and Vancouver Business Forms in 1988, combined with a strong performance by the Yorkville Group, resulted in revenue growth of 15% for business forms and commercial printing. These increases were partially offset by reduced revenue in Canadian dollars from our U.S. business forms operations. Growth in the Toronto Sun newspaper together with revenue from start-up

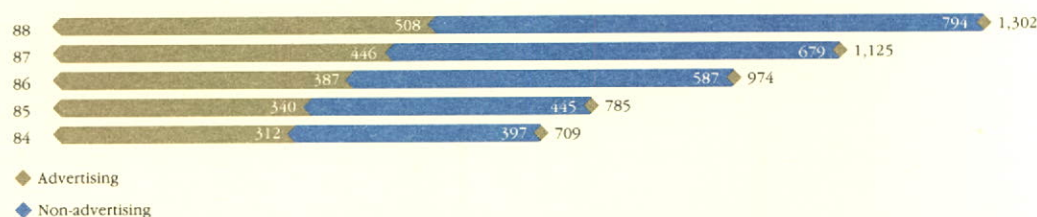
operations such as The Financial Post Daily and the acquisition by The Toronto Sun of Bowes Publishers and Comprint contributed to the increase in newspaper revenue. Cable television revenue was up 10% due to increased rates and subscribers in our Ontario and New Jersey cable television systems. Strong growth from the Eastern Canada radio operations was partially offset by lower revenue in Toronto and Edmonton.

Revenue for communication services increased 76% as a result of the acquisition of Better Business Communications Inc. and other smaller radio paging and telephone answering service operations. The acquisition of the remaining 50% interest in The Learning Tree book distribution operation resulting in the consolidation of its results with Maclean Hunter's also contributed to the increase in revenue in communication services.

REVENUE -
ADVERTISING
AND NON-
ADVERTISING

(millions)	1988		1987	
Periodicals	\$ 335	26%	\$ 315	28%
Business forms and commercial printing	337	26	294	26
Newspapers	278	21	213	19
Cable television	220	17	200	18
Broadcasting	72	5	69	6
Communication services	60	5	34	3
Total revenue	<u>\$1,302</u>	<u>100%</u>	<u>\$1,125</u>	<u>100%</u>
Canada	\$ 928	71%	\$ 764	68%
United States and Europe	374	29	361	32
Total revenue	<u>\$1,302</u>	<u>100%</u>	<u>\$1,125</u>	<u>100%</u>

(millions of dollars)



The Company's objective over the long term is to maintain a balance between advertising and non-advertising revenue. Traditionally, this balance has been approximately half and half. As a result of acquisitions of business forms and printing companies and growth in cable television, revenue from non-advertising sources increased to 61% of revenue in 1988 from to 60% in 1987.

In the advertising-based operations, it is the Company's objective to continue to diversify advertising sources in terms of industry segment (newspapers, periodicals, broadcasting), geography

(Canada, United States and Europe), and markets served (industrial, retail and national) to reduce the relative significance of any economic slowdown or change in a specific market.

Of the total revenue from Canadian periodicals, 70% is derived from advertising sources, 25% from subscriptions, largely consumer magazines, and the remaining 5% from single copy sales and other sources. In the United States and Europe, where the periodicals are essentially trade publications and media directories, approximately 72% of revenue is derived from advertising.

REVENUE -
PERIODICALS

(millions)	1988		1987	
Business publications	\$200	60%	\$193	61%
Consumer magazines	135	40	122	39
Total	<u>335</u>	<u>100</u>	<u>315</u>	<u>100</u>
Canada	205	61	187	59
United States	86	26	90	29
Europe	44	13	38	12
Total	<u>\$335</u>	<u>100%</u>	<u>\$315</u>	<u>100%</u>

ADVERTISING
LINEAGE

(pages)	1988	1987
Canada	30,400	29,700
United States	13,400	13,200
Europe	12,700	13,100
Total	56,500	56,000

The 10% increase from 1987 to 1988 in Canadian periodical revenue is primarily the result of increased advertising pages in Maclean's, Chatelaine and Châtelaine and the acquisition of Le Bulletin des Agriculteurs. The strong growth in consumer magazines was somewhat offset by lower growth from existing Canadian business publications and a reduction in revenue resulting from the sale or discontinuance of a number of business publications as part of the rationalization of this division.

Revenue reported by United States periodicals increased by 2% in U.S. dollars but decreased

by 4% in Canadian dollars. The revenue generated by publications acquired in late 1987 and in 1988 was somewhat offset by the soft results in publications serving particular industries plus the video publishing group in Stamford, Connecticut and reduced revenue resulting from the sale of certain publications at the end of 1987.

A revenue increase of 16% for U.K. and Continental Europe was primarily attributable to our operations in Switzerland and France, although all operations reported revenue increases.

REVENUE -
CABLE
TELEVISION

Cable television revenue rose by 10% to \$220 million in 1988. Eliminating the effect of the strengthening of the Canadian dollar would have resulted in 16% revenue growth between 1988 and 1987. The increase is the result of the continued market penetration in the New Jersey systems together with growth in the Ontario system.

Cable television generates 88% of its revenue from subscriptions for basic and pay services. Installation fees, converter rentals and advertising revenue (which continues to grow as a source of revenue) provide 12% of revenue.

	1988	1987
Cable television revenue sources		
Basic subscribers	55%	54%
Pay services	33	33
Other	12	13
	100	100
Canada	38	37
United States	62	63
	100%	100%

Maclean Hunter's 58.7% equity interest (49% voting) in Barden Cablevision which is building a cable television system in the City of Detroit, Michigan is accounted for on the equity basis whereby the Company includes in operating income

only its share of the income or loss of the system. The number of basic subscribers has more than doubled from 27,000 at the end of 1987 to 55,000 at the end of 1988.

OPERATING EXPENSES

Salaries, wages and employee benefits, which totalled \$420 million in 1988 (1987 - \$348 million), continue to be the largest single operating expense followed by paper, ink, postage and outside printing at \$288 million (1987 - \$236 million).

Paper prices for coated stock, which is used in our periodical publishing operations, appear to have stabilized after rising significantly over the past eighteen months. Significant price increases for newsprint were implemented in 1987 and 1988 but prices have levelled off in the latter part of 1988.

Depreciation of fixed assets and amortization

of intangible assets and goodwill represented 6% of total operating expenses. The increase in this expense from \$64 million in 1987 to \$72 million in 1988 reflects the additional investment in fixed assets and business acquisitions.

Other costs include occupancy (rent, heat, light, power), communication, travel, stationery, supplies, licences, fees, advertising and promotion. Periodicals also incur significant costs in order to obtain subscriptions, such as promotional items for direct mail campaigns in our consumer magazines and commissions to agents.

(millions)

	Salaries and benefits	Paper, ink, postage and outside printing	Depreciation and amortization	Broadcasting program rights	Others	Total
Periodicals	\$118	\$ 83	\$ 9	\$ —	\$ 95	\$ 305
Business forms and commercial printing	124	120	16	—	41	301
Newspapers	92	79	9	—	72	252
Cable television	39	3	30	32	39	143
Broadcasting	28	1	3	7	20	59
Communication services	19	2	5	—	26	52
Total 1988	<u>\$420</u>	<u>\$288</u>	<u>\$72</u>	<u>\$39</u>	<u>\$293</u>	<u>\$1,112</u>
Total 1987	<u>\$348</u>	<u>\$236</u>	<u>\$64</u>	<u>\$36</u>	<u>\$252</u>	<u>\$ 936</u>

TAXES, LICENCES AND FEES

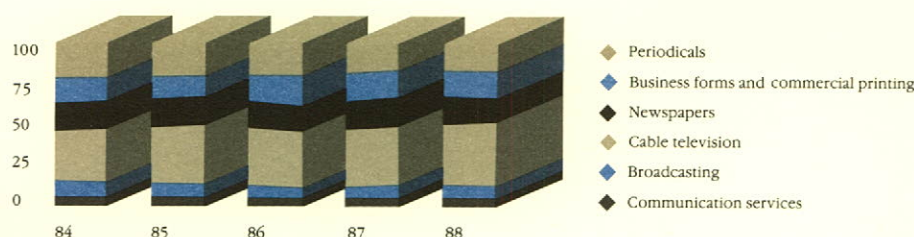
Taxes, licences and other fees paid to various levels of government as a direct result of the Company's activities amounted to \$262 million in 1988.

(millions)

	1988	1987
Corporate income taxes	\$ 88	\$ 82
Income taxes and other deductions from employee earnings	88	82
Sales taxes collected on goods and services	52	41
Other taxes, licences and fees	34	28
	<u>\$262</u>	<u>\$233</u>

OPERATING INCOME

Operating Income by Business Segment (percentages)



Operating income was flat in 1988 due in part to the effect of exchange rates as previously discussed.

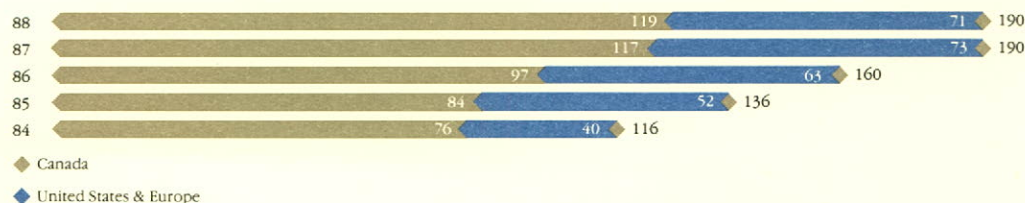
The significant increases over the prior year in operating income reported by European periodicals, Canadian business forms, cable television, the Toronto Sun newspaper and commercial printing were offset by the investment in the losses of the new The Financial Post Daily newspaper and operating income declines in Canadian and U.S. business publications and Toronto and Edmonton radio. Operating income reflects 100% of the start-up losses of the new Financial Post Daily and Ottawa Sun while the share attributable to our partners in the Financial Post venture and other

shareholders of The Sun is reflected as a reduction in the minority interest charge.

Higher paper and postage costs contributed to lower operating profits in both the Canadian and U.S. publishing operations. Costs incurred on the relaunch of KEY590 radio in Toronto and the start-up of Blue Water Broadcasting in Sarnia and Leamington, Ontario and CIOK in Saint John, New Brunswick had a negative impact on broadcasting operations.

Manufacturing difficulties at Transkrit's Brewster, New York plant and a fall-off in promotional mailer volume in the United States due to increased postage costs resulted in lower earnings for our U.S. forms operations.

Operating Income by Geography (millions of dollars)



Canadian operations contributed 63% of operating income while the U.S. and European operations provided 37% compared with 62% and 38%, respectively in 1987. The higher growth in Canada reflects the results of acquisitions.

See the review of operations section of this annual report for further discussion of operations.

INTEREST AND OTHER INCOME

Interest and other income increased by almost \$10 million in 1988 to \$15 million, primarily as the result of interest earned by The Toronto Sun on

the proceeds from the sale in late 1987 of The Houston Post.

INTEREST EXPENSE

Interest expense decreased to \$17 million in 1988 from \$19 million in 1987 reflecting reduced debt in The Toronto Sun and Maclean Hunter's United States operations, partially offset by interest on the

increased debt in Canada. The interest expense incurred on the loan to finance the acquisition of Selkirk Communications Limited is being capitalized until a decision is rendered by the CRTC.

MINORITY INTEREST

Minority interest's share of income in The Toronto Sun, Transkrit and other subsidiaries of Maclean Hunter which are not wholly owned decreased to \$5 million in 1988 from \$11 million in 1987.

Minority interest's share of the losses of The Financial Post and the lower net income of Transkrit are the principle causes of the decrease.

INCOME TAXES

Income taxes increased to \$88 million in 1988 from \$82 million in 1987. The effective tax rate increase from 46% in 1987 to almost 47% in 1988 reflects primarily \$7 million of tax recoveries on the losses of The Financial Post which have not been recorded, offset by lower tax rates in both

Canada and the United States. The Canadian federal tax rate decrease of approximately 3% had a \$4 million favorable impact on income taxes while the decrease in the combined U.S. state and federal tax rate from approximately 46% to 40% had a \$3 million favourable impact.

EARNINGS PER SHARE AND DIVIDENDS PER SHARE

(cents)



◆ Dividends per Class X Share

◆ Earnings per share

Maclean Hunter's earnings per share increased by 15% to 62¢. In the past ten years, per share earnings has grown at a compound annual growth rate of 17%.

Dividends declared per Class X share rose by 20% to 21¢ in 1988 while dividends per Class Y share were 22.25¢ compared with 18.75¢ in 1987.

CASH FLOW

Cash from operations, defined as net income before extraordinary items, adjusted for depreciation, other non-cash items and changes in non-cash working capital, increased to \$183 million from \$171 million in 1987.

Capital expenditures, including fixed asset additions, business acquisitions, the partnership interest of The Toronto Sun in the SkyDome complex

and the investment in Selkirk, totalled \$854 million in 1988. Debt increased by a net amount of \$660 million of which \$606 million was debt incurred to acquire Selkirk. Net dividends declared during the year were \$33 million.

As at December 31, 1988, the Company's consolidated cash position was \$69 million of which \$62 million was in The Toronto Sun.

CAPITAL
EXPENDITURES

(millions)	1988	1987
Canada	\$178	\$112
United States and Europe	64	43
	<u>\$242</u>	<u>\$155</u>
Purchase of fixed assets	\$124	\$ 96
Business acquisitions*	118	49
Investment in Barden Cablevision	—	10
Subtotal	242	155
Selkirk Communications Limited	606	—
Partnership interest of Toronto Sun in SkyDome complex	6	—
Total capital expenditures	<u>\$854</u>	<u>\$155</u>

*See note 6 to the Consolidated Financial Statements.

ASSETS
EMPLOYED

Renovations and equipment for a new printing plant in Aurora, Ontario continued expenditures in the Ontario Cable TV operations and the rebuild of	Suburban Cablevision to higher channel capacity, which is scheduled to be completed in 1989, accounted for the major additions to fixed assets.
Assets employed totalled \$1,595 million at December 31, 1988, including the investment in Selkirk of \$606 million, compared with \$873 million at the end of 1987. Assets employed consist largely of fixed assets representing the substantial investment in cable television equipment, presses and printing equipment together with intangible assets and	goodwill, reflecting the Company's growth through acquisitions. Long-term receivables include a \$57 million note receivable on the sale of The Houston Post and a \$43 million mortgage receivable on the sale of the Toronto printing plant land.

CAPITAL
EMPLOYED

The portion of assets employed financed by shareholders' equity plus convertible debentures decreased to 37% in 1988 from 61% in 1987 primarily as a result of the debt incurred on the acquisition of the shares of Selkirk.	compared with 0.2 to 1 at the end of 1987. Assuming that the sale of certain Selkirk operations was completed as presented in the application to the CRTC and the proceeds of \$310 million on the sale was applied to reduce the debt, the pro forma ratio of long-term debt to shareholders' equity plus convertible debentures would be 0.8 to 1.
The ratio of long-term debt to shareholders' equity plus convertible debentures was 1.3 to 1	

LONG-TERM
DEBT

(millions)	1988	1987
Canada	\$116	\$ 33
United States and Europe	52	73
	168	106
Debt to acquire Selkirk Communications Limited	604	—
	772	106
Less portion due within one year	14	13
Total long-term debt	\$758	\$ 93
Convertible debentures	\$ 33	\$ 52

Most of the debt in Maclean Hunter has been borrowed under bank lines of credit with interest rates fixed for various periods (generally less than one year). The weighted average interest rate as at December 31, 1988 on debt in Canada was 11% compared to 9.6% for debt in the United States.

The debt to acquire Selkirk is borrowed by way of banker's acceptances in Canadian dollars at interest rates ranging from 10.9% to 11.3% for terms of up to six months.

Debt in Maclean Hunter's U.S. operations decreased by \$21 million Cdn. as the result of repayments from cash generated by operations.

The strengthening of the Canadian dollar accounted for approximately \$5 million of the decrease in the Canadian dollar equivalent of the long-term debt outstanding as at December 31, 1988 compared to December 31, 1987.

The proceeds from the increased debt in Canada were used to finance acquisitions (Better Business Communications, Lawson Business Forms, additional interest in The Toronto Sun) and capital expenditures.

During the year, \$19 million of the debentures were converted into 3.8 million Class X shares.

QUARTERLY
FINANCIAL
INFORMATION

(millions except earnings per share)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
1988					
Revenue	\$295.5	\$321.1	\$315.2	\$370.3	\$1,302.1
Operating income	41.3	49.9	41.5	57.3	190.0
Net income	19.5	24.8	20.6	31.1	96.0
Earnings per share	13¢	16¢	13¢	20¢	62¢
1987					
Revenue	\$256.1	\$285.2	\$265.5	\$318.2	\$1,125.0
Operating income	36.2	52.5	39.0	61.8	189.5
Net income	14.5	24.2	16.3	29.8	84.8
Earnings per share	10¢	15¢	10¢	19¢	54¢
1986					
Revenue	\$217.1	\$239.4	\$234.3	\$283.1	\$ 973.9
Operating income	32.1	42.0	35.2	50.7	160.0
Net income	11.8	18.6	13.6	25.3	69.3
Earnings per share	8¢	12¢	9¢	16¢	45¢

Notes

Earnings per share have been restated to give retroactive effect to the two-for-one stock split effective May 16, 1988.
Net income and earnings per share are before extraordinary items.

Revenue and operating income have been restated to exclude The Houston Post which was sold in November 1987.

CONSOLIDATION
AND
INVESTMENTS

The accompanying financial statements of the Company for the year ended December 31, 1988 have been prepared by management in accordance

with accounting principles generally accepted in Canada. The principal accounting policies followed by the Company are summarized below.

The accounts of subsidiaries are consolidated with those of the Company.

Certain subsidiary companies hold a non-controlling interest in a company which owns shares of the Company. The Company's proportionate interest in the cost of such shares is deducted from shareholders' equity. Earnings per share is calculated after eliminating the Company's indirect interest in its own shares.

Similarly, the dividends deducted from retained earnings exclude that portion which relates to the Company's indirect interest in its own shares.

Investments in entities where the Company exercises significant influence but does not have voting control are carried on the equity basis whereby the Company includes its proportionate share of their income or loss in consolidated income.

TRANSLATION
OF FOREIGN
CURRENCIES

Foreign currency amounts and the financial statements of foreign subsidiaries are translated into Canadian dollars on the following basis:

- assets and liabilities at the year-end rate of exchange \$1 U.S. = \$1.1925 Cdn. (1987 - \$1 U.S. = \$1.2998 Cdn.)
- revenue and expenses at the average rate calculated monthly \$1 U.S. = \$1.229 Cdn. (1987 - \$1 U.S. = \$1.326 Cdn.)

Unrealized exchange gains or losses on foreign currency debt or long-term receivables of Canadian operations are deferred and amortized over the term to maturity.

Unrealized exchange gains or losses arising from the translation of the Company's net investment in self-sustaining foreign operations are accumulated in the foreign currency translation adjustment account in shareholders' equity and included in income if realized through sale of the investment or distribution of foreign assets.

UNEARNED
REVENUE

Prepaid subscriptions for cable television, newspapers and magazines which are substantially dependent on subscription revenue are deferred and taken into income as the services are provided to the subscribers. These deferred amounts are included in accounts payable.

Net revenue from consumer magazine subscrip-

tions is also deferred and taken into income over the terms of the various subscriptions. As these magazines derive a majority of their revenue from advertising and single copy sales, current assets will not be used to discharge any obligations to subscribers, and therefore no portion of such unearned revenue is included in current liabilities.

INCOME
TAXES

The deferral method is used in accounting for income taxes whereby timing differences between income reported in the financial statements and taxable income result in deferred income taxes.

Such timing differences occur when revenue or expenses are recognized in the accounts in one year and are included in taxable income in another year.

INVENTORIES

Inventories, principally materials for printing and business forms, are valued at the lower of cost

(using first-in, first-out - FIFO) and replacement cost.

FIXED ASSETS

Fixed assets are recorded at cost less related investment tax credits. Interest on borrowings is capitalized during the construction of new plant and equipment.

For newly licensed areas within a cable television system, a portion of the fixed system costs attributable to future operations is capitalized during the prematurity period. Prematurity begins with the first subscriber hook-up and ends when construction is planned to be substantially complete.

Capital leases, which transfer substantially all the benefits and risks of ownership, are recorded as the acquisition of an asset and the incurrence of an obligation based on the present value of future rental payments.

Fixed assets, including capital leases, are depreciated over the estimated life of the assets using the following rates:

	Straight line	Diminishing balance
Buildings	2.5%	or 5%
Cable television equipment	6.7% to 10%	
Newspaper printing equipment	6.7%	
Business forms and other printing equipment	10%	
Broadcasting equipment	5% and 10%	
Office furniture and fixtures		10% - 20%
Leasehold improvements	Lease term	
Vehicles		20% - 30%
Other equipment		10% - 20%

INTANGIBLE ASSETS AND GOODWILL

The excess of the cost of acquiring businesses over the value assigned to identifiable tangible assets acquired is allocated first to intangible assets and then to goodwill.

Intangible assets which include broadcast licences, cable television franchises, circulation bases, subscriber lists, favourable contracts and non-compete agreements are amortized over their estimated economic life, or, if the life is indefinite,

are not amortized. Intangible assets are written down if a permanent impairment in their ongoing value has occurred.

Goodwill is amortized on a straight-line basis over ten years for trade and consumer shows and over periods not exceeding forty years for other operations. Goodwill is written down when it is considered that a permanent impairment in ongoing value has occurred.

PENSION COSTS AND OBLIGATIONS

For defined benefit plans, pension costs are actuarially determined on the basis of management's estimates using the projected benefit method prorated over the service lives of the employees. Actuarial surpluses or deficiencies are amortized

to income on the sinking-fund basis over the expected average remaining service life of pension plan members. Pension fund assets are valued using market prices averaged over a five year period.

CONSOLIDATED STATEMENT OF INCOME

(millions)		December 31		
		Notes	1988	1987
REVENUE	Periodicals		\$ 334.6	\$ 315.4
	Business forms and commercial printing		337.6	293.6
	Newspapers		278.2	213.3
	Cable television		219.7	199.5
	Broadcasting		72.2	69.0
	Communication services		59.8	34.2
	Total revenue		1,302.1	1,125.0
OPERATING INCOME	Periodicals		29.9	30.7
	Business forms and commercial printing		36.8	32.1
	Newspapers		25.9	35.0
	Cable television		75.8	70.3
	Broadcasting		13.3	14.7
	Communication services		8.3	6.7
	Total operating income		190.0	189.5
OTHER INCOME (EXPENSE)	Operating income from The Houston Post		—	2.4
	Interest and other income		15.0	5.1
	Interest expense on long-term debt	12	(17.0)	(19.0)
	Minority interest		(4.5)	(10.8)
	Income taxes	4	(87.5)	(82.4)
INCOME	Income before extraordinary items		96.0	84.8
	Extraordinary items	2	1.3	50.5
	Consolidated net income		\$ 97.3	\$ 135.3
	Earnings per share —			
	before extraordinary items	3	62¢	54¢
GEOGRAPHIC SEGMENT INFORMATION	Revenue	1		
	Canada		\$ 928.3	\$ 763.8
	United States and Europe		373.8	361.2
	Total revenue		\$1,302.1	\$1,125.0
	Operating Income			
	Canada		\$ 119.4	\$ 117.2
	United States and Europe		70.6	72.3
	Total operating income		\$ 190.0	\$ 189.5

CONSOLIDATED STATEMENT OF CHANGES
IN FINANCIAL POSITION

(millions)		December 31		
		Notes	1988	1987
CASH FROM OPERATIONS	Income before extraordinary items		\$ 96.0	\$ 84.8
	Loss from The Houston Post			
	after interest and income taxes		—	8.8
	Items not requiring cash			
	Depreciation		65.3	58.4
	Minority interest		4.5	10.8
	Deferred income taxes		6.0	3.5
	Amortization of intangible assets and goodwill		6.2	5.3
	Change in unearned revenue and other		(4.7)	2.6
	Sub-total		173.3	174.2
	Net change in non-cash working capital		9.3	(2.9)
	Total cash from operations		182.6	171.3
INVESTMENT SOURCES (USES)	Selkirk Communications Limited	11	(606.1)	—
	Purchase of fixed assets		(124.5)	(95.9)
	Business acquisitions	6	(116.1)	(58.8)
	Extraordinary items	2	7.9	139.8
	Other investments		(6.2)	—
	Total investment uses		(845.0)	(14.9)
FINANCING SOURCES (USES)	Debt to acquire Selkirk Communications Limited	12	603.7	—
	Long-term debt	12	56.5	(62.6)
	Dividends declared		(32.5)	(26.9)
	Purchase of shares for cancellation	14(a)	(1.2)	(15.9)
	Total financing sources (uses)		626.5	(105.4)
CASH AND SHORT-TERM INVESTMENTS	Increase (decrease) in cash		(35.9)	51.0
	Cash, beginning of year		104.7	53.7
	Cash, end of year		\$ 68.8	\$ 104.7
<hr/>				
Cash and short-term investments				
	Maclean Hunter		\$ 7.2	\$ 3.6
	The Toronto Sun		61.6	101.1
	Total		\$ 68.8	\$ 104.7

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(millions)	December 31		
	Notes	1988	1987
Retained earnings, beginning of year		\$343.2	\$250.2
Consolidated net income		97.3	135.3
Dividends declared	14(b)	(32.5)	(26.9)
Premium on the purchase of shares			
for cancellation	14(a)	(1.2)	(15.4)
Retained earnings, end of year		<u>\$406.8</u>	<u>\$343.2</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS EMPLOYED

(millions)		December 31		
		Notes	1988	1987
Current assets				
Cash and short-term investments			\$ 68.8	\$104.7
Accounts receivable			161.7	141.3
Inventories			47.7	35.2
Prepays and other			29.9	50.4
Total current assets			308.1	331.6
Current liabilities				
Bank loans			17.0	11.6
Accounts payable			163.6	142.6
Income and other taxes payable			27.8	36.5
Long-term debt due within one year			13.8	13.2
Total current liabilities			222.2	203.9
Working capital			85.9	127.7
Fixed assets	7		446.0	370.4
Intangible assets and goodwill	8		286.6	215.6
Long term receivables	9		113.2	113.1
Investments and deferred charges	10		57.2	46.4
Selkirk Communications Limited	11		606.1	—
Total assets employed			\$1,595.0	\$873.2

CAPITAL EMPLOYED

(millions)		December 31		
		Notes	1988	1987
Long-term debt	12		\$ 757.9	\$ 92.7
Unearned revenue			35.5	39.3
Deferred income taxes			104.9	100.3
Minority interest			107.5	106.8
Convertible debentures	13		33.1	52.3
Shareholders' equity				
Share capital	14		204.4	174.9
Retained earnings			406.8	343.2
Foreign currency translation adjustment	16		(11.6)	0.4
			599.6	518.5
Less the Company's indirect interest in its own shares	15		(43.5)	(36.7)
Total shareholders' equity			556.1	481.8
Total capital employed			\$1,595.0	\$873.2

On behalf of the Board:

R. W. Osborne

RONALD W. OSBORNE
Director

G. P. Osler

GORDON P. OSLER
Director

December 31, 1988

1. ADDITIONAL
SEGMENT
INFORMATION

1988

(millions)				
		Assets	Depreciation and Amortization	Capital Expenditures*
<i>Industry</i>				
Periodicals	\$ 191.5	\$ 9.2	\$ 35.8	
Business forms and commercial printing	241.3	15.6	39.0	
Newspapers	200.9	8.4	85.0	
Cable television	240.5	30.4	45.4	
Broadcasting	63.4	3.0	3.7	
Communication services	74.8	4.9	33.2	
Corporate assets	198.7	—	—	
Selkirk Communications Limited (note 11)	606.1	—	606.1	
	<u>\$1,817.2</u>	<u>\$71.5</u>	<u>\$848.2</u>	
<i>Geography</i>				
Canada	\$ 879.3	\$42.8	\$178.3	
United States and Europe	331.8	28.7	63.8	
Selkirk Communications Limited (note 11)	606.1	—	606.1	
	<u>\$1,817.2</u>	<u>\$71.5</u>	<u>\$848.2</u>	

1987

<i>Industry</i>				
Periodicals	\$ 171.3	\$ 9.3	\$ 27.2	
Business forms and commercial printing	221.6	14.3	39.7	
Newspapers	113.5	6.0	25.3	
Cable television	238.7	28.3	50.6	
Broadcasting	61.5	2.8	4.5	
Communication services	33.9	3.0	7.4	
Corporate assets	236.6	—	—	
	<u>\$1,077.1</u>	<u>\$63.7</u>	<u>\$154.7</u>	
<i>Geography</i>				
Canada	\$ 775.3	\$35.6	\$111.5	
United States and Europe	301.8	28.1	43.2	
	<u>\$1,077.1</u>	<u>\$63.7</u>	<u>\$154.7</u>	

*Capital expenditures include additions to fixed assets and business acquisitions (note 6).

2. EXTRAORDINARY
ITEMS

The sale of surplus real estate and the disposition of the Company's investment in Texcom Marketing Inc. resulted in a net extraordinary gain of \$1.3 million (after taxes of \$1.9 million) or 0.8¢ per

share. Extraordinary gains in 1987 amounted to \$50.5 million (after taxes of \$20.8 million) or 32¢ per share.

3. EARNINGS
PER SHARE

Earnings per share are calculated on a fully diluted basis using the weighted average number of shares outstanding (1988 - 159,016,494; 1987 - 160,073,010). The calculation assumes that all of the Company's convertible debentures and Class A special shares have been converted into capital

stock and income is adjusted for the after-tax effect of interest expense on the debentures.

Earnings per share for 1988 including extraordinary items (note 2) was 63¢ (1987 - 86¢).

Basic earnings per share does not differ materially from fully diluted earnings per share.

4. INCOME TAXES

(millions)	1988	1987
Income before income taxes, minority interest and extraordinary items	<u>\$188.0</u>	<u>\$178.0</u>
Income taxes at Canadian statutory rates (1988 - 47.9%; 1987 - 52.1%)	\$ 90.1	\$ 92.7
Differences from statutory rates relating to		
Income tax rate differentials in other jurisdictions	(10.0)	(8.1)
Manufacturing and processing credit	(4.7)	(5.8)
Losses of subsidiary companies not tax effected	7.5	—
Amortization and depreciation which is not deductible for tax purposes	2.4	3.2
Other	2.2	0.4
Total income tax provision	<u>\$ 87.5</u>	<u>\$ 82.4</u>
Canada	\$ 60.5	\$ 52.6
United States and Europe	27.0	29.8
Total income tax provision	<u>\$ 87.5</u>	<u>\$ 82.4</u>

Under the November 1987 sale agreement for The Houston Post Company, The Toronto Sun warranted the prior years' tax position of The Houston Post Company. The Internal Revenue Service is conducting an audit of the tax returns as filed and has indicated it may propose an assessment for payment of U.S. withholding taxes on interest paid to a related company for the years 1984 through 1987, inclusive. The amount of such possible assessment is estimated at \$6 million U.S. plus

interest. In the opinion of Toronto Sun management, based on advice from its United States tax and legal advisors, the company's position would prevail in court in the event the Internal Revenue Service were to determine that U.S. withholding tax was due. Accordingly, no provision has been made in these financial statements. If the Toronto Sun is unsuccessful, any amounts required to be paid in the future will be treated as a prior period adjustment.

5. PENSION PLANS

The Company has pension and other retirement plans covering substantially all employees providing retirement benefits related to remuneration and years of service. The assets of the Company's pension plans as at December 31, 1988 were \$208 million (including \$148 million relating to defined

benefit plans) compared to \$180 million at December 31, 1987. The estimated accrued benefits at December 31, 1988 were \$170 million (including \$110 million relating to defined benefit plans) compared to \$148 million at December 31, 1987.

6. BUSINESS ACQUISITIONS

During the year, the following major acquisitions were made.

By Maclean Hunter

- a 100% interest in Better Business Communications Inc. and a number of other smaller operations which provide radio paging and telephone answering services in Quebec, Ontario, Manitoba and Alberta.
- the assets and operations of Lawson Business Forms which has plants in Ontario, Manitoba, Saskatchewan and Alberta.
- an additional 3.3% interest in The Toronto Sun Publishing Corporation, increasing the Company's interest to 61.8%.

By The Toronto Sun

- a 60% interest in Bowes Publishers Limited which publishes community daily and weekly newspapers, several special interest magazines,

two regional farm weeklies and also conducts a commercial printing business.

- a 100% interest in Comprint, Inc. which operates a commercial printing business in the greater Washington, D.C. area and also sells advertising for, prints, and distributes several weekly military publications.

In addition, a number of smaller acquisitions were made in various business segments and the Company's interest in certain subsidiaries was increased during the year. Similarly, other smaller publications and operations were sold or discontinued with no material effect on the financial statements.

The Company has agreements to purchase, at formula-based prices, the interest of certain minority shareholders other than in The Toronto Sun.

(millions)

Business Acquisitions Summary

Net assets acquired at fair values

Working capital	\$ 5.6
Fixed assets	34.4
Intangible assets and goodwill	85.5
Other assets	1.9
	<u>127.4</u>
Reduction in minority interest	2.1
Less: Long-term debt assumed	\$10.9
Deferred income taxes	<u>1.0</u>
	<u>\$117.6</u>
Consideration	
Class X shares (note 14)	\$ 1.5
Cash	<u>116.1</u>
Total consideration	<u>\$117.6</u>

7. FIXED ASSETS

(millions)

	1988			1987
	Cost	Accumulated depreciation	Net	Net
Land	\$ 23.3	\$ —	\$ 23.3	\$ 19.6
Buildings	63.6	15.1	48.5	42.2
Cable television systems				
– equipment	258.8	113.1	145.7	138.2
– deferred prematurity costs	13.4	7.6	5.8	7.3
Presses and printing equipment	146.0	68.3	77.7	72.5
Broadcasting equipment	47.0	22.8	24.2	17.4
Office furniture and fixtures	48.8	25.5	23.3	11.5
Leasehold improvements	17.1	8.2	8.9	7.3
Vehicles	10.2	5.0	5.2	4.2
Other equipment	90.7	43.0	47.7	29.5
Construction in progress	35.7	—	35.7	20.7
	<u>\$754.6</u>	<u>\$308.6</u>	<u>\$446.0</u>	<u>\$370.4</u>

The above amounts include net fixed assets of \$9.8 million (1987 – \$11.5 million) under capital leases (note 17).

Interest capitalized in 1988, relating to construction in progress, was \$1.8 million (1987 – \$0.2 million).

The Company has planned capital expenditures for 1989 amounting to over \$180 million including \$34 million for expansion of The Toronto Sun plant and \$14 million for renovations to and new

equipment for the new Maclean Hunter printing plant in Aurora, Ontario.

In addition, Maclean Hunter has entered into an agreement to build a cable television system for a 168,000 home area in East Lancashire, United Kingdom. The total cost will be approximately \$65 million and will be funded with \$22 million in equity and \$43 million in debt. Maclean Hunter will have an effective equity interest of approximately 84%.

8. INTANGIBLE ASSETS AND GOODWILL

(millions)

	1988	1987
Intangible assets		
Circulation and subscriber bases	\$ 32.4	\$ 23.0
Cable television franchises	32.0	33.5
Broadcast licences	25.9	25.6
Others	<u>2.0</u>	<u>2.7</u>
	92.3	84.8
Goodwill	<u>194.3</u>	<u>130.8</u>
	<u>\$286.6</u>	<u>\$215.6</u>

9. LONG-TERM
RECEIVABLES

(millions)	1988	1987
Note receivable on sale of The Houston Post	\$ 56.6	\$ 55.3
Mortgage due from sale of Toronto printing plant	43.0	43.0
Stock plan loans (note 14(c))	10.0	10.9
Deposits and other receivables	3.6	3.9
	<u>\$113.2</u>	<u>\$113.1</u>

Note receivable on sale of The Houston Post

The note receivable on the sale in 1987 of The Houston Post Company bears deferred interest at ten percent and the principal and interest thereon is due and payable on November 30, 1992. The note has been discounted to reflect the estimated market interest rate on such a note at the date of sale of The Houston Post.

The note, against which the purchaser's assets are pledged, is subordinate to prior rights of a consortium of banks. The bank loan agreements and the note contain certain financial tests and covenants which must be met by the purchaser. In order to be able to meet the tests and covenants, the purchaser has submitted a restructuring and related refinancing proposal to its lenders. The proposal is subject to the approval of a number of parties with whom negotiations are proceeding. Management of The Toronto Sun is of the opinion that the current carrying value of the amount due is reasonable.

At the time of the sale, The Toronto Sun also received as consideration warrants representing, on a fully diluted basis, three percent of the common shares of the purchaser which may be exercised at a nominal amount. The Toronto Sun will also be paid an additional amount on March 31, 1993 based on \$1.25 U.S. for every \$1.00 U.S. of additional gross newspaper revenue of The Houston Post in 1992 (or the average revenue for 1991 and 1992 if greater) over a base of \$120 million U.S. Neither of these items have been recorded in the accounts.

Mortgage due from sale of Toronto printing plant

The receivable on the sale of the Toronto printing plant is due in January 1991 at the end of a three-year leaseback agreement with the purchaser. In addition to a mortgage on the property, the receivable is partially secured by a \$12.5 million letter of credit.

10. INVESTMENTS
AND DEFERRED
CHARGES

(millions)	1988	1987
Investment in Barden Cablevision	\$ 28.3	\$ 30.5
Partnership interest of Toronto Sun		
in SkyDome complex	5.6	—
Affiliated companies and other investments	5.1	4.7
Deferred charges	18.2	11.2
	<u>\$ 57.2</u>	<u>\$ 46.4</u>

Investment in Barden Cablevision

Maclean Hunter Cable TV, Inc., through a wholly-owned subsidiary, has invested a total of \$22.6 million U.S. to obtain a 58.7% equity interest (49% voting interest) in Barden Cablevision which holds the franchise to construct a cable television system in the City of Detroit, Michigan. In addition, Maclean Hunter has a management contract to direct the planning, construction and day-to-day management of the Detroit system. The total cost of the system, which commenced operations in January 1987, will be approximately \$120 million U.S. and will be completed over the next three to four years. Non-recourse financing of \$80 million U.S. has been arranged for the project at various floating interest rate options including \$50 million

U.S. at rates which can float up to but cannot exceed 13¼% during the next seven years. Maclean Hunter has provided a \$5 million U.S. completion guarantee on construction.

A lawsuit was filed against Barden Cablevision and Maclean Hunter with respect to the awarding of the franchise. In 1988, the court dismissed the lawsuit in favour of Maclean Hunter and Barden Cablevision. Appeals which were subsequently filed by the plaintiff are currently pending before the court. Management believes that the suit is without merit and that any future decision or settlement will not have a material adverse impact on the Company or its investment in Barden Cablevision.

11. SELKIRK
COMMUNICATIONS
LIMITED

In October 1988, the Company, through a wholly-owned subsidiary, made an offer to purchase for cash all of the approximately 12,100,000 Class A non-voting shares and 2,000 Class B voting shares of Selkirk Communications Limited at \$49.50 and \$5 per share, respectively. As at December 31, 1988, the Company has acquired virtually all of the Class A shares for approximately \$606 million, including costs of the acquisition incurred to date, and has entered into agreements to acquire, subject to prior approval of the Canadian Radio-television and Telecommunications Commission (CRTC), the Class B voting shares. The CRTC is expected to hold public hearings in early summer 1989 and render its decision in late summer or early fall.

The Company has entered into agreements, subject to prior approval of the CRTC, to sell certain operations of Selkirk to other parties for total proceeds of approximately \$310 million. The Company will retain, subject to prior approval of

the CRTC, cable systems in Ottawa, Ontario and Ft. Lauderdale, Florida serving 125,000 and 75,000 subscribers, respectively, a Brampton/Toronto, Ontario FM radio station and miscellaneous other assets. Selkirk has filed an application, which is still pending, with the CRTC to acquire a combination AM/FM radio station in Montreal, Quebec.

Until the CRTC decision on the transfer of the Class B shares is rendered, costs incurred in respect of the acquisition, including interest costs (\$6.3 million in 1988), less dividends received from Selkirk will be added to the cost base of the investment. Thus, the acquisition will not have any effect on the Company's earnings until a decision is rendered by the CRTC. If a favourable decision is received from the CRTC, the Company will begin to consolidate the operations it has retained as at the date of the decision.

The acquisition has been bridge financed with bank debt (note 12).

12. LONG-TERM
DEBT

(millions)	1988	1987
Bank credit facility	\$ 97.5	\$ —
Bank revolving credit line	10.9	24.8
Equipment and other loans	7.5	8.5
Subtotal - Canada	115.9	33.3
Term Loans		
\$16.5 million U.S. at 8.1% to 11.5% payable from 1989 to 1991	19.7	32.0
Bank Revolving Credit Lines		
\$15.3 million U.S. due in 1990	18.3	21.2
Capitalized lease obligations and other indebtedness		
\$11.8 million U.S. at 5½% to 8¾% payable to 1996	14.1	19.4
Subtotal - United States	52.1	72.6
	168.0	105.9
Debt to acquire Selkirk		
Communications Limited (note 12(c))	603.7	—
	771.7	105.9
Less portion due within one year	13.8	13.2
Total long-term debt	\$757.9	\$ 92.7

(a) Bank credit facility

The Company has a bank credit facility maturing in 1990 for \$100 million at interest rates related to banker's acceptance rates. The facility is unsecured

and is extendible for six month periods subject to the bank's agreement.

(b) Bank revolving credit lines

Interest rates on bank revolving credits lines are based on various options including bank prime and

London Interbank Offered Rate (LIBOR).

(c) Debt to acquire Selkirk Communications Limited

The acquisition of Selkirk Communications Limited was financed with a bank bridge credit facility of up to \$650 million maturing in 1991. Borrowings are by way of banker's acceptances or direct bank loans in Canadian or United States dollars at

interest rates related to prime or London Interbank Offered Rate (LIBOR). The Class A shares of Selkirk have been pledged as collateral for the loan. At the Company's option, the facility is extendible for four additional years.

(d) *Principal repayments required under debt instruments are as follows:*
(millions)

1989	\$ 13.8
1990	132.3
1991	10.7
1992	1.4
1993	8.5
1994 and thereafter	1.3
	<hr/>
	168.0
Debt to acquire Selkirk due in 1991	603.7
	<hr/>
Total debt	\$771.7
	<hr/>

13. CONVERTIBLE
DEBENTURES

The 8¼% unsecured convertible debentures are due on May 1, 2004.

The debentures are convertible at the holders' option into Class X voting shares at any time up to May 1, 1994, or the last business day immediately preceding redemption, at a conversion price of \$5.0625 per Class X voting share.

Subject to the right of conversion, prior to May 1, 1989, the debentures are redeemable at the Company's option if the Class X shares trade at not

less than \$6.33 per share and after May 1, 1989, at any time. The redemption price declines from 106.41% during the twelve months ended May 1, 1989 to par in 2003.

The trust indenture provides for mandatory and additional voluntary sinking fund payments on May 1 in each of the years 1995 to 2003.

During the year, \$19.2 million of debentures were converted into 3,791,784 Class X shares (note 14).

14. SHAREHOLDERS'
EQUITY

During the year, the Company amended its articles of incorporation to provide for a two-for-one subdivision of the issued Class X and Class Y shares

effective May 16, 1988 and, accordingly, all share capital and per share data in these financial statements have been restated.

(a) *Share capital*

The authorized capital is as follows:

- i) an unlimited number of Class X participating, voting shares and Class Y participating, non-voting shares
- ii) an unlimited number of non-voting Class A special shares, and
- iii) an unlimited number of Class C special non-voting shares with a stated value of 1¢ each.

Class X shares are convertible into Class Y shares on a one-for-one basis at any time. Class Y shares are convertible into Class X shares in the event of a takeover bid for Maclean Hunter for which the Board of Directors does not recommend rejection or in the event of liquidation of the Company.

The Class Y shares are entitled to receive dividends equal to those paid on the Class X shares plus the lesser of 1.25¢ per share per annum and 20% of the dividend per share paid to Class X shareholders.

The Directors of the Company are authorized to determine the designation, rights, privileges, restrictions and conditions to be attached to each series of Class A special shares which may be issued. The Class A special shares would rank prior to the Class X shares, the Class Y shares and Class C special shares with respect to the payment of dividends and the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

The first series of Class A special shares, which are not transferable, were issued at \$18.875 per share (or \$9.44 per equivalent Class X share) and will pay cumulative dividends at the rate of 5% per annum. The shares are convertible into Maclean Hunter Class X shares at any time prior to 1992 on the basis of \$10.57 per Class X share and are retractable at their issue price at any time at the option of the holder. In addition, the shares are redeemable at their issue price after 1989 at the Company's option if the Class X shares are trading at not less than \$13.22 and, in all circumstances, on or after December 31, 1992.

The Company issues shares under its dividend reinvestment plan and in connection with some of its business acquisitions, although it is not the purpose of these transactions to increase the number of shares outstanding. Accordingly, the Company has obtained permission from the Montreal and Toronto stock exchanges to purchase a limited number of its Class X and Class Y shares in accordance with the exchanges' normal course issuer bid policies. In 1988, the Company purchased for cancellation 121,600 Class Y shares (1987 – 1,866,726 Class X shares and Class Y shares) for total consideration of \$1.2 million (1987 – \$15.9 million).

Share capital transactions are summarized on page 44.

(b) Dividends

Dividends declared during the year on the Class X shares were 21.0¢ (1987 – 17.5¢) and on the Class Y shares were 22.25¢ (1987 – 18.75¢).

Dividends declared as shown in the Consolidated Statement of Retained Earnings exclude that portion which relates to the Company's indirect interest in its own shares amounting to \$6.8 million (1987 – \$5.5 million).

Shareholders may participate in the Company's Automatic Dividend Reinvestment Plan whereby

cash dividends are automatically reinvested in new shares of the same class, having a value equal to the cash dividend. The shares are valued at the weighted average of the closing prices for the shares on The Toronto Stock Exchange during the five trading days preceding the dividend payment date. Under the regulations of the Securities and Exchange Commission, shareholders who are resident in, or are citizens of, the United States may not participate in the Plan.

(c) Senior employee stock participation plan

Under the terms of the Stock Participation Plan, certain senior employees of the Company may purchase shares at the prevailing market price financed by interest-free loans from the Company. These loans are to be repaid in instalments over a maximum of twelve years. Shares purchased under the Plan are held in trust until the loans have been fully paid.

Since inception of the Plan in 1974, shareholders have approved allocations to the Plan of the equiv-

alent of 20,800,000 Class X shares of which 14,067,750 such shares were issued to December 31, 1988 including 108,600 shares issued during 1988. At December 31, 1988 a further 44,500 shares had been allocated to employees but had not yet been taken up.

The balance of the loans under the Plan at December 31, 1988 (see note 9) included \$4.3 million (1987 – \$4.0 million) to employees who are officers (some of whom are directors).

(d) Share transfer restriction

Pursuant to its articles of incorporation, the Company has the right to refuse to register a transfer of any shares in the capital of the Company that may, in the opinion of the Directors, adversely affect (i) the status of the Company or any of its subsidiaries under the licencing provisions of any government legislation or regulation including the Broadcasting Act of Canada, or (ii) the status of any newspaper

or periodical published by the Company or any of its subsidiaries as a "Canadian newspaper or periodical". In this connection, the Directors of the Company may require any person who requests a registration of shares to submit a declaration setting out certain information including the name of the beneficial owner of the shares and information relating to the beneficial owner's Canadian status.

	1988		1987	
	Shares	Amount (millions)	Shares	Amount (millions)
<i>Share Capital</i>				
<i>Share Capital Transactions</i>				
Class X and Class Y shares				
Balance, beginning of year	179,348,596	\$163.5	180,020,040	\$154.0
Dividend reinvestment				
(notes 14(b) and 15)	619,299	7.5	617,510	6.3
Conversion of debentures	3,791,784	19.2	401,368	2.0
Stock plan issues (note 14(c))	108,600	1.3	174,400	1.7
Business acquisitions	131,844	1.5	2,004	—
Purchase of shares for cancellation				
(note 14(a))	(121,600)	—	(1,866,726)	(0.5)
Balance, end of year	183,878,523	193.0	179,348,596	163.5
Class A special shares	604,712	11.4	604,712	11.4
Total Share Capital		\$204.4		\$174.9
<i>Share Capital</i>				
Class X	156,832,205		152,420,532	
Class Y	27,046,318		26,928,064	
Total	183,878,523		179,348,596	

15. RECIPROCAL
SHAREHOLDINGS

Two subsidiaries of Maclean Hunter Limited own a non-controlling interest in Maclean Hunter Holdings Limited which, as at December 31, 1988 held approximately 21% of the voting shares of Maclean Hunter Limited. As a result of these holdings, the Company has an indirect interest in

32,366,520 of its Class X voting shares and has deducted its proportionate cost thereof from shareholders' equity. Changes in the Company's indirect interest in its Class X shares are summarized below:

	Number of shares	Deduction from shareholders' equity
December 31, 1987	31,834,252	\$36.7
Shares issued to Maclean Hunter Holdings Limited under automatic dividend reinvestment plan (note 14(b))	532,268	6.8
December 31, 1988	32,366,520	\$43.5

16. FOREIGN
CURRENCY
TRANSLATION
ADJUSTMENT

The decrease in the foreign currency translation adjustment during 1988 is due to the strengthening of the Canadian dollar against the United States dollar.

17. LEASES

Future minimum lease payments under capital leases (note 7) and operating leases at December 31, 1988 are as follows:

	Capital leases	Operating leases
1989	\$ 1.7	\$ 22.3
1990	1.7	18.4
1991	1.4	16.0
1992	1.5	14.2
1993	8.3	15.7
1994 and thereafter	1.1	105.8
Total lease payments	15.7	\$192.4
Less interest included in capital leases	(4.5)	
Present value of minimum capital lease payments (including current instalments of \$0.6 million)	\$11.2	

AUDITORS' REPORT
TO THE
SHAREHOLDERS OF
MACLEAN HUNTER
LIMITED

We have examined the consolidated statement of financial position of Maclean Hunter Limited as at December 31, 1988 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1988 and the

results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

CLARKSON GORDON
Chartered Accountants
Toronto, Canada
February 17, 1989

TEN-YEAR FINANCIAL SUMMARY

OPERATING RESULTS

<i>(dollar amounts in millions)</i>	1988	1987	1986
Revenue			
Periodicals	\$ 334.6	\$ 315.4	\$ 291.3
Business forms and commercial printing	337.6	293.6	237.7
Newspapers	278.2	213.3	183.8
Cable television	219.7	199.5	177.8
Broadcasting	72.2	69.0	53.3
Communication services	59.8	34.2	30.0
Total revenue	<u>\$1,302.1</u>	<u>\$1,125.0</u>	<u>\$ 973.9</u>

Income before extraordinary items

1st quarter	\$ 19.5	\$ 14.5	\$ 11.8
2nd quarter	24.8	24.2	18.6
3rd quarter	20.6	16.3	13.6
4th quarter	31.1	29.8	25.3
Income before extraordinary items	96.0	84.8	69.3
Extraordinary items	1.3	50.5	
Consolidated net income	<u>\$ 97.3</u>	<u>\$ 135.3</u>	<u>\$ 69.3</u>

PER SHARE DATA

Income before extraordinary items	62¢	54¢	45¢
Dividends declared			
Class X	21.0¢	17.5¢	15.4¢
Class Y	22.3¢	18.8¢	16.6¢

Number of shares less indirect interest (thousands)

Year end	151,512	147,514	148,716
Weighted average (fully diluted)	159,016	160,073	158,229

CASH FLOW

Cash from operations	\$ 182.6	\$ 171.3	\$ 155.5
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Capital expenditures

Business acquisitions	117.6	58.8	96.1
Purchase of fixed assets	124.5	95.9	72.2

Dividends declared	32.5	26.9	23.0
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YEAR-END FINANCIAL POSITION

Working capital	85.9	127.7	67.0
Fixed assets	446.0	370.4	338.7
Intangible assets and goodwill	286.6	215.6	197.6
Assets and capital employed	1,595.0	873.2	791.1
Long-term debt	757.9	92.7	145.8
Minority interest	107.5	106.8	82.2
Convertible debentures	33.1	52.3	54.3
Shareholders' equity	556.1	481.8	392.7

RATIOS

Operating return on revenue	15%	17%	16%
Return on average shareholders' equity plus debentures	17%	18%	18%

ANNUAL STOCK PRICES

Class X - High	\$ 14.88	\$ 12.88	\$ 10.75
- Low	9.88	8.25	7.32
- Close	13.25	9.81	9.50
Class Y - High	13.00	11.63	9.88
- Low	8.75	8.00	6.63
- Close	11.50	8.63	8.75

Notes:

Per share data has been restated to give retroactive effect to the two-for-one stock split effective May 16, 1988.

Results have been restated to reflect The Houston Post, which was sold in November 1987, as a discontinued operation.

1985	1984	1983	1982	1981	1980	1979
\$ 238.8	\$ 212.4	\$ 184.0	\$ 168.4	\$ 159.4	\$ 126.3	\$ 105.5
134.9	125.9	100.2	95.6	82.9	61.5	27.0
166.0	153.7	140.5	94.1	26.1	20.9	17.8
162.1	137.1	115.1	92.6	70.6	46.6	38.0
51.1	52.1	51.5	51.4	47.5	38.6	31.6
32.1	28.0	26.5	22.8	22.9	19.4	19.7
<u>\$ 785.0</u>	<u>\$ 709.2</u>	<u>\$ 617.8</u>	<u>\$ 524.9</u>	<u>\$ 409.4</u>	<u>\$ 313.3</u>	<u>\$ 239.6</u>
\$ 9.7	\$ 7.3	\$ 3.7	\$ 4.1	\$ 4.3	\$ 3.3	\$ 2.5
15.4	15.1	8.4	6.6	7.5	4.7	4.2
11.1	9.6	6.7	3.2	4.9	4.2	3.5
23.2	17.2	12.0	7.7	9.0	7.3	5.6
59.4	49.2	30.8	21.6	25.7	19.5	15.8
5.2		16.9	2.9	2.6		
<u>\$ 64.6</u>	<u>\$ 49.2</u>	<u>\$ 47.7</u>	<u>\$ 24.5</u>	<u>\$ 28.3</u>	<u>\$ 19.5</u>	<u>\$ 15.8</u>
40¢	34¢	22¢	17¢	20¢	17¢	15¢
12.6¢	9.6¢	8.5¢	8.3¢	7.2¢	5.9¢	4.8¢
13.9¢	10.9¢	9.8¢	9.5¢	8.4¢		
146,697	143,972	142,777	118,585	116,311	112,532	110,438
155,331	150,797	142,412	141,244	139,476	125,952	108,173
\$ 122.2	\$ 101.9	\$ 90.8	\$ 65.7	\$ 59.5	\$ 35.7	\$ 36.2
35.2	7.5	122.5	71.7	19.4	26.9	6.7
48.0	51.1	58.9	71.5	62.7	42.2	23.4
18.6	14.2	11.6	10.1	8.7	6.7	5.3
110.6	57.5	14.0	24.9	57.7	38.2	13.3
303.0	298.6	288.4	268.7	167.6	119.0	79.9
140.7	111.3	105.6	94.8	56.5	49.2	34.6
716.7	635.4	536.5	405.1	300.9	224.8	142.7
170.5	193.6	256.5	156.2	114.1	70.3	61.9
71.3	61.3	36.4	31.7	3.3	3.1	1.0
55.0	55.0		45.0	47.2	49.7	
318.6	248.6	205.0	120.8	100.9	71.9	55.6
17%	16%	15%	13%	16%	16%	16%
19%	19%	17%	15%	21%	23%	33%
\$ 7.82	\$ 5.91	\$ 4.66	\$ 3.06	\$ 3.44	\$ 3.25	\$ 1.50
5.50	4.10	2.63	2.00	1.81	1.34	1.17
7.44	5.69	4.25	2.69	3.00	3.16	1.38
7.38	5.63	4.56	2.94	3.44		
5.19	4.00	2.34	2.00	2.19		
6.63	5.54	4.13	2.28	2.94		

CAPITAL STOCK

The Company has two classes of publicly traded participating shares:

Class X voting shares, which are convertible into Class Y shares on a one-for-one basis at any time, at the option of the shareholder.

Class Y non-voting shares, which are convertible into Class X shares in the event of a takeover bid for Maclean Hunter for which the Board of Directors does not recommend rejection or in the event of liquidation of the Company.

LISTING OF STOCK

The Toronto Stock Exchange, The Montreal Exchange

Stock symbol: Mclan H X Mclan H Y

DIVIDENDS

Class Y shareholders are entitled to receive dividends equal to those paid on the Class X shares plus the lesser of 1 1/4¢ per annum and 20% of the dividend per share paid to Class X shareholders.

It is corporate policy to pay dividends equal to 40% of the previous year's earnings. The new dividend rate has historically taken effect with the July dividend. Subject to formal declaration by the Board, dividend record and payment dates for the next four dividends will be as follows:

<i>Record Date</i>	<i>Payment Date</i>
April 10, 1989	May 5, 1989
July 10, 1989	August 4, 1989
October 9, 1989	November 3, 1989
January 8, 1990	February 9, 1990

Dividends declared during 1988 were: Class X shares 21.0¢ and Class Y shares 22.25¢.

Shareholders are invited to familiarize themselves with the Company's automatic dividend reinvestment plan whereby shareholders may elect to invest cash dividends in new shares of the same class. The shares are acquired at market value. For further information in this regard contact the transfer agent.

REGISTRAR AND TRANSFER AGENT FOR CLASS X AND CLASS Y SHARES

Montreal Trust Company: Toronto, Montreal, Winnipeg, Calgary, Vancouver, Regina

REGISTRAR FOR DEBENTURES

Montreal Trust Company: Toronto, Montreal, Winnipeg, Calgary, Vancouver, Regina

SHARE TRANSFER RESTRICTIONS

Pursuant to its articles of incorporation, the Company has the right to refuse to register a transfer of any shares in the capital of the Company that may, in the opinion of the Directors, adversely affect (i) the status of the Company or any of its subsidiaries under the licensing provisions of any government legislation or regulation including the Broadcasting Act of Canada, or (ii) the status of any newspaper or periodical published by the Company or any of its subsidiaries as a "Canadian newspaper or periodical". In this connection; the Directors of the Company may require any person into whose name shares are proposed to be registered to submit a declaration setting out certain information including the name of the beneficial owner of the shares and information relating to the beneficial owner's Canadian status.

At December 31, 1988, according to the Registrar's records, 99% of the Class X shares and 91% of the Class Y shares were registered in the names of Canadian residents.

ANNUAL MEETING

Wednesday, April 26, 1989, 11 a.m., Commerce Hall, Commerce Court West, Toronto, Ontario.

DIRECTORS AND OFFICERS

*DONALD G. CAMPBELL
Chairman

*RONALD W. OSBORNE
President and Chief Executive Officer

*JEAN R. DOUVILLE

*F. WILLIAM FITZPATRICK

*JOHN M. HOLTON

*RADCLIFFE R. LATIMER

*E. PETER LOUGHEED

*FREDERICK T. METCALF
Chairman, Maclean Hunter Cable TV

*ALEXANDER MIKALACHKI

*GORDON P. OSLER

*NANCY G. THOMSON

*WILLIAM P. WILDER
**Director*

FLOYD S. CHALMERS
Honorary Chairman

GILBERT A. ALLARD
Vice-President, Communication Services

ALAN BLACKBURN
Assistant Vice-President, Compensation Services

ERNEST J. COZENS
Assistant Treasurer

BRUCE L. DRANE
Vice-President, Consumer Magazines

J. ROBERT FURSE
Vice-President, Finance and Chief Financial Officer

MATTHEW B. FYFE
President, Canadian Printing

J. BARRY GAGE
President and Chief Executive Officer, Maclean Hunter Cable TV

JOHN H. GREENHOUGH
President and Chief Executive Officer, Data Business Forms Limited

STEVEN M. HARRIS
President, KEY Radio Limited

PHILIP F. JAMES
Treasurer and Assistant Secretary

TERRY L. MALDEN
Executive Vice-President, Canadian Periodical Publishing

FRANK H. NEUBAUER
Group President, Printing

JEAN PARÉ
Vice-President, Quebec Publications

MONICA F. SIMMIE
Corporate Secretary

MORRIS P. SLEMKO
Assistant Vice-President and Corporate Controller

JEFFREY J. SMYTH
Vice-President, Corporate Affairs

JAMES K. WARRILLOW
President, Canadian Periodical Publishing

CHARLES E. WILSON
Vice-President, Business Publications

WILLIAM P. WILDER

Company Director

Age 66

Elected Director 1977. Retired Chairman, Consumers' Gas. Director: John Labatt Limited; Noranda Inc.; Sears Canada; BGR Precious Metals; Budd Canada; The Canada Life Assurance Company; NIM Management Limited; Royal Bank of Canada; United Corporations. Member: Executive and Advisory Committees, School of Business Administration, University of Western Ontario; Advisory Committee, Energy International N.V.

FREDERICK T. METCALF

Chairman,

Maclean Hunter Cable TV

Age 67

Joined MH 1967, after 15 years with MH Cable.

Elected Director 1969. Served with MH as President and Chief Operating Officer, 1977-1984. Chairman, Maclean Hunter Cable TV, Inc. Founding President: Canadian Cable Television Association. Director: Canada Trust.

ALEXANDER MIKALACHKI

Company Director

Age 55

Elected Director 1987. Professor and Associate Dean - Programs, School of Business Administration, The University of Western Ontario. Director: Sterivet Laboratories Limited; Webber Incorporated; GEAC Computer Corporation Limited; National Centre for Management Research and Development, The University of Western Ontario.



Directors' biographies are in order of their appearance in the photos from left to right.

JOHN M. HOLTON

Company Director

Age 63

Elected Director 1971. President, Hunco Limited; Elwil Properties Limited. Director: Rostland Corporation.

RONALD W. OSBORNE

President and Chief Executive Officer,
Maclean Hunter Limited

Age 42

Joined MH 1981.

Elected Director 1984. Has served MH as Vice-President, Broadcasting; Vice-President, Finance and Chief Financial Officer. Director of The Toronto Sun Publishing Corporation and several MH subsidiary companies. Director: Cambridge Canadian Trust; CTV Television Network. Fellow: Canadian Institute of Chartered Accountants. Member: The Financial Post Advisory Board; International Trade Advisory Committee (ITAC); Chairman: Sectoral Advisory Group on International Trade (SAGIT - Arts and Cultural Industries); Board, Women's College Hospital; Board of Governors, Ryerson Polytechnical Institute; Business Council on National Issues (BCNI). Former partner: Clarkson Gordon; Arthur Young, Clarkson Gordon (Brazil).

DONALD G. CAMPBELL

Chairman,

Maclean Hunter Limited

Age 63

Joined MH 1957.

Elected Director 1959. Has served MH as: Controller; Vice-President, Finance; Executive Vice-President, Broadcasting, Finance; President and CEO. Chairman: Research Development Corporation; Advisory Committee, School of Business Administration, University of Western Ontario. Director: The Canada Life Assurance Company; The Financial Post Company Limited; Hunco Limited; Interhome Energy Inc.; Toronto-Dominion Bank; The Toronto Sun Publishing Corporation. Fellow: Canadian Institute of Chartered Accountants.



F. WILLIAM FITZPATRICK

Company Director

Age 56

Elected Director 1978 – 1986. Re-elected 1988. Director: CFCN Communications Limited; Canadian Foremost Ltd.; Interhome Energy Inc.; Investors Group; Member, Advisory Committee, School of Business Administration, University of Western Ontario.

RADCLIFFE R. LATIMER

Company Director

Age 55

Elected Director 1984. Chairman: Prudential Corporation Canada. Director: Algoma Central Railway; Citibank Canada. Governor: Massey Hall; Roy Thomson Hall. Chairman: Doctors Hospital Foundation.

E. PETER LOUGHEED

Company Director

Age 60

Elected Director 1986. Former Premier of Alberta, now a partner in the law firm of Bennett Jones, Calgary. Companion of the Order of Canada; Queen's Counsel. Director: ATCO Ltd.; Biotechnica Canada Inc.; Bombardier, Inc.; Brascan Ltd.; Canadian Pacific Limited; CFCN Communications Limited; China Canada Investment Development Corporation; Luscar Ltd.; The Matthews Group; Norcen Energy Resources Limited; Northern Telecom Limited; Princeton Developments Ltd.; Quorum Capital Corporation; Reed Stenhouse Companies Limited; Royal Bank of Canada. Lecturer: Universities of Calgary and Edmonton. Co-Chairman: Canadian Alliance for Trade and Job Opportunities. Member: The Financial Post Advisory Board.

JEAN R. DOUVILLE

Company Director

Age 45

Elected Director 1987. President & CEO, UAP Inc. Director: Banque Nationale de Paris (Canada); Sodisco Inc. Member, Board of Directors: Chambre de Commerce de Montréal; Montreal Symphony Orchestra. Member, Board of Governors: The Foundation for Quebec University Athletics; Fondation du Théâtre du Nouveau Monde. Member: Quebec Bar Association.

NANCY G. THOMSON

Company Director

Age 55

Elected Director 1988. President and Chief Executive Officer, Nancy Thomson Investing for Women. Director: GSW Inc.; National Trust Company; The National Victoria and Grey Trustco Limited. Member: Advisory Committee, School of Business Administration, University of Western Ontario. Life Member, Board of Governors, Shaw Festival.

GORDON P. OSLER

Company Director

Age 66

Elected Director 1976. Chairman and Director: TransCanada PipeLines Limited; North American Life Assurance Co. Director: Household International Inc.; Ipsco Inc.; Toronto-Dominion Bank; MICC Investments Ltd.; The Mortgage Insurance Co. of Canada; Co-Steel Inc. Trustee: Canada Trust Investment Income.

**EXECUTIVE
COMMITTEE**

Mr. D. G. Campbell,
Chairman
Mr. F. T. Metcalf
Mr. R. W. Osborne
Mr. G. P. Osler
Mr. W. P. Wilder
(Mr. J. R. Furse,
Secretary)

**PENSION
ADVISORY
COMMITTEE**

Mr. W. P. Wilder,
Chairman
Mrs. V. Aziz
Mr. D. G. Campbell
Mr. F. T. Metcalf
Mr. R. W. Osborne
Mr. G. P. Osler
(Mr. J. R. Furse,
Secretary)

**AUDIT
COMMITTEE**

Mr. G. P. Osler,
Chairman
Mr. F. T. Metcalf
Mr. J. M. Holton
Mr. R. R. Latimer
Mr. W. P. Wilder
(Mr. J. R. Furse,
Secretary)

GILBERT A. ALLARD

*Vice-President,
Communication Services*

Age 58

Joined MH 1973.

Has served MH as: President, Maclean Hunter Paging; President, Suburban Cablevision. Prior to joining MH, held senior executive positions with cable television companies in Canada and the U.S. Past President, Canadian Cable Television Association.

J. ROBERT FURSE

*Vice-President, Finance
and Chief Financial Officer*

Age 49

Joined MH 1985.

Serves as Director of several MH subsidiary companies and Secretary to the Executive Committee, Pension Advisory Committee, and Audit Committee of the Board of Directors. Prior to 1985 was a partner at Clarkson Gordon. Member: Council of Financial Executives, Conference Board of Canada, Canadian Institute of Chartered Accountants. Director or Advisor to various community and charitable organizations.

MATTHEW B. FYFE

*President,
Canadian Printing*

Age 52

Joined MH 1967.

Has served MH as: Controller and Treasurer; Vice-President, Finance. Director and Past Chairman, Canadian Printing Industries Association (CPIA). Past President, Toronto branch, CPIA. Member, Magazine Printers, Printing Industries of America, Inc.

J. BARRY GAGE

*President and Chief Executive Officer,
Maclean Hunter Cable TV*

Age 50

Joined MH 1969.

Chief Executive Officer of all Maclean Hunter cable systems. Has served MH as Manager, Accounting. Has served MH Cable as: Secretary-Treasurer; General Manager and Treasurer; Vice-President; Executive Vice-President. Member, Canadian Institute of Chartered Accountants. Director, Canadian Cable Television Association. Member of Board of Governors and Vice Chairman, Scarborough General Hospital.

JOHN H. GREENHOUGH

*President and Chief Executive Officer,
Data Business Forms Limited*

Age 49

Joined MH 1962.

Chairman: Davis & Henderson; General Business Forms. Director, Transkrit Corporation. Has served MH as: Publisher; Group Publisher; Vice-President, Printing. Has served Data Business Forms as: Vice-President and General Manager; Executive Vice-President; President and Chief Operating Officer. Director and Past Vice-President, Canadian Business Forms Association.

STEVEN M. HARRIS

*President,
KEY Radio Limited*

Age 40

Joined MH 1986.

Chairman, KEG Productions Limited. Director: Blue Water Broadcasting Limited, CFCN Communications Limited, Eastern Broadcasting Company Limited, Maritime Broadcasting Company Limited. Prior to joining MH, held senior executive positions with Cineplex Odeon Corporation, Super-Channel Pay Television, completed 13 years of broadcast group management and served on the staff of the CRTC. Director: FACTOR (Foundation for the Advancement of Canadian Talent on Record); Television Bureau of Canada. Past Director: Canadian Association of Broadcasters and Broadcast Executives Society.

TERRY L. MALDEN

*Executive Vice-President,
Canadian Periodical Publishing*

Age 42

Re-joined MH 1988.

Previously with MH from 1971 to 1982. Has served MH as: Controller, Maclean Hunter Limited; Assistant to the Vice-President, Magazine Division; Circulation Director, Consumer Magazines. Member, Advertising Standards Council, Canadian Advertising Foundation. Past Director, Print Measurement Bureau.

FRANK H. NEUBAUER

*Group President,
Printing*

Age 51

Joined MH 1980.

Has served MH as Chairman, CEO of Transkrit Corp. President of Transkrit. Past Director, IBFI. Past Director, Vice-President, Treasurer, Printing Industries of Metropolitan New York. Past Participant, Management Decision Lab, N.Y.U. Graduate School of Business.

MONICA F. SIMMIE

Corporate Secretary

Age 35

Joined MH 1975.

Serves as Secretary to the Management Committee, as well as the Maclean Hunter Board of Directors.

JEFFREY J. SMYTH

*Vice-President,
Corporate Affairs*

Age 48

Joined MH 1987.

Directs the support services in the Corporate Office which include personnel, compensation, corporate relations and legal services. Prior to joining MH held marketing and senior management positions in financial services and consumer products in Canada and the United States. Director: Toronto Symphony; Glenn Gould Foundation.

JAMES K. WARRILLOW

*President,
Canadian Periodical Publishing
Publisher, Maclean's Magazine*

Age 44

Joined MH 1976.

Has served MH as: President, Telephone Communicators Canada Limited. Director of Marketing, Publisher and Vice-President, The Financial Post Division. Chairman, Magazines Canada. Vice-Chairman, Junior Achievement of Canada. Director: Canadian Advertising Foundation; CB Media Limited. Member: The Financial Post Advisory Board; Advisory Council, Queen's University School of Business. Past President: The Canadian Club of Toronto.

Note: Ronald W. Osborne, President and Chief Executive Officer of Maclean Hunter, serves as Chairman of the Management Committee, of which Maclean Hunter Chairman Donald G. Campbell is also a member.

**CANADIAN
PUBLISHING**

James K. Warrillow, President,
Canadian Periodical Publishing

Terry L. Malden,
Executive Vice-President,
Canadian Periodical Publishing

Howard J. Adams,
Vice-President, Circulation

Harvey T. Botting,
Assistant Vice-President,
Canadian Periodical Publishing

Bruce L. Drane,
Vice-President,
Consumer Magazines

Paul C. Jones,
Associate Publisher,
Maclean's Magazine

Jean Paré,
Vice-President,
Quebec Publications

John L. Rawle,
Controller,
Canadian Periodical Publishing

Donna M. Scott,
Publisher, Flare Magazine

Charles E. Wilson,
Vice-President,
Business Publications

**INTERNATIONAL
PUBLISHING (US)**

**Maclean Hunter Publishing
Company (Chicago)**

M. Dan Sember,
President

Robert L. Lick,
Publishing Director,
Mining and Construction Group

John Favat,
Group Publisher,
Graphic Communications Group

Jack Guasta,
Vice-President, Operations
and Chief Financial Officer

Marvin Gordon,
Vice-President,
Blue Book Operations,
Maclean Hunter Market Reports, Inc.

John Heffinger, Jr.,
Vice-President,
Red Book Operations,
Maclean Hunter Market Reports, Inc.

Joseph Crown,
Vice-President and
General Manager,
MH West Inc.

Alfred B. Lee,
Publisher, Auto Age
and Vice-President,
MH West Inc.

**Lakewood Publications Inc.
(Minneapolis)**

James P. Secord,
President and
Chief Executive Officer

Michael C. Miller,
Vice-President and
Chief Financial Officer

Philip Jones,
Vice-President

Jerry C. Noack,
Vice-President and Publisher

Mary Hanson,
Vice-President and Publisher

Linda Klemstein,
Vice-President

**HP Publishing Company
(New York)**

David W. Fisher,
President and Editorial Director

Milton Liebman,
Executive Vice-President and
Publisher

**Maclean Hunter Media
(Stamford, Connecticut)**

John W. Skeels,
President

Richard K. Hofler,
Senior Vice-President

Harold E. Clark,
Senior Vice-President

Paul Resler,
Vice-President

Garry Van Siclen,
Vice-President

**INTERNATIONAL
PUBLISHING (UK)**

**Maclean Hunter Limited
(London, England)**

Gerald J. Brigg,
Managing Director

Douglas B. Wright,
Financial Director
and Company Secretary

Denis L. Jones,
Director and Group Publisher

Nigel C. G. Foster,
Director and Group Publisher

Christopher Ford,
Group Publisher

Martin Long,
Group Publisher

**INTERNATIONAL
PUBLISHING
(EUROPE)**

Horst Ebel,
Managing Director,
Media-Daten (Germany),
Bauverlag (Germany),
Media-Daten (Austria),
Media-Daten (Switzerland),
Tarif Media (France)

Carlo Pasini,
Chairman, Maclean Hunter
s.r.l. (Italy)

Dr. Lucio Spina,
Sales Manager, Maclean Hunter
s.r.l. (Italy)

Dr. Piero Silvestri,
Sales Manager, Maclean Hunter
s.r.l. (Italy)

Andreas Schirmer,
Managing Director,
Bauverlag (Germany)

Michael Schirmer,
Managing Director,
Bauverlag (Germany)

Dr. Axel Teichgräber,
Senior Publisher,
Media-Daten (Austria)

Dr. Hans Nater,
President of the Board,
Media-Daten (Switzerland)

Claude Poulin,
Managing Director,
Tarif Media (France),
Media International Data (Belgium)

PRINTING

Frank H. Neubauer,
Group President, Printing

Matthew B. Fyfe,
President, Canadian Printing

John H. Greenhough,
President and
Chief Executive Officer,
Data Business Forms Ltd.

Jerry F. Mahoney,
President, Transkrit Corporation

Rod McGregor,
President, Yorkville Group

A. J. (Bill) Williams,
President and
Chief Executive Officer,
Davis & Henderson Ltd.

C. Sanford McFarlane,
President,
Davis & Henderson Intercheques

Ron W. Chase,
Vice-President,
Maclean Hunter Printing

Richard Bassett,
President,
Yorkville Press

Michael J. Soro,
President,
York Litho

Paul Parr,
President,
Litho Plus

James J. White,
President and
Chief Executive Officer,
Jasper Group of Companies

John Conway,
Vice-President and
General Manager,
Data Business Forms Ltd.

Ted J. Appleby,
President,
General Business Forms Ltd.

Doug H. Hardie,
Vice-President,
Sales and Marketing,
General Business Forms Ltd.

John B. Hoyle,
President,
Pakfold Business Forms Division

Thomas J. Cobery,
President,
Label Art, Inc.

CABLE TELEVISION

Frederick T. Metcalf,
Chairman

J. Barry Gage,
President and
Chief Executive Officer

R. Scott Colbran,
Senior Vice-President (Canada)

Phil R. Patterson,
Senior Vice-President (U.S.)

John Haughey,
Vice-President, Finance

R. Merle Zoerb,
Vice-President, Programming

Geoff Heathcote,
Vice-President, Engineering

Donald H. Hinds,
Vice-President, Operations

Frank P. DeJoy,
Vice-President and
General Manager,
Suburban Cablevision

William J. McKissock,
Vice-President and
General Manager,
Cable TV of Jersey City, Inc.

Jack G. Leachman,
Vice-President,
Michigan Operations
Maclean Hunter Cable TV, Inc.

John D. Rawcliffe,
Vice-President and
General Manager,
Barden Cablevision

BROADCASTING

Steven M. Harris,
Vice-President, Broadcasting,
Maclean Hunter Limited and
President, KEY Radio Ltd.

Jack W. Schoone,
President,
Maritime Broadcasting System and
Executive Vice-President,
KEY Radio Ltd.

Shaun W. Purdue,
President,
CFCN Communications Ltd.

KEY Radio

Eric W. Rothschild,
Vice-President,
Corporate Affairs

Gerald L. Kennedy,
Secretary-Treasurer
and Controller

J. Paul Firminger,
Vice-President,
Engineering

David E. Lyman,
Vice-President and
General Manager,
KEY590

Harold E. Blackadar,
Vice-President and
General Manager,
CIWW/CKBY Radio

James T. Webb,
Vice-President and
General Manager,
CHYM/CKGL Radio

Arthur A. Kovats,
Vice-President and
General Manager,
CFCO Radio

Louis F. Tomasi,
General Manager,
CHYR Radio

Donald C. Chamberlain,
President,
Blue Water Broadcasting Limited

John Divinski,
Operations Manager,
CKTY/CFGX Radio

Maritime Broadcasting

Merv Russell,
Executive Vice-President and
Vice-President, Sales,
Maritime Broadcasting System

Bruce Irving,
Vice-President, Finance,
Maritime Broadcasting System

Pat St. John,
Vice-President, Programming,
Maritime Broadcasting System,
and General Manager
and Vice-President,
Maritime Broadcasting Company
Limited

Brian Hooper,
Vice-President, Engineering,
Maritime Broadcasting System

Frank Lewis,
Vice-President and
General Manager,
CFCY/CHLQ Radio

Sandy Gillis,
Vice-President and
General Manager,
CKCW/CFQM Radio

Art Noiles,
Vice-President and
General Manager,
CIOK Radio

Dick Alberts,
Vice-President and
General Manager,
CKNB Radio

Ian Byers,
Vice-President and
General Manager,
CFAN Radio

Gary Crowell,
Vice-President and
General Manager,
CJCW Radio

CFCN Communications

Miles A. Christianson,
Controller

Richard J. Coleman,
Director of Engineering

Bruce T. Nelson,
Vice-President, Programming,
CFCN-TV

George E. Gonzo,
Vice-President, Sales,
CFCN-TV

Dale E. O'Hara,
Director of News & Public Affairs,
CFCN-TV

William J. Wingert,
General Manager,
CFCN-TV, Lethbridge

Vincent R. DiMaggio,
Vice-President and
General Manager,
AM106 & CJAY-FM

Neil D. Maclean,
General Sales Manager,
AM106 & CJAY-FM

COMMUNICATION SERVICES

Gilbert A. Allard,
Vice-President,
Communication Services

Industrial Trade & Consumer Shows Inc.

James K. Mahon,
Vice-President,
Trade & Consumer Shows

Paul D. Lorimer,
Vice-President, Show Services

Bernice Martin,
Controller

Maclean Hunter Communications Inc.

E. David Cranstone,
Vice-President, Paging

Harold Hay,
Vice-President, Finance

Eva Lovas, Controller

The Learning Tree

William T. Lynch,
President

James Searle,
Vice-President, Sales

Virginia Davis,
Vice-President, Library Services

Wendy March,
Vice-President, Marketing

Noreen Onisko,
Vice-President, Operations

Jim Duffield,
Controller

Bowden's Information Services Limited

John K. Weinsies,
General Manager

Canadian Ad-Check Services

Dorothy J. Bray,
President

CORPORATE AFFAIRS

Jeffrey J. Smyth,
Vice-President,
Corporate Affairs

Alan Blackburn,
Assistant Vice-President,
Compensation Services

Charles H. Lee,
Personnel Director

Monica F. Simmie,
Corporate Secretary

Colleen F. Flood,
Manager,
Corporate Relations

FINANCE

J. Robert Furse,
Vice-President, Finance
and Chief Financial Officer

Morris P. Slemko,
Assistant Vice-President
and Corporate Controller

Philip F. James,
Treasurer and Assistant Secretary

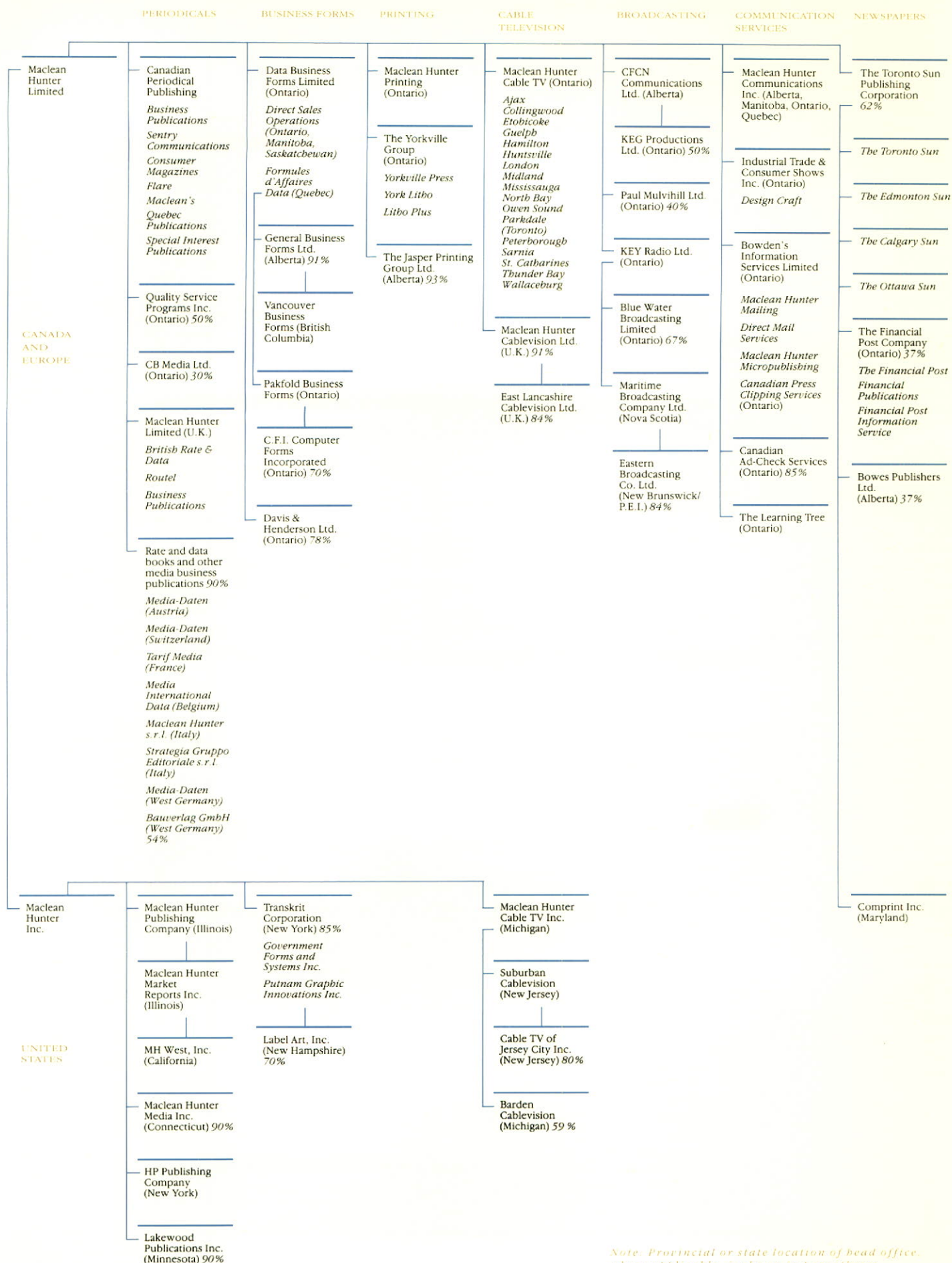
Eric A. Kroman,
Manager, Internal Audit

Stephen B. Burke,
Manager, Corporate Accounting

Ernest J. Cozens,
Assistant Treasurer and
Senior Manager, Taxation

Arlene Cohen,
Manager, Taxation

March 1, 1989



Note: Provincial or state location of head office, where applicable, is shown in parentheses. Percentages indicate Maclean Hunter participation.

PERIODICALS

Canada

L'Actualité
L'Actualité médicale
Aerospace & Defence Technology
Automotive Advertising Report
Automotive Service Data Book
Bar Code Quarterly
Bâtiment
BC Outdoors
Benefits Canada
Biotechnology Canada
Building Renovation
Le Bulletin des Agriculteurs
Le Bureau
Business to Business Marketing
Canadian Advertising Rates & Data
Canadian Art (50% owned)
Canadian Auto Review
Canadian Automotive Trade
Canadian Autoparts Marketing
Canadian Aviation
Canadian Building
Canadian Clinical Laboratory
Canadian Communications Report
Canadian Computer Reseller
Canadian Datasystems
Canadian Directory of Shopping Centres
Canadian Electronics Engineering
Canadian Food & Drug Packaging News
Canadian Grocer
Canadian Hotel & Restaurant
Canadian Industry Shows & Exhibitions
Canadian Interiors
Canadian Jeweller
Canadian Machinery & Metalworking
Canadian Packaging
Canadian Premiums & Incentives
Canadian Printer & Publisher
Canadian Red Book
Canadian Research
Canadian Secretary
Canadian Snowmobile Trade-in Guide
Canadian Travel Courier
Canadian Truck Equipment Manual
Canadian Yachting
Chatelaine
Châtelaine
City & Country Home
Civic Public Works
Contractor's Marketplace
Creativity
Current Therapy
Design Engineering
Directory of Restaurants & Fast Food Chains
Directory of Retail Chains in Canada
Drillsite
Drug Merchandising
L'Épicer
Flare
Floor Covering News
Food in Canada
Fraser's Canadian Trade Directory
Hardware Merchandising
Hardware Product News
Heavy Construction News
Heavy Equipment Maintenance
Home Goods Retailing
Hospital Products & Technology
L'Hospitalité
Hospitality Product News
Industrial Maintenance Repair & Overhaul News
Industrial Product Ideas
Industrie/Nouvelles
Inside AudioVideo
Journal des Pâtes et Papier
Laboratory Times
Logging & Sawmilling Journal
Maclean's
Marketing
Materials Management & Distribution
Medical Digest & Dialogue
The Medical Post

Meetings & Incentive Travel
Mère Nouvelle
Metro Hospitality
Modern Purchasing
Monday Report on Retailers
The National List of Advertisers
New Mother
Octane
Office Equipment & Methods
Oilweek
Ontario Medicine
Ontario Out of Doors
Pacific Yachting
Le Pharmacien
Physician's Management Manuals
Plant Management & Engineering
Potentials in Marketing
Printing Product Guide
Profiles
Pulp & Paper Journal
Le Québec Industriel
Quincaillerie-Matériaux
Real Estate Development Annual
Retail Directions
Shopper's Gallery
Shopping Centre News & Construction Update
Silviculture
Le Ski
Ski Canada
Skimag
Smalls Capability Guide
Stature
L'Union Médicale
The Wednesday Report

Financial Post Publications

The Financial Post 500
The Financial Post Investor's Guide
The Financial Post Report on the Nation
Investor's Digest of Canada
Moneywise Annual Moneyplanner
Moneywise Magazine

United States

Airport Services Management
American Printer
Auto Age
Automobile Red Book
Boxboard Containers
Coal
Coal Mine Directory
Concrete Products
Dog World
Electronic Publishing & Printing
Engineering & Mining Journal
Frozen Food Age
Graphic Arts Products News
High Performance Manager
Hospital Practice
International Directory of Mining
Kennel Doctor
Keystone Coal Industry Manual
MD Magazine
Mobile/Manufactured Home Blue Book
Motorcycle Product News
Motorcycle Red Book
National Boat Book
National Farm Tractor & Implement Blue Book
National Mall Monitor
Older Car Red Book
Pacific Fishing
Paper, Film & Foil Converter
Potentials in Marketing
Potentials Mart
Progressive Grocer
Progressive Grocer Executive Report
Recreation, Sports & Leisure
Recreational Vehicle Blue Book
Rock Products
Textile World
Training
Truck Blue Book
Truck Blue Book Lease Guide
Van Conversion Blue Book

Textile World
Training
Truck Blue Book
Truck Blue Book Lease Guide
Van Conversion Blue Book

Britain

Airtrade
Bathrooms
Bedroom Bathroom Kitchen
Industry Yearbook & Directory
British Printer
British Rate & Data
BRAD Advertiser & Agency List
BRAD Direct Marketing Lists, Rates & Data
BRAD Directories & Annuals
Business Systems & Equipment
Converting World
Cruises
Express
Heating & Air Conditioning Journal
Hereford's Air Cargo Handbooks
International Freight Weekly
Kitchens
Lighting Equipment News
MH Marketing Services
Offset Printing & Reprographics
Packaging News
Routel Database
Routes
Travel Agency

Austria

Media-Daten
Agentur & Marken Monitor
(Agencies & Brand Monitor)
Print

France

Tarif Media

Belgium

Media (Indicateur Publicitaire)

Italy

Dati e Tariffe Pubblicitarie
(Advertising Rates and Data)
Agenzie
(Agencies' Portraits)
Agenzie & Clienti
(Agencies & Advertisers)
Carta 2000
(Printing in the Year 2000)
Case Di Produzione
(TV Producers)
La Stampa Quotidiana in Italia
(Newspapers in Italy)
Media Help
Promozione
(Promotion)
Strategia
(Strategy)

Switzerland

Media-Daten
Media-Daten Agend
(Media-Daten Agenda)
Media Trend Journal
Produktion & Kreation
(Production & Creation)
Werbe-woche
(Advertising Weekly)

West Germany

Agenturen & Marken Adress
(Agency & Brand Addresses)
Media-Daten Verbreitungsatlas
Anzeigenblätter
(Media-Daten Shopping Guides
Circulation Area Maps)

Media-Daten
Media-Daten Annuals
Media Spectrum
Media Plakat
(Media Billboarding)
Media Touristik
Print
Redaktions Adress
(Editorial Addresses)

Bauverlag

BMT Baumaschine + Bautechnik
(Building Machinery + Construction Methods)
awt abwassertechnik
(Waste Water Processing)
BW Bauwirtschaft
(Construction Trade Journal)
Berliner Bauwirtschaft
(Construction Trade Journal Berlin)
Bundesbaublatt
(Federal Housing Journal)
cf
(ceramic forum international)
ZKG (Zement-Kalk-Gips International)
(Cement-Lime-Gypsum)
ZfBR Zeitschrift für deutsches und internationales Baurecht
(Journal of German and International Construction Law)
BFT Betonwerk + Fertigteil-Technik
(Concrete Precasting Plant and Technology)
AT Aufbereitungs-Technik
(Mineral Processing)
ZI Ziegelindustrie International
(Journal for the Brick and Tile, Structural Ceramics, Refractory and Clay Pipe Industries)

Conferences/seminars

Canada

The Financial Post Conferences
Property Forum

United States

Boxboard Containers International
Corrugated Seminar
Boxboard Containers International
Folding Carton Seminar
Coal Preparation Conference & Exhibition
Lakewood Conferences
Longwall USA
Offshore Mining Conference
Rock By Rail Conference
Rock Products International
Cement Seminar
Training 88/Personnel 88
Textile World
Training Directors' Forum
Truck Blue Book Used Truck Seminar

Database and marketing services

Canada

Canada Wide Feature Services
Coast to Coast Distributing
The Financial Post Information Service

Bond Pricing Service
Canadian Bond Prices
Canadian Markets
Corporate Bond Record
Corporate Database
Corporation Card Service
Directory of Directors
Dividend Database
Dividend Record
FP Online
Government Bond Record
Management Diary
Mutual Funds Database
Preferred Shares & Warrants
Record of New Issues
Research Evaluation Service
Securities Database
Survey of Funds
Survey of Industrials
Survey of Mines & Energy
Resources
Survey of Predecessor & Defunct Companies
Ten Year Price Range
Weekly Stock Profile
Maclean Hunter Research Bureau
MH Creative

United States

Electronic Red Book
Lakewood Research
Progressive Grocer Information Sales
G-Store Directory
Database Service
Direct Mail Service
Market Scope
Marketing Guidebook
Mass Merchandisers Directory
Sampling Service
Retail Tenant Directory

Britain

BRAD Database
Routel (International Freightling Weekly)

Video magazines

United States

Convenience Store Insights
Restaurant Insights
Supermarket Insights

PRINTING

Canada

Operations: Maclean Hunter
Printing; Corporate Lithographing;
The Yorkville Group (Yorkville Press, York Litho, Litho Plus);
The Jasper Printing Group Ltd. (93% owned).

Typesetting and printing
Ink-Jet Printing and Demographic Profiling Systems

In-Line Direct Mail Products
Laser Response/Direct Mail Products

Magazines
Magalogues
Catalogues
Brochures
Annual reports
Flyers
Posters
Calendars
Electronic printing and publishing
Inserts
Stationery products
Colour separation

United States

Comprint Inc.

NEWSPAPERS

Canada

Bowes Publishers Limited
The Calgary Sun
The Edmonton Sun
The Ottawa Sun
The Toronto Sun
The Financial Post

BROADCASTING

Canada

AM106/CJAY-FM, Calgary, Alta.
CFAN-AM, Newcastle-Chatham, N.B.
CFCN-TV, Calgary and Lethbridge, Alta.
CFCO-AM, Chatham, Ont.
CFCY-AM/CHLQ-FM, Charlottetown, P.E.I.
CHNS-AM/CHFX-FM, Halifax, N.S.
CHYM-AM/CKGL-FM, Kitchener, Ont.
CHYR-AM, Leamington, Ont.
CJCW-AM, Sussex, N.B.
CKCW-AM/CFQM-FM, Moncton, N.B.
CKTY-AM/CFGX-FM, Sarnia, Ont.
CKNB-AM, Campbellton, N.B.
CKNG-FM, Edmonton, Alta.
K100-FM, Saint John, N.B.
KEY590-AM, Toronto, Ont.
W1310-AM/CKBY-FM, Ottawa, Ont.

Film and television production

Canada

CFCN Communications
KEG Productions Ltd. (50% owned)
Animal Aliens
Baby Animals
Camera in the Wilderness
From the Pacific Rim to the Serengeti
In Search of the Hawk
Naturalist with a Camera
Nature in Close-up
Profiles of Nature
The Man Who Loved Birds
The Unpredictable Prairie
Wild Guess
Wilderness Magic

News services

Canada

The Financial Post Radio

Broadcast air-time sales

Canada

Paul Mulvihill Limited (40% owned)

CABLE TELEVISION

Canada

Maclean Hunter Cable TV (16 franchises in Ontario)

United States

Barden Cablevision (59% owned) (franchise for City of Detroit, Michigan)
Cable TV of Jersey City, Inc. (80% owned) (franchise for Jersey City, New Jersey)
Maclean Hunter Cable TV, Inc. (15 franchises in Michigan)
Suburban Cablevision (42 franchises in New Jersey)

Britain

East Lancashire Cablevision Ltd. (84% owned)

BUSINESS FORMS

Canada

Operations: Data Business Forms; Formules d'Affaires Data; General Business Forms (91% owned); Vancouver Business Forms; C.F.I. Computer Forms Incorporated (70% owned); Davis & Henderson Ltd. (78% owned).
Custom forms
Single and multipart continuous forms
Short-run continuous forms
Snapsets
Datamailers
Pressure-sensitive labels
Form and label combinations
Married web products
Financial documents and certificates
Continuous letterhead
Statements
Laser printer forms (stock and custom)
Stock forms
Register forms
Single and multipart continuous forms
Continuous letterhead
Other stock products
Snapsets
Bang tail envelopes
Direct mail
Direct mail/direct marketing programs
Interactive communications
Promotional programs
Direct mail products
Other custom products
Personal cheques
Financial documents
Bar-coded shelf-edged labels
Laser-imaged financial documents
Variably imaged catalogues and statements
Price lists

United States

Operations: Transkrit Corporation (85% owned); Label Art, Inc. (70% owned)
Continuous mailers
Direct marketing and variably imaged printed products
Pegboard and machine accounting systems
Specialty business forms
Sheetfed spot-carbonized forms
Pressure-sensitive labels

COMMUNICATION SERVICES

Book distribution

Canada

The Learning Tree

Marketing

Canada

Bowden's Information Services Ltd.
Canada Wide Feature Services
Canadian Ad-Check Services (85% owned)
Canadian Press Clipping Services
Coast to Coast Distributing
Direct Mail Services
Maclean Hunter Mailing
Maclean Hunter Micropublishing

Radio paging

Canada

Maclean Hunter Communications Inc.
Service de Pagette (Servi-Page)

Show services

Canada

Design Craft
International Exposition Services

Show Management

Canada

Operation: Industrial Trade & Consumer Shows Inc.
Air Freight International
Calgary Business Computer Show
Canadian Computer Show
Canadian Construction Show
Canadian Launderers & Drycleaners Exposition (Clean Canada)
Canadian Offshore Resources Exposition
Canadian Plant Engineering & Machine Tool Show
Canadian Premium/Incentive/Travel Show and Business Gift Exposition
Canadian Welding Show
CASALS
Edmonton Business & Government Computer Show
Halifax Business Computer Show
IIDEX
Metro Home Show (Toronto)
National Capital Kitchen, Bath & Window Show
National Machine Tool & Production Show
"Originals" Spring Craft Sale
Ottawa Business & Government Computer Show
Ottawa Christmas Craft Sale
Ottawa Fall Home Show
Ottawa Kitchen, Bath and Window Show
Ottawa Spring Home Show
PAC-EX
Quebec Business Computer Show
Recreational Vehicles Exhibition
S.C.I.B. (Canadian Computer/Office Technology Show)
Toronto Business Computer Show
Utility Equipment Show
Western Materials Management/Machinery & Welding Show

United States

Operations: Maclean Hunter Publishing Company; Lakewood Publications Inc. (90% owned).
Coal Preparation Conference & Exhibition
International Cement Seminar
International Corrugated Seminar
Folding Carton Seminar
Longwall USA
Cost Effective Training Conferences
Training Directors' Forum
Training Magazine's & Personnel Journal's
"The Best of America" Conferences & Expositions

Maclean Hunter Limited
Maclean Hunter Building
777 Bay Street
Toronto, Ontario M5W 1A7
(416) 596-5000
Facs: (416) 593-3175

Maclean Hunter Inc.
29 North Wacker Drive
Chicago, Illinois 60606-3298
(312) 726-2802
Facs: (312) 726-2574

PERIODICALS

Canadian Periodical Publishing
Maclean Hunter Building
777 Bay Street
Toronto, Ontario M5W 1A7
(416) 596-5000
Facs: (416) 596-5526

Quebec Publications
1001, boul. de Maisonneuve Ouest
Montreal, Quebec H3A 3E1
(514) 845-5141
Facs: (514) 845-4393

Sentry Communications
245 Fairview Mall Drive
Suite 500
Willowdale, Ontario M2J 4T1
(416) 490-0220
Facs: (416) 490-0119

Special Interest
Publications (East)
227 Front Street East
Suite 100
Toronto, Ontario M5A 1E8
(416) 368-0185
Facs: (416) 941-9113

Special Interest
Publications (West)
202-1132 Hamilton Street
Vancouver, British Columbia
V6B 2S2
(604) 687-1581
Facs: (604) 683-4335

HP Publishing Company
10 Astor Place, 7th Floor
New York, New York 10003
(212) 477-2727
Facs: (212) 477-6167

Lakewood Publications Inc.
50 South Ninth Street
Minneapolis, Minnesota 55402
(612) 333-0471
Facs: (612) 333-0471

Maclean Hunter Media Inc.
Four Stamford Forum
Stamford, Connecticut 06901
(203) 325-3500
Facs: (203) 325-4377

Maclean Hunter Publishing
Company
Maclean Hunter Market
Reports Inc.
29 North Wacker Drive
Chicago, Illinois 60606-3298
(312) 726-2802
Facs: (312) 726-2574

MH West, Inc.
6633 Odessa Drive
Van Nuys, California 91406
(818) 997-0644

Maclean Hunter Limited,
London, England
Maclean Hunter House
Chalk Lane
Cockfosters Road
Barnet, Herts EN4 OBU
Tel: 011-44-1-975-9759
Facs: 011-44-1-441-1361
011-44-1-441-1796

Bauverlag GmbH
Wittelsbacherstr. 10
6200 Wiesbaden, West Germany
Tel: 011-49-6121-791-0
Facs: 011-49-6121-791-285

Maclean Hunter s.r.l.
Piazzale A. Cantore 12
20123 Milan, Italy
Tel: 011-39-2-89-40-13-65
or 011-39-2-89-40-14-86
Facs: 011-39-2-837-8590

Media-Daten AG
Klausstr. 33
CH - 8034 Zurich, Switzerland
Tel: 011-41-1-694125
Facs: 011-41-1-691853

Media-Daten
Verlagsgesellschaft
Altmannsdorferstr. 78/II
A-1120 Vienna, Austria
Tel: 011-43-222-84-15-02
Facs: 011-43-222-84-15-02-23

Media-Daten
Verlagsgesellschaft
Heidesheimer Strasse 49
Postfach 3149
6500 Mainz-Gonsenheim
West Germany
Tel: 011-49-6131-40024
Facs: 011-49-6131-477873

Media International Data
Avenue du Barbeau 28
1160 Brussels, Belgium
Tel: 011-02-672-23-86

Tarif Media SA
61, avenue Victor Hugo
75116 Paris, France
Tel: 011-331-45021710
Facs: 011-331-45017884

NEWSPAPERS

The Toronto Sun Publishing
Corporation
333 King Street East
Toronto, Ontario M5A 3X5
(416) 947-2222
Facs: (416) 368-0374 -
Corporate & Executive
(416) 361-1205 - *Editorial*
(416) 947-3139 - *Display*
Advertising

Bowes Publishers Limited
Suite 206
14964-121A Avenue N.W.
Edmonton, Alberta T5V 1A3
(403) 451-1445

The Calgary Sun
2615-12 Street N.E.
Calgary, Alberta T2E 7W9
(403) 250-4200
Facs: (403) 291-4242

The Edmonton Sun
4990 - 92nd Avenue
Edmonton, Alberta T6B 2W1
(403) 468-0100
Facs: (403) 468-0128

The Financial Post
Maclean Hunter Building
777 Bay Street
Toronto, Ontario M5W 1A7
(416) 596-5000 - *General*
(416) 947-3200 - *Circulation*
Facs: (416) 596-5300

The Ottawa Sun
380 Hunt Club Road
Ottawa, Ontario K1G 3N3
(613) 739-7000
Facs: (613) 739-8043

BROADCASTING
Maclean Hunter Broadcasting
1 Yonge Street, Suite 2416
Toronto, Ontario M5E 1E5
(416) 367-1410
Facs: (416) 367-2849

KEY Radio Limited
1 Yonge Street, Suite 2416
Toronto, Ontario M5E 1E5
(416) 367-1410
Facs: (416) 367-2849

KEY 590 Radio
1 Yonge Street, 25th Floor
Toronto, Ontario M5E 1G1
(416) 361-1281

CHYM/CKGL Radio
305 King Street West
Kitchener, Ontario N2G 1B9
(519) 743-2611
Toronto Line: (416) 457-5599
Facs: (519) 743-9025

W1310/CKBY Radio
112 Kent Street, Suite 1900
Ottawa, Ontario K1P 6J1
(613) 238-7482
Facs: (613) 236-5382

CFCO Radio
21 Keil Drive
Chatham, Ontario N7M 5K9
(519) 352-3000
Facs: (519) 352-4801

Blue Water Broadcasting Limited
1415 London Road
Clearwater, Ontario N7S 1P6
(519) 332-5500
Facs: (519) 542-1520

CKTY/CFGX Radio
1415 London Road
Clearwater, Ontario N7S 1P6
(519) 332-5500
Facs: (519) 542-1520

CHYR Radio
100 Talbot Street East
Leamington, Ontario N8H 1L3
(519) 326-6171
Facs: (519) 322-1110

Maritime Broadcasting Company
Limited
Eastern Broadcasting Co. Ltd.
1313 Barrington Street
Halifax, Nova Scotia B3J 1Y3
(902) 422-1651
Facs: (902) 422-5330

CHNS/CHFX Radio
1313 Barrington Street
Halifax, Nova Scotia B3J 1Y3
(902) 422-1651
Facs: (902) 422-5330

CKCW/CFQM Radio
1000 St. George Boulevard
Moncton, New Brunswick
E1E 2E1
(506) 858-1220
Facs: (506) 858-1209

CIOK-FM Radio
400 Main Street
Saint John, New Brunswick
E2K 1J4
(506) 658-5100

CKNB Radio
100 Water Street
Campbellton, New Brunswick
E3N 3G7
(506) 753-4415
Facs: (506) 753-2672

CJCW Radio
590 Main Street
Sussex, New Brunswick E0E 1P0
(506) 433-4522

CFAN Radio
245 Pleasant Street
Newcastle, New Brunswick
E1V 3M5
(506) 622-3311

- CFCY/CHLQ Radio
141 Kent Street
Charlottetown,
Prince Edward Island C1A 7M7
(902) 892-1066
Facs: (902) 566-1338
- CFCN Communications Limited
Broadcast House - Station E
Calgary, Alberta T3C 3L9
(403) 240-4161
Facs: (403) 240-5883
- CFCN-TV
(Calgary & Lethbridge)
Broadcast House - Station E
Calgary, Alberta T3C 3L9
(403) 240-4161
Facs: (403) 240-5883
- AM106/CJAY Radio
Broadcast House - Station E
Calgary, Alberta T3C 3L9
(403) 240-4161
Facs: (403) 240-5883
- CKNG-FM Radio
10326 81st Avenue
Edmonton, Alberta T6E 1X2
(403) 469-5464
Facs: (403) 439-8017
- COMMUNICATION
SERVICES**
Bowden's Information
Services Limited
624 King Street West
Toronto, Ontario M5V 2X9
(416) 860-0794
Facs: (416) 860-1315
- Canadian Ad-Check Services
99 Duncan Mill Road
4th Floor
Don Mills, Ontario M3B 1Z2
(416) 444-5237
- Canadian Press Clipping
Services
Maclean Hunter Direct Mail
Services
Maclean Hunter Micropublishing
4601 Yonge Street
Willowdale, Ontario M2N 5L9
(416) 221-1660
Facs: (416) 221-8401
- Design Craft
20 Butterick Road
Toronto, Ontario M8W 3Z8
(416) 252-3361
Facs: (416) 252-9848
- Industrial Trade & Consumer
Shows Inc.
20 Butterick Road
Toronto, Ontario M8W 3Z8
(416) 252-7791
Facs: (416) 252-9848
- The Learning Tree
3269 American Drive
Mississauga, Ontario L4V 1V4
(416) 673-2644
Facs: (416) 673-3365
- Maclean Hunter Mailing
Services
Unit 410, 500 Keele Street
Toronto, Ontario M6N 3C9
(416) 766-2487
Facs: (416) 766-4574
- Maclean Hunter
Communications Inc.
11 Greensboro Drive
Rexdale, Ontario M9W 1C7
(416) 249-8455
Facs: (416) 249-1096
- Service de Pagette (Servi-Page)
810, av. Marguerite-Bourgeois
Quebec City, Quebec G1S 3W4
(418) 688-1999
- Maclean Hunter Communications
Alberta Answering Service
101-1212 1st St. S.E.
Calgary, Alberta T2G 2N8
(403) 237-6477
Facs: (403) 269-3651
- Maclean Hunter Communications
Intel Page
Suite 104, 8008-105 Street
Edmonton, Alberta T6E 4Z4
(403) 439-9727
Facs: (403) 431-1285
- Maclean Hunter Communications
Bip Comm
1955, ch. de la Côte-de-Liesse
Suite 113
Montreal, Quebec H4M 3A8
(514) 745-3141
- Les Services de Relève
Téléphonique
23, rue McLaren
Valleyfield, Quebec J6T 4Z7
(514) 373-5555
- Maclean Hunter Communications
TAC-Telephone
Suite 800
330 Portage Street
Winnipeg, Manitoba R3C 0C4
(204) 956-1260
Facs: (204) 943-0146
- Maclean Hunter Communications
240 Catherine Street
Suite 206
Ottawa, Ontario K2P 2G8
(613) 563-1472
Facs: (613) 230-1583
- Maclean Hunter Communications
Other Ontario Service Centre
Locations in:
Barrie
Brampton
Burlington
Guelph
Hamilton
Kitchener
London
Mississauga
Oakville
Sarnia
St. Catharines
Windsor
Woodstock
- BUSINESS FORMS**
Data Business Forms Limited
2 Shaftsbury Lane
Brampton, Ontario L6T 3X7
(416) 791-3151
Facs: (416) 791-3277
- Data Business Forms
101 Irene Street
Winnipeg, Manitoba
R3T 4C7
(204) 475-3320
Facs: (204) 453-4440
- Data Business Forms
115 Hodsman Road
Regina, Saskatchewan
S4N 5W5
(306) 525-5208
Facs: (306) 721-2640
- C.F.I. Computer Forms
Incorporated
130 Matheson Blvd. E., Unit 5
Mississauga, Ontario L4Z 1Y6
(416) 890-0626
Facs: (416) 890-6116
- Davis & Henderson Ltd.
66 Northline Road
Scarborough, Ontario
M4B 3E5
(416) 752-6775
Facs: (416) 752-5042
- Formules d'affaires Data
217, boul. Taschereau
Greenfield Park, Quebec
J4V 2H3
(514) 671-5581
Facs: (514) 671-3162
- General Business Forms Ltd.
104, 11504 - 170 Street
Edmonton, Alberta T5S 1J7
(403) 451-6780
Facs: (403) 451-4587
- Label Art, Inc.
One Riverside Way
Wilton, New Hampshire 03086
(603) 654-6131
Facs: (603) 654-2733
- Pakfold Business Forms
6050 Don Murie Street
P.O. Box 87
Niagara Falls, Ontario L2E 6S8
(416) 354-5609 (Niagara Falls)
(416) 364-1024 (Toronto)
Facs: (416) 356-3172
- Transkrit Corporation
P.O. Box 500
Brewster, New York 10509-0500
(914) 278-7000
Facs: (914) 278-2239
- Vancouver Business Forms Ltd.
8650 Barnard Street
Vancouver, British Columbia
V6P 5G5
(604) 266-4111
Facs: (604) 266-2421
- COMMERCIAL
PRINTING**
Maclean Hunter Printing
4601 Yonge Street
Willowdale, Ontario M2N 5L9
(416) 221-1131
Facs: (416) 221-8391
(416) 221-5471
- Comprint Inc.
9030 Comprint Court
Gaithersburg, Maryland
U.S.A. 20877
(301) 948-1520
Facs: (301) 948-1967
- Corporate Lithography
44 Fasken Drive
Rexdale, Ontario M9W 5W8
(416) 674-1766
- The Jasper Printing Group Ltd.
101, 11504-170 Street
Edmonton, Alberta T5S 1J7
(403) 451-6750
Facs: (403) 451-4587
- Litho Plus
390 Consumers Road
Willowdale, Ontario
M2H 4H1
(416) 495-8293
Facs: (416) 495-8582
- York Litho
8 Tidmore Avenue
Rexdale, Ontario M9W 5H4
(416) 745-8822
Facs: (416) 745-4288
- Yorkville Press
355 Nugget Avenue
Scarborough, Ontario M1S 4J2
(416) 291-7951
Facs: (416) 291-3757

CABLE TELEVISION

Ontario

Maclean Hunter Cable TV
80 Worcester Road
Etobicoke, Ontario M9W 1K7
(416) 675-5930
Facs: (416) 675-2436

Maclean Hunter Cable TV
700 Finley Avenue
Unit #5
Ajax, Ontario L1S 3Z2
(416) 683-1751

Maclean Hunter Cable TV
1605 Queen Street West
Toronto, Ontario M6R 3A8
(416) 534-1151

Maclean Hunter Cable TV
499 MacGregor Avenue
London, Ontario N6J 2K9
(519) 433-0141

Maclean Hunter Cable TV
45 Wright Street
St. Catharines, Ontario L2P 3K6
(416) 688-2555

Maclean Hunter Cable TV
18 Macdonell Street
Guelph, Ontario N1H 6M1
(519) 824-2030

Maclean Hunter Cable TV
1040 - 20th Street East
P.O. Box 440
Owen Sound, Ontario N4K 5P7
(519) 376-5195

Maclean Hunter Cable TV
Unit 1 - 100 Mountain Road
Collingwood, Ontario L9Y 3Z8
(705) 445-3405

Maclean Hunter Cable TV
P.O. Box 489
Balm Beach Road
Midland, Ontario L4R 4L3
(705) 526-5031

Maclean Hunter Cable TV
1635 Paquette Road
P.O. Box 3450
Thunder Bay, Ontario P7B 5J9
(807) 767-4422

Maclean Hunter Cable TV
240 Fee Street
P.O. Box 3170
North Bay, Ontario P1B 8S4
(705) 472-6580

Maclean Hunter Cable TV
135 James Street South
Suite 104
Hamilton, Ontario L8P 4V7
(416) 522-0123

Maclean Hunter Cable TV
20 West Street South
P.O. Box 730
Huntsville, Ontario P0A 1K0
(705) 789-2731

Maclean Hunter Cable TV
685 The Queensway
P.O. Box 2290
Peterborough, Ontario K9J 7Y8
(705) 742-9264

Maclean Hunter Cable TV
1421 Confederation Street
P.O. Box 218
Sarnia, Ontario N7T 7J1
(519) 332-8439

Maclean Hunter Cable TV
124 Nelson Street
Wallaceburg, Ontario N8A 4G3

United States

Barden Cablevision
12775 Lyndon
Detroit, Michigan 48227
(313) 934-2600
Facs: (313) 934-9490

Cable TV of Jersey City, Inc.
2121 Kennedy Boulevard,
Jersey City, New Jersey 07309
(201) 792-2253
Facs: (201) 332-6311

Maclean Hunter Cable TV, Inc.
(Wayne)
24744 Eureka Road
Taylor, Michigan 48180
(313) 946-6010
Facs: (313) 946-4421

Maclean Hunter Cable TV, Inc.
(Metro)
20936 Kelly Road
East Detroit, Michigan 48021
(313) 772-1023

Maclean Hunter Cable TV, Inc.
(Garden City)
29141 Pardo Road
Garden City, Michigan 48135
(313) 427-4940

Suburban Cablevision
43 Prospect Street
East Orange, New Jersey 07017
(201) 672-3033
Facs: (201) 672-7511

Credits

Co-ordination: Colleen Flood, Madlyn Sue, Morris Slemko

Design: Taylor & Browning Design Associates

Illustrations: Roger Hill

Photography: Ed Gajdel

Financial information: Stephen Burke, David Halford, Irene Tang, Tim Finnigan

Printed in Canada by: Yorkville Press (*a division of Maclean Hunter*)

Colour separations: Litho Plus (*a division of Maclean Hunter*)

